COMBINED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS

JUNE 30, 2004

Community Development Administration
Revenue Obligation Funds

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Reznick Fedder & Silverman
Certified Public Accountants • A Professional Corporation

Two Hopkins Plaza, Suite 2100
Baltimore, MD 21201
410-783-4900 Phone
410-727-0460 Fax
www.rfs.com

INDEPENDENT AUDITORS' REPORT

Office of the Secretary
Department of Housing and Community Development

We have audited the accompanying combined financial statements of the Community Development Administration Revenue Obligation Funds (the Funds) of the Department of Housing and Community Development of the State of Maryland as of and for the year ended June 30, 2004, as listed in the table of contents. These combined financial statements are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit provides a reasonable basis for our opinion.

As discussed in Note A, the combined financial statements present only the Community Development Administration Revenue Obligation Funds and do not purport to, and do not, present fairly the financial position of the Department of Housing and Community Development of the State of Maryland as of June 30, 2004, and the changes in its net assets and its cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Community Development Administration Revenue Obligation Funds of the Department of Housing and Community Development of the State of Maryland as of June 30, 2004, and the changes in its net assets and its cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The Supplemental Disclosure of Combined Changes in Fair Value of Investments and Mortgage-Backed Securities is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information has not been subjected to the auditing procedures applied in our audit of the basic combined financial statements and, accordingly, we express no opinion on it.

Reznick Fedder & Silverman

Baltimore, Maryland
September 28, 2004

Community Development Administration
Revenue Obligation Funds

COMBINED STATEMENT OF NET ASSETS
(in thousands)

June 30, 2004
(with comparative combined totals as of June 30, 2003)

	Single Family Program Bonds	Multi-Family Housing Revenue Bonds	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	Combined 2004	Combined 2003
RESTRICTED ASSETS							
Restricted current assets							
Cash and cash equivalents on deposit with trustee	$ 20,712	$ 28,494	$ 49,160	$ 104,153	$ 5,679	$ 208,198	$ 356,501
Investments	38,117	21,763	42,412	209,317	8,172	319,781	259,620
Mortgage-backed securities	-	137	1,643	-	-	1,780	1,116
Mortgage loans, net of allowance							
Single family	12,370	-	29	10,655	-	23,054	27,295
Multi-family construction and permanent financing	-	3,181	3,005	-	3	6,189	7,586
Energy and rehabilitation	-	-	-	-	56	56	90
Accrued interest and other receivables	13,520	2,341	2,731	12,785	425	31,802	37,891
Due from other Funds	915	-	13	-	9	937	146
Total restricted current assets	85,634	55,916	98,993	336,910	14,344	591,797	690,245
Restricted long-term assets							
Investments, net of current portion	180,495	21,020	36,323	28,613	25,792	292,243	355,657
Mortgage-backed securities, net of current portion	-	16,607	311,666	-	-	328,273	278,612
Mortgage loans, net of current portion							
Single family	392,995	-	648	625,105	104	1,018,852	1,206,893
Multi-family construction and permanent financing	-	179,137	84,301	-	562	264,000	330,646
Energy and rehabilitation	-	-	-	-	256	256	314
Deferred bond issuance costs	3,851	1,627	577	5,875	-	11,930	16,747
Total restricted long-term assets	577,341	218,391	433,515	659,593	26,714	1,915,554	2,188,869
Total restricted assets	$ 662,975	$ 274,307	$ 532,508	$ 996,503	$ 41,058	$ 2,507,351	$ 2,879,114

(continued)

Community Development Administration
Revenue Obligation Funds

COMBINED STATEMENT OF NET ASSETS - CONTINUED
(in thousands)

June 30, 2004
(with comparative combined totals as of June 30, 2003)

	Single Family Program Bonds	Multi-Family Housing Revenue Bonds	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	Combined 2004	Combined 2003
LIABILITIES AND NET ASSETS							
Current liabilities							
Accrued interest payable	$ 7,078	$ 957	$ 11,573	$ 11,916	$ -	$ 31,524	$ 38,546
Accounts payable	17	442	136	632	182	1,409	1,772
Accrued workers' compensation	-	-	-	-	4	4	3
Accrued compensated absences	-	-	-	-	320	320	272
Due to State Treasurer	-	-	-	-	1,426	1,426	1,464
Rebate liability	-	-	-	251	-	251	2,112
Bonds payable and short-term debt	40,175	17,620	5,190	246,280	-	309,265	386,465
Deposits by borrowers	-	7,782	5,242	-	-	13,024	14,209
Due to other Funds	-	-	-	937	-	937	146
Total current liabilities	47,270	26,801	22,141	260,016	1,932	358,160	444,989
Long-term liabilities							
Accrued workers' compensation, net of current portion	-	-	-	-	24	24	19
Accrued compensated absences, net of current portion	-	-	-	-	237	237	188
Rebate liability, net of current portion	14,944	574	-	1,683	-	17,201	25,996
Bonds payable, net of current portion	487,914	179,892	466,329	653,925	-	1,788,060	2,045,288
Deposits by borrowers, net of current portion	-	9,403	15,461	-	-	24,864	33,069
Total long-term liabilities	502,858	189,869	481,790	655,608	261	1,830,386	2,104,560
Total liabilities	550,128	216,670	503,931	915,624	2,193	2,188,546	2,549,549
COMMITMENTS AND CONTINGENCIES	-	-	-	-	-	-	-
NET ASSETS							
Restricted	112,847	57,637	28,577	80,879	38,865	318,805	329,565
Total liabilities and net assets	$ 662,975	$ 274,307	$ 532,508	$ 996,503	$ 41,058	$ 2,507,351	$ 2,879,114

See notes to combined financial statements

Community Development Administration
Revenue Obligation Funds

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

Year ended June 30, 2004
(with comparative combined totals as of June 30, 2003)

	Single Family Program Bonds	Multi-Family Housing Revenue Bonds	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	Combined 2004	Combined 2003
Operating revenue							
Interest on mortgage loans	$ 33,602	$ 16,610	$ 7,491	$ 37,749	$ 49	$ 95,501	$ 120,718
Interest on mortgage-backed securities	-	1,528	15,190	-	-	16,718	13,781
Interest income on investments, net of rebate	14,726	1,906	3,408	5,188	1,471	26,699	31,178
(Decrease) increase in fair value of mortgage-backed securities	-	(1,476)	(11,126)	-	-	(12,602)	22,319
(Decrease) increase in fair value of investments, net of rebate	(9,039)	(1,900)	(678)	(116)	(1,368)	(13,101)	14,321
Fee income	811	883	122	1,329	2,832	5,977	4,154
Recovery of foreclosure losses	61	-	-	-	-	61	-
Other operating revenue	-	230	252	-	110	592	453
	40,161	17,781	14,659	44,150	3,094	119,845	206,924
Operating expenses							
Interest expense on bonds and short-term debt	34,842	10,580	22,688	40,429	-	108,539	133,517
Trustee, legal and mortgage servicing costs	2,434	145	57	1,924	115	4,675	6,087
Salaries and related costs	-	-	-	-	6,758	6,758	5,473
General and administrative costs	-	-	-	-	3,035	3,035	2,350
Loss (gain) on foreclosure claims	211	-	-	(195)	5	21	345
Provision for loan losses	-	-	-	-	-	-	26
Origination expenses	-	-	-	35	-	35	-
Amortization of bond issuance costs	512	148	35	534	-	1,229	1,408
Loss on early retirement of debt	2,152	759	-	2,092	-	5,003	2,710
Other operating expenses	79	124	118	55	245	621	1,101
	40,230	11,756	22,898	44,874	10,158	129,916	153,017
Operating (loss) income	(69)	6,025	(8,239)	(724)	(7,064)	(10,071)	53,907
Transfers of funds, net, as permitted by the various bond indentures	(46,101)	(3,642)	(1,892)	45,961	4,985	(689)	(760)
CHANGES IN NET ASSETS	(46,170)	2,383	(10,131)	45,237	(2,079)	(10,760)	53,147
Net assets at beginning of year	159,017	55,254	38,708	35,642	40,944	329,565	276,418
Net assets at end of year	$ 112,847	$ 57,637	$ 28,577	$ 80,879	$ 38,865	$ 318,805	$ 329,565

See notes to combined financial statements

Community Development Administration
Revenue Obligation Funds

COMBINED STATEMENT OF CASH FLOWS
(in thousands)

Year ended June 30, 2004
(with comparative combined totals as of June 30, 2003)

	Single Family Program Bonds	Multi-Family Housing Revenue Bonds	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	Combined 2004	Combined 2003
Cash flows from operating activities							
Principal and interest received on mortgage loans	$ 187,264	$ 67,128	$ 26,543	$ 204,219	$ 164	$ 485,318	$ 463,641
Principal and interest received on mortgage-backed securities	-	11,202	16,758	-	-	27,960	14,798
Escrow funds received	-	9,678	6,629	-	-	16,307	17,019
Escrow funds paid	-	(12,804)	(12,704)	-	-	(25,508)	(17,680)
Mortgage insurance claims received	11,586	-	-	7,730	-	19,316	14,954
Foreclosure expenses paid	(1,507)	-	-	(641)	-	(2,148)	(2,002)
Other income received	-	230	238	-	124	592	468
Loan fees received	-	26	1,601	125	2,858	4,610	3,153
Loan fees disbursed	-	-	-	(1,766)	-	(1,766)	-
Purchase of mortgage loans	(159)	-	(1,701)	(136,584)	-	(138,444)	(107,077)
Purchase of mortgage-backed securities	-	-	(74,170)	-	-	(74,170)	(58,000)
Trustee, legal and mortgage servicing costs	(2,416)	(145)	(70)	(1,892)	(115)	(4,638)	(6,087)
Salaries and related costs	-	-	-	-	(6,922)	(6,922)	(5,202)
General and administrative costs	-	-	-	-	(2,807)	(2,807)	(2,007)
Other expenses paid	(79)	(124)	(246)	(55)	(1,044)	(1,548)	(1,080)
Other reimbursements	-	368	34	600	(391)	611	494
Net cash provided by (used in) operating activities	194,689	75,559	(37,088)	71,736	(8,133)	296,763	315,392
Cash flows from investing activities							
Proceeds from maturities or sales of investments	290,506	22,987	76,693	258,524	6,245	654,955	495,451
Purchases of investments	(216,702)	(32,925)	(108,433)	(308,681)	(7,929)	(674,670)	(457,059)
Arbitrage rebates paid	(2,461)	(75)	-	(204)	-	(2,740)	(3,843)
Interest received on investments	16,767	1,931	3,032	5,958	1,794	29,482	33,779
Net cash provided by (used in) investing activities	88,110	(8,082)	(28,708)	(44,403)	110	7,027	68,328
Cash flows from noncapital financing activities							
Proceeds from sale of bonds	-	25,175	108,434	316,698	-	450,307	286,660
Payments on bond principal	(228,140)	(175,076)	(25,255)	(356,855)	-	(785,326)	(392,590)
Bond issuance costs	-	(321)	-	(1,143)	-	(1,464)	(957)
Reimbursement of bond costs	-	494	186	-	-	680	277
Interest on bonds and short-term debt	(38,252)	(11,617)	(21,420)	(44,312)	-	(115,601)	(136,620)
Transfers among Funds	(46,101)	(3,642)	(1,892)	45,961	4,985	(689)	(760)
Net cash (used in) provided by noncapital financing activities	(312,493)	(164,987)	60,053	(39,651)	4,985	(452,093)	(243,990)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS ON DEPOSIT WITH TRUSTEE	(29,694)	(97,510)	(5,743)	(12,318)	(3,038)	(148,303)	139,730
Cash and cash equivalents on deposit with trustee at beginning of year	50,406	126,004	54,903	116,471	8,717	356,501	216,771
Cash and cash equivalents on deposit with trustee at end of year	$ 20,712	$ 28,494	$ 49,160	$ 104,153	$ 5,679	$ 208,198	$ 356,501

(continued)

Community Development Administration
Revenue Obligation Funds

COMBINED STATEMENT OF CASH FLOWS - CONTINUED
(in thousands)

Year ended June 30, 2004
(with comparative combined totals as of June 30, 2003)

	Single Family Program Bonds	Multi-Family Housing Revenue Bonds	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	Combined 2004	Combined 2003
Reconciliation of operating (loss) income to net cash from operating activities							
Operating (loss) income	$ (69)	$ 6,025	$ (8,239)	$ (724)	$ (7,064)	$ (10,071)	$ 53,907
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities							
Decrease (increase) in assets							
Mortgage loans	160,588	50,216	17,252	35,377	108	263,541	254,147
Mortgage-backed securities	-	9,674	(72,601)	-	-	(62,927)	(56,983)
Accrued interest and other receivables	4,610	611	(213)	989	92	6,089	(2,896)
Due from other Funds	(769)	-	(13)	-	(9)	(791)	132
Increase (decrease) in liabilities							
Accounts payable	17	274	(128)	632	(1,158)	(363)	639
Rebate liability	(10,098)	(174)	-	(384)	-	(10,656)	8,437
Accrued interest payable	(3,389)	(1,037)	1,268	(3,864)	-	(7,022)	(3,080)
Deposits by borrowers	-	(3,265)	(6,125)	-	-	(9,390)	(831)
Due to other Funds	-	-	-	791	-	791	(132)
Accrued workers' compensation and vacation leave	-	-	-	-	103	103	(21)
Due to State Treasurer	-	-	-	-	(38)	(38)	635
Amortizations							
Deferred income and expense on loans	(811)	(880)	(118)	(1,305)	-	(3,114)	(2,691)
Investment discounts and premiums	234	(56)	5	16	259	458	(435)
Bond original issue discounts and premiums	(20)	-	-	(20)	-	(40)	(23)
Deferred bond issuance costs	512	148	35	534	-	1,229	1,408
Decrease (increase) in fair value of investments	17,786	2,004	678	674	1,368	22,510	(20,712)
Realized gains on investments sold	-	-	-	-	-	-	(4,912)
Decrease (increase) in fair value of mortgage-backed securities	-	1,476	11,126	-	-	12,602	(22,319)
Loan fees and expenses deferred	-	23	1,597	(1,630)	-	(10)	1,728
Arbitrage rebates paid	2,461	75	-	204	-	2,740	3,843
Loss on early retirement of debt	2,152	759	-	2,092	-	5,003	2,710
Interest received on investments	(16,767)	(1,931)	(3,032)	(5,958)	(1,794)	(29,482)	(33,779)
Interest on bonds and short-term debt	38,252	11,617	21,420	44,312	-	115,601	136,620
Net cash provided by (used in) operating activities	$ 194,689	$ 75,559	$ (37,088)	$ 71,736	$ (8,133)	$ 296,763	$ 315,392

See notes to combined financial statements

NOTE A - AUTHORIZED LEGISLATION AND PROGRAM DESCRIPTION

The Community Development Administration (CDA) was created in 1970 by Sections 266 DD-1 to 266 DD-8 of Article 41 (now in Article 83B, Sections 2-201 through 2-208) 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.

The accompanying combined financial statements only include CDA's Revenue Obligation Funds (the Funds). CDA's other funds are not included. However, CDA has also issued combined financial statements for the Infrastructure Program Funds. Both the Revenue Obligation Funds and the Infrastructure Program Funds are enterprise funds of the State of Maryland and are included in the State of Maryland's Comprehensive Annual Financial Report.

Within each Fund in Revenue Obligation Funds are separate funds maintained for each obligation in accordance with the respective indentures. The following summarizes each of the Funds.

Fund	Purpose
Single Family Program Bonds	To originate or purchase single family mortgage loans.
Multi-Family Housing Revenue Bonds	To provide construction and permanent financing for multi-family housing projects.
Housing Revenue Bonds	To provide funds to finance or refinance loans for various types of housing. As of June 30, 2004, Housing Revenue Bonds have primarily financed multi-family projects.
Residential Revenue Bonds	To originate or purchase single family mortgage loans.
General Bond Reserve Fund	To provide funds for payment of principal and interest on bonds and notes to the extent revenues and assets specifically pledged are not sufficient. This fund also provides for the payment of operating expenses of CDA.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounts are organized on the basis of funds, each of which is a separate accounting entity. The Funds are set up primarily in accordance with CDA's enabling legislation and the various indentures. The Funds use the accrual basis of accounting.

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). CDA has adopted GASB Statement No. 20 *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. 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.

CDA has adopted GASB Statement No. 34 *Basic Financial Statements and Management's Discussion and Analysis*. Under GASB Statement No. 34, 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 Funds 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.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents on Deposit with Trustee

Cash equivalents may include money market funds, repurchase agreements, investment agreements and any other investments, primarily U.S. Treasury and agencies, which have maturities of 90 or less days at the time of purchase. As of June 30, 2004, all of CDA's cash equivalents are invested in a money market mutual fund which is more fully described in Note C.

Investments

Investments are principally governmental debt securities or contracts collateralized by governmental debt securities. Debt securities are stated at fair value, based on quoted market prices. Investments are classified as current or long-term based on the maturity date or call date, if exercise of the call within the next fiscal year is probable. Investments are more fully described in Note C.

Mortgage-Backed Securities

These guaranteed securities are issued in connection with mortgage loans on multi-family projects. They are stated at fair value, based on quoted market prices. It is the intention of CDA to hold these securities to maturity or until the payoff of the related multi-family loan. Mortgage-backed securities are more fully described in Note C.

Mortgage Loans

Mortgage loans are carried at their unpaid principal balances, net of unamortized loan fees and expenses. Loan fees and expenses are deferred over the life of the related loans and amortized using the effective interest method. Any single family mortgage loan in foreclosure with a pending insurance claim is recorded as other receivables. See Notes D and N for additional information on mortgage loans and mortgage insurance, respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Loan Losses

Substantially all the mortgage loans of the Funds are insured or guaranteed by agencies of the U.S. Government, the Maryland Housing Fund (MHF) or private insurers. CDA has three uninsured multi-family loans, totaling $1,025. CDA has established a loss reserve of $26 for these uninsured loans using evaluations from the Department's asset management group. Management believes the allowance established is adequate.

Accrued Interest and Other Receivables

Accrued interest and other receivables includes outstanding claims on insured mortgage loans and interest on investments. On insured multi-family mortgage loans that are in default, CDA continues to accrue interest until receipt of a mortgage insurance claim. On insured single family and energy and rehabilitation loans, interest ceases to accrue after foreclosure. See Note E for additional information.

Deferred Bond Issuance Costs

Costs incurred in issuing bonds are capitalized and amortized using the effective interest method for each respective bond issue. When bonds are redeemed early with mortgage prepayments, a proportionate share of the remaining unamortized costs is recognized as a loss on the Combined Statement of Revenue, Expenses and Changes in Net Assets. However, in an economic refunding, CDA defers unamortized costs and redemption premiums as an offset to the new bonds as more fully described in Note I.

Due from (to) Other Funds

Due from (to) other funds records the pending transfers of cash between funds which is primarily a result of receipts due to one fund, but received by another, as more fully described in Note L.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bonds Payable

Bonds payable are carried at their unpaid principal balances, net of unamortized deferred gain or loss for bonds refunded for economic purposes and original issue discounts or premiums. See Notes F, G, H, and I for additional information.

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 short-term liability. Based on the current year's reserve disbursements, CDA has estimated the short-term reserve liability. The balance of the reserves is classified as long-term. See Note K for further information on changes in long-term obligations.

Rebate Liability on Investments

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

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, CDA determines 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, 2004, all mortgage loan yields are in compliance with the Code.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest on Mortgage Loans and Mortgage-Backed Securities

Interest on mortgage loans and mortgage-backed securities is calculated using the effective interest method.

Fee Income

CDA earns multi-family financing fees and single family commitment fees at loan origination. These fees are deferred and amortized over the life of the loan. Tax credit fees and administrative fees are recorded as earned.

Origination Expenses

CDA pays originators of its single family loans an origination fee and a servicer release fee. These CDA expenses are deferred and amortized over the life of the loan.

Administrative Support

In addition to expenses incurred directly by the Funds, 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. The General Bond Reserve Fund records these expenses as invoiced by DHCD for the fiscal year.

For the year ended June 30, 2004, the total costs charged to the General Bond Reserve Fund were:

Salaries and related costs	$	6,758
General and administrative expenses		3,035
	$	9,793

The employees of CDA are covered by the Maryland State Retirement and Pension System (the System) and the costs of employees' retirement benefits are included in the salaries and related costs discussed above. See Note O for additional information.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Expenses

CDA distinguishes operating revenue and expenses from nonoperating items in conformity with GASB Statement No. 34. Operating income and expenses are identified as those activities that are directly related to financing affordable housing in the State of Maryland. All of CDA'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.

Combined Totals

The totals of similar accounts of the various Funds in the accompanying financial statements are presented for information purposes only. The totals represent an aggregation of the Funds and do not represent consolidated financial information, as interfund balances are not eliminated.

Reclassifications

Certain 2003 amounts have been reclassified to conform to 2004 financial statement presentation.

NOTE C - CASH, CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES

Proceeds from bonds are invested in authorized investments as defined in the respective indentures until required for purchasing mortgage-backed securities or originating mortgage loans, funding reserves, redeeming outstanding bonds and notes, and funding program

NOTE C - CASH, CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

expenses. Authorized investments include obligations of the U.S. Treasury, U.S. government agencies, political subdivisions in the United States, bankers' acceptances, repurchase agreements, corporate debt securities and certificates of deposit with foreign or domestic banks. All CDA accounts held in trust by the trustee are kept separate from the assets of the bank and from other trust accounts.

Cash and Cash Equivalents

As of June 30, 2004, the Funds had $208,198 invested in a money market mutual fund (Federated Treasury Obligations Fund) which is classified as cash and cash equivalents. This fund invests exclusively in U.S. Treasuries and in repurchase agreements collateralized by Treasury securities. It is rated AAAm by Standard & Poor's and Aaa by Moody's Investors Services.

As of June 30, 2004, the cost of this money market mutual fund approximates fair value.

The money market mutual fund is not categorized by credit risk because it is not evidenced by securities that exist in physical or book entry form.

Investments

As of June 30, 2004, $1,500 was held in a certificate of deposit and is classified as an investment in Single Family Program Bonds. The certificate is insured by federal depository insurance subject to maximum coverage and is collateralized by securities held by the trustee in CDA's name.

Obligations of the U.S. Treasury and obligations of U.S. government agencies are held in CDA's account by the trustee and total $464,798.

Repurchase agreements and guaranteed investment contracts total $145,726. For $143,726 of these investments, collateral is held by the trustee or its agent. The remaining $2,000 is uncollateralized. The agreements and contracts are at fixed interest rates with maturities ranging from less than 1 year to 29 years.

(in thousands)

NOTE C - CASH, CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

As of June 30, 2004, the amortized cost and fair value of the Fund's investments, by type of investment, were as follows:

	Certificates and Other Time Deposits		Obligations of the U.S. Treasury		Obligations of U.S. Government Agencies		Repurchase Agreements and Guaranteed Investment Contracts		Combined	
	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost
Single Family Program Bonds	$ 1,500	$ 1,500	$ 174,395	$ 135,086	$ -	$ -	$ 42,717	$ 42,717	$ 218,612	$ 179,303
Multi-Family Housing Revenue Bonds	-	-	17,335	14,468	23,448	23,385	2,000	2,000	42,783	39,853
Housing Revenue Bonds	-	-	6,214	5,532	-	-	72,521	72,521	78,735	78,053
Residential Revenue Bonds	-	-	-	-	209,442	209,151	28,488	28,488	237,930	237,639
General Bond Reserve Fund	-	-	2,673	2,489	31,291	31,218	-	-	33,964	33,707
	$ 1,500	$ 1,500	$ 200,617	$ 157,575	$ 264,181	$ 263,754	$ 145,726	$ 145,726	$ 612,024	$ 568,555

Mortgage-Backed Securities

All mortgage-backed securities held by CDA are guaranteed by the Government National Mortgage Association (GNMA), an instrumentality of the United States government. GNMA securities are "fully modified pass-through" mortgage-backed securities which require monthly payments by a Federal Housing Administration (FHA) approved lender, as the issuer of the Guaranteed Security to CDA. GNMA guarantees timely payment of principal and interest on Guaranteed Securities. It is the intention of CDA to hold these securities until the underlying loan is paid in full.

(in thousands)

NOTE C - CASH, CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

As of June 30, 2004, the amortized cost and fair value of mortgage-backed securities was as follows:

	Fair Value	Amortized Cost
Multi-Family Housing Revenue Bonds	$ 16,744	$ 15,618
Housing Revenue Bonds	313,309	306,776
	$ 330,053	$ 322,394

Category of Risk

Investments and mortgage-backed securities are classified as to credit risk by the three categories described below:

Category 1 - Insured or registered, with securities held by CDA or its agent in CDA's name.
Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department in CDA's name.
Category 3 - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in CDA's name.

All investments and mortgage-backed securities of CDA are classified as Category 1 except for a $2,000 Investment Agreement which is not categorized because it is not evidenced by securities that exist in physical or book entry form.

NOTE D - MORTGAGE LOANS

Approximately 99% of all single family mortgage loans are secured by first liens on the related property and are credit enhanced through the FHA mortgage insurance programs, the Veterans Administration and USDA/RD guarantee programs, the Maryland Housing Fund (MHF) or by private primary mortgage insurance policies. As of June 30, 2004, interest rates on such loans range from 4.0% to 13.9%, with remaining loan terms ranging from 4 to 30 years.

(in thousands)

NOTE D - MORTGAGE LOANS (Continued)

Approximately 99% of all multi-family construction and permanent mortgage loans outstanding are insured or credit enhanced by the FHA, the MHF, Federal Home Loan Mortgage Corporation, Fannie Mae or GNMA. As of June 30, 2004, interest rates on amortizing loans range from 3.0% to 14.5%, with remaining loan terms ranging from approximately 6 to 40 years.

All energy and rehabilitation loans are insured by the MHF. Loans made or purchased in excess of $5 are secured by a deed of trust on the related property. As of June 30, 2004, interest rates on such loans range from 7.0% on owner-occupied residential properties to 10.0% on rental housing, with remaining loan terms ranging from less than one year to 6 years.

NOTE E - ACCRUED INTEREST AND OTHER RECEIVABLES

Accrued interest and other receivables as of June 30, 2004, were as follows:

	Single Family Program Bonds	Multi-Family Housing Revenue Bonds	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	Combined
Accrued mortgage loan interest	$ 4,908	$ 1,246	$ 626	$ 5,914	$ 7	$ 12,701
Escrows due from multi-family mortgagors	-	584	356	-	-	940
Accrued investment interest	3,348	511	1,571	958	382	6,770
Claims due from mortgage insurers	5,264	-	-	5,913	-	11,177
Negative arbitrage due from mortgagors	-	-	178	-	-	178
Miscellaneous loan billings	-	-	-	-	36	36
	$ 13,520	$ 2,341	$ 2,731	$ 12,785	$ 425	$ 31,802

(in thousands)

NOTE F - SHORT-TERM DEBT

CDA issues short-term debt to preserve volume cap when prepayments and payments from mortgages exceed the demand for new mortgages. Proceeds of the short-term debt are used to refund and to pay at maturity prior series of bonds. At the time of the refunding, prepayments and repayments of mortgage loans financed by these prior bonds are transferred to accounts in the short-term series. CDA expects to make these funds available to purchase mortgage loans upon the maturity or earlier redemption of the short-term bonds with proceeds of additional long-term bonds. By issuing the short-term debt, CDA more closely matches the rates on the short-term debt with the rates on short-term investments. When there is sufficient mortgage demand, CDA issues long-term refunding bonds to redeem the short-term debt and the prepayments and repayments are used to fund new mortgages.

Short-term debt activity for the year ended June 30, 2004, in Residential Revenue Bonds, was as follows:

	Balance at June 30, 2003	Bond Activity: Issued	Bond Activity: Matured/ Redeemed	Balance at June 30, 2004
Residential Revenue Bonds				
2002 Series D	$ 41,980	$ -	$ 41,980	$ -
2002 Series E	67,965	-	67,965	-
2003 Series D	-	91,795	-	91,795
2003 Series E	-	128,515	-	128,515
Totals	$ 109,945	$ 220,310	$ 109,945	$ 220,310

The outstanding short-term debt of $220,310 plus the principal payments due within one year of $25,970 equal the current portion of bonds payable and short-term debt of $246,280 for the Residential Revenue Bonds on the Combined Statement of Net Assets. For the year ended June 30, 2004, none of the other Funds had short-term debt activity.

NOTE G - BONDS PAYABLE

The bonds and notes issued by CDA are special obligations of CDA and are payable from the revenue and special funds of the applicable indentures. These bonds and notes 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.

NOTE G - BONDS PAYABLE (Continued)

The provisions of the various bond indentures require or allow for the special redemption of bonds through the use of unexpended bond proceeds and excess funds accumulated primarily through prepayment of mortgage loans. All outstanding bonds are subject to optional redemption, in whole or in part at any time, after certain dates, as specified in the respective series indentures. The prescribed optional redemption prices range from 100% to 102% of the principal amount.

The following lists those bonds which are at variable rates and the terms by which the variable rates change. All other bonds have fixed interest rates.

<u>Multi-Family Housing Revenue Bonds (Insured Mortgage Loans)</u>

2003 Series C

The variable rate is set quarterly and is equal to the Federal Home Loan Bank (FHLB) Discount Notes Funding Costs plus ½ of 1%.

2004 Series A

The bonds were offered as Auction Rate Certificates. Auctions to set the interest rate are generally held every 28 days. The maximum rate is 12% or such higher rate as the Administration may establish with a Rating Confirmation.

<u>Residential Revenue Bonds</u>

2003 Series C and 2004 Series C

The rate is set weekly by the remarketing agent so that the market value of the bonds is as close as possible to 100% of the principal amount of the bonds. In no event will the 2004 Series C bonds bear interest at a rate in excess of 12%.

The following bonds are taxable. All other bonds are tax-exempt.

Multi-Family Housing Revenue Bonds (Insured Mortgage Loans) 2003 Series C
Multi-Family Housing Revenue Bonds (Insured Mortgage Loans) 2004 Series A

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Revenue Obligation Funds

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2004

NOTE G - BONDS PAYABLE (Continued)

The following is a summary of the bond activity for the year ended June 30, 2004, and the debt outstanding and bonds payable as of June 30, 2004:

	Issue dated	Range of interest rates	Range of maturities	Debt Outstanding at June 30, 2003	Bond Activity: New bonds issued	Bond Activity: Scheduled maturity payments	Bond Activity: Bonds redeemed	Debt Outstanding at June 30, 2004	Discounts/ premiums and other deferred costs	Bonds payable at June 30, 2004
Single Family Program Bonds										
1993 Third Series	10/01/93	4.75% - 5.30%	2004 - 2016	$ 30,405	$ -	$ (3,145)	$ (7,480)	$ 19,780	$ -	$ 19,780
1994 First Series	03/01/94	5.30% - 5.80%	2004 - 2014	31,415	-	(3,600)	(12,280)	15,535	-	15,535
1994 Fourth Series	05/01/94	5.75% - 6.45%	2004 - 2014	34,580	-	(2,290)	(20,110)	12,180	-	12,180
1994 Fifth Series	05/01/94	6.75%	2026	33,890	-	-	(33,890)	-	-	-
1994 Sixth Series	12/01/94	6.20% - 7.05%	2004 - 2017	20,310	-	-	(20,310)	-	-	-
1994 Ninth Series*	12/22/94	5.10% - 6.15%	2004 - 2019	18,670	-	(735)	(6,665)	11,270	-	11,270
1995 First Series	03/01/95	5.50% - 6.25%	2004 - 2017	34,480	-	(1,885)	(2,675)	29,920	-	29,920
1995 Second Series	03/01/95	6.45% - 6.55%	2017 - 2026	22,725	-	-	(22,725)	-	-	-
1995 Third Series	06/01/95	5.35% - 6.25%	2004 - 2027	59,090	-	(1,245)	(1,300)	56,545	-	56,545
1995 Fourth Series	10/01/95	6.00%	2017	5,790	-	-	-	5,790	-	5,790
1995 Fifth Series	10/01/95	5.10% - 6.20%	2004 - 2027	22,145	-	(645)	(2,910)	18,590	-	18,590
1996 Third Series	07/01/96	5.25% - 6.25%	2004 - 2017	10,795	-	(615)	(1,790)	8,390	-	8,390
1996 Fourth Series	07/01/96	5.40% - 6.45%	2004 - 2028	21,910	-	-	(21,910)	-	-	-
1996 Fifth Series	08/01/96	5.00% - 5.95%	2004 - 2016	28,250	-	(1,480)	(1,375)	25,395	-	25,395
1996 Sixth Series	08/01/96	6.20%	2022	11,035	-	-	(11,035)	-	-	-
1997 First Series	08/01/97	4.80% - 5.60%	2004 - 2018	88,880	-	(5,475)	(6,165)	77,240	17	77,257
1999 First Series	12/01/98	4.20% - 5.25%	2004 - 2029	22,995	-	(495)	(1,805)	20,695	-	20,695
1999 Second Series	12/01/98	4.40% - 5.00%	2009 - 2017	53,205	-	-	-	53,205	-	53,205
1999 Third Series	12/01/98	4.20% - 5.125%	2004 - 2021	64,420	-	(2,215)	(6,615)	55,590	-	55,590
2000 First Series	03/01/00	4.90% - 5.80%	2004 - 2017	23,765	-	(1,440)	(1,440)	20,885	(647)	20,238
2001 First Series	03/01/01	3.75% - 5.00%	2004 - 2017	56,785	-	(3,405)	(4,070)	49,310	(1,299)	48,011
2001 Second Series	03/01/01	3.85% - 4.80%	2004 - 2023	14,855	-	(650)	(4,495)	9,710	(279)	9,431
2002 First Series	02/01/02	4.45% - 4.60%	2012 - 2013	4,495	-	-	-	4,495	(106)	4,389
2002 Second Series	02/01/02	2.80% - 5.375%	2004 - 2024	44,710	-	(1,580)	(6,195)	36,935	(1,057)	35,878
Total				$ 759,600	$ -	$ (30,900)	$ (197,240)	$ 531,460	$ (3,371)	$ 528,089

*Remarketed on November 9, 1995

Community Development Administration
Revenue Obligation Funds

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2004

NOTE G - BONDS PAYABLE (Continued)

	Issue dated	Range of interest rates	Range of maturities	Debt Outstanding at June 30, 2003	Bond Activity: New bonds issued	Bond Activity: Scheduled maturity payments	Bond Activity: Bonds redeemed	Debt Outstanding at June 30, 2004	Discounts/ premiums and other deferred costs	Bonds payable at June 30, 2004
Multi-Family Housing Revenue Bonds										
1992 Series C	01/01/92	9.05%	2033	$ 3,490	$ -	$ -	$ (3,490)	$ -	$ -	$ -
1992 Series F	05/01/92	8.375% - 9.35%	2008 - 2024	2,180	-	-	(2,180)	-	-	-
1993 Series A	12/01/92	5.85% - 6.625%	2004 - 2023	3,510	-	-	(3,510)	-	-	-
1993 Series B	12/01/92	5.85% - 6.65%	2004 - 2034	19,930	-	-	(19,930)	-	-	-
1993 Series C	12/01/92	8.95%	2024	7,285	-	-	(7,285)	-	-	-
1993 Series D	03/01/93	5.30% - 6.05%	2004 - 2024	36,100	-	-	(36,100)	-	-	-
1993 Series E	03/01/93	5.30% - 6.05%	2004 - 2028	1,480	-	-	(1,480)	-	-	-
1993 Series F	03/01/93	5.30% - 6.05%	2004 - 2020	3,505	-	-	(3,505)	-	-	-
1993 Series G	03/01/93	8.375%	2024	1,795	-	-	(1,795)	-	-	-
1993 Series H	08/01/93	4.90% - 5.60%	2004 - 2026	19,670	-	-	(19,670)	-	-	-
1993 Series I	08/01/93	5.20% - 5.60%	2007 - 2023	1,015	-	-	(1,015)	-	-	-
1993 Series J	08/01/93	5.30% - 5.75%	2007 - 2024	2,005	-	-	(2,005)	-	-	-
1993 Series K	08/01/93	6.55%	2004	235	-	-	(235)	-	-	-
1994 Series A	02/01/94	4.65% - 5.45%	2004 - 2024	1,475	-	(40)	(1,435)	-	-	-
1994 Series B	02/01/94	6.80% - 7.90%	2009 - 2025	11,310	-	-	(11,310)	-	-	-
1994 Series C	09/01/94	5.70% - 6.75%	2004 - 2036	10,875	-	(150)	(10,725)	-	-	-
1994 Series D	09/01/94	5.70% - 6.65%	2004 - 2025	1,940	-	(55)	(1,885)	-	-	-
1994 Series E	09/01/94	5.85% - 6.85%	2004 - 2025	11,380	-	(250)	(11,130)	-	-	-
1995 Series A	04/01/95	5.35% - 6.70%	2004 - 2036	15,570	-	(155)	-	15,415	-	15,415
1995 Series B	12/01/95	4.75% - 5.80%	2004 - 2026	10,195	-	(250)	-	9,945	-	9,945
1995 Series C	12/01/95	4.75% - 5.80%	2004 - 2026	1,650	-	(35)	-	1,615	-	1,615
1995 Series D	12/01/95	4.95% - 5.90%	2004 - 2027	2,310	-	(50)	-	2,260	-	2,260
1998 Series A	11/01/98	4.05% - 5.15%	2004 - 2029	9,505	-	(240)	(2,070)	7,195	-	7,195
1998 Series B	11/01/98	4.15% - 5.25%	2004 - 2028	7,650	-	(245)	(7,405)	-	-	-
2001 Series A	10/01/01	2.85% - 5.10%	2004 - 2028	2,080	-	(70)	-	2,010	(45)	1,965
2001 Series B	10/01/01	3.15% - 5.35%	2004 - 2032	26,190	-	(520)	-	25,670	(831)	24,839
2002 Series A	03/01/02	2.75% - 5.40%	2004 - 2033	19,745	-	(380)	(10,065)	9,300	(215)	9,085
2002 Series B	03/01/02	3.00% - 5.60%	2004 - 2033	12,665	-	(290)	-	12,375	(416)	11,959
2003 Series A	06/19/03	1.00% - 4.45%	2004 - 2034	80,525	-	(3,115)	(7,795)	69,615	(2,067)	67,548
2003 Series B	06/19/03	1.25% - 4.40%	2004 - 2023	2,005	-	(75)	-	1,930	(69)	1,861
2003 Series C	06/19/03	Variable Rate	2033	20,000	-	(650)	-	19,350	-	19,350
2004 Series A	03/31/04	Variable Rate	2036	-	25,175	-	-	25,175	(700)	24,475
Total				$ 349,270	$ 25,175	$ (6,570)	$ (166,020)	$ 201,855	$ (4,343)	$ 197,512

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2004

NOTE G - BONDS PAYABLE (Continued)

					Bond Activity					
	Issue dated	Range of interest rates	Range of maturities	Debt Outstanding at June 30, 2003	New bonds issued	Scheduled maturity payments	Bonds redeemed	Debt Outstanding at June 30, 2004	Discounts/ premiums and other deferred costs	Bonds payable at June 30, 2004
Housing Revenue Bonds										
Series 1996 A	11/01/96	4.80% - 5.95%	2003 - 2023	$ 83,565	$ -	$ (3,680)	$ (19,585)	$ 60,300	$ -	$ 60,300
Series 1996 B	11/01/96	4.80% - 5.95%	2003 - 2028	1,910	-	(40)	-	1,870	-	1,870
Series 1997 A	06/01/97	4.60% - 6.00%	2003 - 2039	36,160	-	(300)	-	35,860	-	35,860
Series 1997 B	09/01/97	4.50% - 5.75%	2003 - 2039	7,500	-	(60)	-	7,440	-	7,440
Series 1997 C	12/01/97	4.30% - 5.65%	2003 - 2039	13,695	-	(120)	-	13,575	-	13,575
Series 1998 A	04/01/98	4.30% - 5.625%	2003 - 2040	10,760	-	(100)	-	10,660	-	10,660
Series 1999 A	02/01/99	3.80% - 5.35%	2003 - 2041	16,135	-	(140)	-	15,995	-	15,995
Series 1999 B	10/15/99	4.70% - 6.40%	2003 - 2042	15,650	-	(190)	-	15,460	-	15,460
Series 1999 C	10/15/99	5.85% - 6.40%	2014 - 2040	515	-	(5)	-	510	-	510
Series 1999 D	12/01/99	4.75% - 6.35%	2003 - 2042	14,045	-	(265)	-	13,780	-	13,780
Series 2000 A	10/01/00	4.60% - 6.10%	2003 - 2042	27,445	-	(200)	-	27,245	-	27,245
Series 2001 A	07/01/01	3.95% - 5.625%	2005 - 2043	29,645	-	-	-	29,645	-	29,645
Series 2001 B	10/01/01	3.15% - 5.45%	2004 - 2043	47,630	-	-	(570)	47,060	-	47,060
Series 2002 A	03/01/02	3.00% - 5.70%	2004 - 2043	9,500	-	-	-	9,500	-	9,500
Series 2002 B	10/01/02	2.20% - 5.05%	2005 - 2045	34,435	-	-	-	34,435	-	34,435
Series 2002 C	10/01/02	2.20% - 5.00%	2005 - 2035	6,740	-	-	-	6,740	-	6,740
Series 2002 D	10/01/02	2.20% - 5.00%	2005 - 2035	8,280	-	-	-	8,280	-	8,280
Series 2003 A	04/01/03	3.00% - 5.22%	2008 - 2045	24,730	-	-	-	24,730	-	24,730
Series 2003 B	07/01/03	2.35% - 5.00%	2007 - 2045	-	17,660	-	-	17,660	-	17,660
Series 2003 C	09/01/03	2.70% - 5.90%	2007 - 2045	-	10,735	-	-	10,735	(6)	10,729
Series 2003 D	12/01/03	2.50% - 5.125%	2007 - 2045	-	12,080	-	-	12,080	-	12,080
Series 2004 A	01/01/04	2.30% - 5.10%	2007 - 2045	-	11,130	-	-	11,130	-	11,130
Series 2004 B	03/31/04	2.50% - 4.70%	2009 - 2046	-	20,320	-	-	20,320	-	20,320
Series 2004 C	06/10/04	4.00% - 5.40%	2010 - 2047	-	36,515	-	-	36,515	-	36,515
Total				$ 388,340	$ 108,440	$ (5,100)	$ (20,155)	$ 471,525	$ (6)	$ 471,519

Community Development Administration
Revenue Obligation Funds

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2004

NOTE G - BONDS PAYABLE (Continued)

	Issue dated	Range of interest rates	Range of maturities	Debt Outstanding at June 30, 2003	Bond Activity: New bonds issued	Bond Activity: Scheduled maturity payments	Bond Activity: Bonds redeemed	Debt Outstanding at June 30, 2004	Discounts/ premiums and other deferred costs	Bonds payable at June 30, 2004
Residential Revenue Bonds										
1997 Series A	08/01/97	5.60%	2017	$ 16,355	$ -	$ -	$ (60)	$ 16,295	$ -	$ 16,295
1997 Series B	08/01/97	4.80% - 5.875%	2003 - 2029	58,705	-	(1,780)	(12,770)	44,155	-	44,155
1998 Series A	01/01/98	4.70% - 5.05%	2010 - 2017	4,640	-	-	-	4,640	-	4,640
1998 Series B	01/01/98	4.25% - 5.35%	2003 - 2030	59,380	-	(1,280)	(9,825)	48,275	40	48,315
1998 Series D	12/01/98	4.05% - 5.25%	2003 - 2029	54,525	-	(1,170)	(9,520)	43,835	-	43,835
1999 Series C	05/01/99	4.70% - 4.95%	2011 - 2015	2,665	-	-	-	2,665	-	2,665
1999 Series D	05/01/99	3.95% - 5.40%	2003 - 2031	51,610	-	(875)	(8,890)	41,845	(19)	41,826
1999 Series E	08/01/99	4.60% - 5.70%	2005 - 2017	21,965	-	-	-	21,965	-	21,965
1999 Series F	08/01/99	4.60% - 5.95%	2003 - 2029	42,245	-	(1,220)	(15,740)	25,285	-	25,285
1999 Series H	12/01/99	4.70% - 6.25%	2003 - 2031	46,065	-	(870)	(32,480)	12,715	-	12,715
2000 Series A	03/01/00	5.15% - 5.50%	2007 - 2012	7,750	-	-	(390)	7,360	-	7,360
2000 Series B	03/01/00	5.00% - 6.15%	2003 - 2032	59,935	-	(1,050)	(36,400)	22,485	-	22,485
2000 Series C	06/01/00	5.45% - 5.70%	2010 - 2013	5,535	-	-	(4,865)	670	-	670
2000 Series D	06/01/00	5.20% - 6.25%	2003 - 2032	59,640	-	(1,040)	(58,600)	-	-	-
2000 Series F	08/01/00	4.35% - 5.20%	2004 - 2014	14,960	-	-	(135)	14,825	-	14,825
2000 Series G	08/01/00	4.55% - 5.95%	2003 - 2032	56,135	-	(1,065)	(6,065)	49,005	-	49,005
2000 Series H	12/01/00	4.60% - 5.80%	2003 - 2032	51,495	-	(845)	(6,195)	44,455	-	44,455
2001 Series A	03/01/01	3.65% - 5.00%	2003 - 2017	18,885	-	(1,075)	(2,700)	15,110	-	15,110
2001 Series B	03/01/01	4.65% - 5.45%	2011 - 2032	50,435	-	-	(15,360)	35,075	-	35,075
2001 Series E	06/01/01	3.30% - 4.65%	2003 - 2012	13,775	-	(460)	-	13,315	-	13,315
2001 Series F	06/01/01	3.50% - 5.60%	2003 - 2032	65,720	-	(745)	(2,320)	62,655	-	62,655
2001 Series G	08/15/01	3.05% - 4.20%	2004 - 2011	10,100	-	-	(1,715)	8,385	-	8,385
2001 Series H	08/15/01	4.40% - 5.35%	2011 - 2033	49,885	-	-	(9,380)	40,505	-	40,505
2002 Series A	02/01/02	2.80% - 5.45%	2004 - 2033	8,005	-	-	(25)	7,980	-	7,980
2002 Series D	02/28/02	1.20%	12/18/03	41,980	-	(41,980)	-	-	-	-
2002 Series E	02/28/02	1.25%	12/18/03	67,965	-	(67,965)	-	-	-	-
2003 Series A	11/01/03	1.35% - 4.05%	2005 - 2015	-	9,550	-	-	9,550	-	9,550
2003 Series B	11/01/03	1.65% - 5.00%	2005 - 2026	-	15,450	-	-	15,450	703	16,153
2003 Series C	12/09/03	Variable rate	2035	-	20,000	-	-	20,000	-	20,000
2003 Series D	12/09/03	1.17%	12/21/04	-	91,795	-	-	91,795	-	91,795
2003 Series E	12/09/03	1.25%	12/21/04	-	128,515	-	-	128,515	-	128,515
2004 Series A	05/13/04	1.80% - 4.20%	2006 - 2016	-	10,710	-	-	10,710	-	10,710
2004 Series B	05/13/04	2.20% - 5.00%	2006 - 2028	-	19,290	-	-	19,290	671	19,961
2004 Series C	05/13/04	Variable rate	2035	-	20,000	-	-	20,000	-	20,000
Total				$ 940,355	$ 315,310	$ (123,420)	$ (233,435)	$ 898,810	$ 1,395	$ 900,205

(in thousands)

NOTE H - DEBT SERVICE REQUIREMENTS

As of June 30, 2004, the required principal payments for short-term debt and bonds (including mandatory sinking fund payments and special and optional redemptions that occurred subsequent to year end and excluding the effect of unamortized discounts/premiums and other deferred costs as shown in Note G) and interest payments for each of the next five years and in 5-year increments thereafter, are as follows:

For the Year	Single Family Program Bonds		Multi-Family Housing Revenue Bonds		Housing Revenue Bonds		Residential Revenue Bonds	
Ended June 30,	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2005	$ 27,990	$ 40,175	$ 7,498	$ 17,620	$ 24,090	$ 5,190	$ 35,206	$ 246,280
2006	26,219	19,535	7,227	6,140	24,847	6,230	32,493	13,945
2007	25,277	34,965	7,080	6,270	24,549	6,810	31,903	14,385
2008	23,552	38,205	6,914	6,460	24,206	8,610	31,281	15,265
2009	21,638	36,160	6,728	6,645	23,825	8,540	30,579	16,765
2010-2014	82,575	157,815	30,207	33,930	112,141	49,995	140,160	95,185
2015-2019	40,838	123,960	23,155	45,320	98,257	52,575	115,195	104,930
2020-2024	14,495	63,355	14,037	42,155	85,359	46,390	83,020	147,910
2025-2029	2,371	17,290	6,562	20,655	72,101	53,155	40,506	141,010
2030-2034	-	-	2,560	13,645	55,965	66,840	9,423	63,135
2035-2039	-	-	235	3,015	35,764	82,065	785	40,000
2040-2044	-	-	-	-	13,528	70,750	-	-
2045-2049	-	-	-	-	949	14,375	-	-
Totals	$ 264,955	$ 531,460	$ 112,203	$ 201,855	$ 595,581	$ 471,525	$ 550,551	$ 898,810

NOTE I - BOND REFUNDINGS

Certain refundings of debt are due to the prepayments of single family mortgage loans. In these cases, CDA transfers the proceeds of the refunding bonds to a redemption account to redeem previously issued bonds and, simultaneously, transfers the prepayments of single family mortgage loans financed by these prior bonds to the refunding bonds' accounts for the purpose of originating new loans. This recycling of prepayments enables CDA to originate new loans that are not subject to the limitations of the IRS volume cap. CDA does not pay call premiums on these special redemptions, and the refundings are not undertaken to reduce interest rates, revise payment schedules or modify restrictions. CDA writes off any unamortized deferred issuance costs or original issue discounts, net of unamortized original issue premiums, as a loss in the accompanying Combined Statement of Revenue, Expenses and Changes in Net Assets.

NOTE I - BOND REFUNDINGS (Continued)

For current refundings of debt in an optional redemption, CDA replaces previously issued bonds with lower cost debt. This type of transaction is commonly known as an economic refunding. For the year ended June 30, 2004, CDA issued $25,175 of Multi-Family Housing Revenue Bonds 2004 Series A which refunded 1994 Series A, 1994 Series C, 1994 Series D and 1994 Series E in the amounts of $1,435, $10,725, $1,885, and $11,130, respectively. This refunding reduced total debt service payments over the next 32 years by $8,514 and resulted in an economic gain of $4,925 based upon an estimated variable rate of 4.76% over the life of the bonds.

In economic refundings, CDA defers the difference between the reacquisition price (i.e., the principal of the old debt, plus the call premium) and the net carrying amount of the old debt (i.e., the amount due at maturity, adjusted for any unamortized premium or discount and issuance costs related to the old debt) as an offset to the new bonds on the accompanying Combined Statement of Net Assets, in accordance with GASB Statement No. 23 *Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities.* This deferral is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. As a result of the refunding referenced above, CDA deferred $702. The period of amortization ranges from 240 to 384 months.

NOTE J - REBATE LIABILITY

In accordance with the Internal Revenue Service Code (the Code), CDA has recorded a rebate liability for excess investment earnings in tax-exempt bond and note issues sold after 1981. The excess investment earnings arise due to actual investment yields earned by CDA being greater than yields permitted to be retained by CDA under the Code. The Code requires 90% of such excess investment earnings to be remitted to the United States Treasury every five years and in full at the final redemption of the bonds. Interest income on the Combined Statement of Revenue, Expenses and Changes in Net Assets is reduced by the rebate liability due to excess investment earnings. The increase/decrease in fair value of investments on the Combined Statement of Revenue, Expenses and Changes in Net Assets is adjusted by the change in the estimated rebate liability due to change in fair value of investments. CDA has no rebate liability from interest income or unrealized gains on mortgage-backed securities.

Community Development Administration
Revenue Obligation Funds

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2004

NOTE J - REBATE LIABILITY (Continued)

Rebate liability activity for the year ended June 30, 2004, was as follows:

	Single Family Program Bonds	Multi-Family Housing Revenue Bonds	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	Combined
Rebate liability as of June 30, 2003	$ 25,042	$ 748	$ -	$ 2,318	$ -	$ 28,108
Change in estimated liability due to excess investment earnings	1,110	5	-	321	-	1,436
Change in estimated liability due to change in fair value of investments	(8,747)	(104)	-	(501)	-	(9,352)
Less - payments made	(2,461)	(75)	-	(204)	-	(2,740)
Rebate liability as of June 30, 2004	$ 14,944	$ 574	$ -	$ 1,934	$ -	$ 17,452

Total rebate liability is allocated as follows:

	Single Family Program Bonds	Multi-Family Housing Revenue Bonds	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	Combined
Estimated liability due to excess investment earnings	$ 1,728	$ 7	$ -	$ 1,582	$ -	$ 3,317
Estimated liability due to change in fair value of investments	13,216	567	-	352	-	14,135
Rebate liability as of June 30, 2004	$ 14,944	$ 574	$ -	$ 1,934	$ -	$ 17,452

(in thousands)

NOTE K - LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2004, were as follows:

	Single Family Program Bonds	Multi-Family Housing Revenue Bonds	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	Combined
Long-term bonds payable						
Beginning balance	$ 669,177	$ 227,022	$ 379,465	$ 769,624	$ -	$ 2,045,288
Additions	-	25,175	108,440	315,310	-	448,925
Reductions	(141,765)	(52,100)	(16,380)	(186,130)	-	(396,375)
Change in deferred amounts for issuance discounts/premiums	31	-	(6)	1,401	-	1,426
Change in deferred amounts on refundings	646	(2,585)	-	-	-	(1,939)
Less due within one year	(40,175)	(17,620)	(5,190)	(246,280)	-	(309,265)
Total long-term bonds payable	487,914	179,892	466,329	653,925	-	1,788,060
Rebate liability						
Beginning balance	23,123	673	-	2,200	-	25,996
Additions	1,110	5	-	321	-	1,436
Reductions	(9,289)	(104)	-	(587)	-	(9,980)
Less due within one year	-	-	-	(251)	-	(251)
Total long-term rebate liability	14,944	574	-	1,683	-	17,201
Deposits by borrowers						
Beginning balance	-	12,124	20,945	-	-	33,069
Additions	-	9,698	6,579	-	-	16,277
Reductions	-	(4,637)	(6,821)	-	-	(11,458)
Less due within one year	-	(7,782)	(5,242)	-	-	(13,024)
Total long-term deposits by borrowers	-	9,403	15,461	-	-	24,864
Compensated absences						
Beginning balance	-	-	-	-	188	188
Additions	-	-	-	-	369	369
Less due within one year	-	-	-	-	(320)	(320)
Total long-term compensated absences	-	-	-	-	237	237
Workers' compensation						
Beginning balance	-	-	-	-	19	19
Additions	-	-	-	-	13	13
Reductions	-	-	-	-	(4)	(4)
Less due within one year	-	-	-	-	(4)	(4)
Total long-term workers' compensation	-	-	-	-	24	24
Total long-term liabilities	$ 502,858	$ 189,869	$ 481,790	$ 655,608	$ 261	$ 1,830,386

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2004

NOTE L - INTERFUND ACTIVITY

In accordance with the various bond indentures, net assets in each of the funds are restricted and pledged to bondholders. However, restricted assets may be transferred to other funds, subject to the provisions of the respective indentures. Generally, an officer of CDA must authorize such withdrawals and a cash flow analysis must demonstrate that sufficient monies remain in the indenture to meet the obligations of the Funds in current and future years. A cash flow analysis is not required for the General Bond Reserve Fund (GBRF) because there were no bonds outstanding in GBRF as of June 30, 2004.

During the year ended June 30, 2004, CDA transferred the following amounts, as permitted among Funds:

Transfers among Funds

	Single Family Program Bonds	Multi-Family Housing Revenue Bonds	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund
Single family commitment fees	$ -	$ -	$ -	$ (140)	$ 140
Multi-family financing fees	-	(23)	(1,597)	-	1,620
Excess revenue	-	(2,100)	(1,125)	-	3,225
Cost of issuance on bonds	(1,101)	-	-	1,101	-
Transfer surplus funds for loan originations	(45,000)	(830)	830	45,000	-
Transfer to separate account in accordance with HUD agreement	-	(689)	-	-	-
	$ (46,101)	$ (3,642)	$ (1,892)	$ 45,961	$ 4,985

(in thousands)

NOTE L - INTERFUND ACTIVITY (Continued)

As of June 30, 2004, interfund balances consisted of the following:

	Due from (to) other Funds				
	Single Family Program Bonds	Multi-Family Housing Revenue Bonds	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund
Servicer receipts for participation loans	$ 937	$ -	$ -	$ (937)	$ -
Other interfund transfer activity	(22)	-	13	-	9
	$ 915	$ -	$ 13	$ (937)	$ 9

NOTE M - OTHER OUTSTANDING MORTGAGE REVENUE BONDS ISSUED BY CDA (UNAUDITED)

CDA has issued the following bonds that are not included in the combined financial statements of the Funds. The Multifamily Development Revenue Bonds and the Multifamily Development Revenue Refunding Bonds are secured solely by the properties and related revenues of the projects and the applicable credit enhancements. The Draw Down Mortgage Revenue Bonds are secured by an investment equal to the debt outstanding. The Capital Fund Securitization Bonds are insured and are repayable by the Department of Housing and Urban Development (HUD) directly to the trustee from funds that the participating public housing authorities would have received under its Annual Contributions Contract. No assets of the Funds have been pledged as security for these bonds.

	Amount Issued	Outstanding at June 30, 2004
Multifamily Development Revenue Bonds		
1990 Issue B (Middle Branch Manor)	$ 12,350	$ 10,100
1990 Issue C (Harbor City Townhomes)	$ 4,150	$ 3,450
Series 1998 A (Auburn Manor)	$ 11,000	$ 10,195
Series 1999 A (GNMA - Selborne House)	$ 2,150	$ 2,105
Series 2000 A (Waters Landing II Apartments)	$ 11,000	$ 10,965

(in thousands)

NOTE M - OTHER OUTSTANDING MORTGAGE REVENUE BONDS ISSUED BY CDA (UNAUDITED) (Continued)

	Amount Issued		Outstanding at June 30, 2004	
Multifamily Development Revenue Bonds (Continued)				
Series 2000 B-1 (Edgewater Village Apartments)	$	7,640	$	7,410
Series 2000 B-2 (Edgewater Village Apartments)	$	3,125	$	3,125
Series 2000 C (Park Montgomery Apartments)	$	6,170	$	5,805
Series 2001 C (Parklane Apartments)	$	9,800	$	9,800
Series 2001 D (Princess Anne Townhouses)	$	4,350	$	4,245
Series 2001 E (Princess Anne Townhouses)	$	2,875	$	2,860
Series 2001 F (Waters Tower Senior Apartments)	$	7,570	$	7,335
Series 2001 G (Waters Tower Senior Apartments)	$	4,045	$	4,025
Series 2002 A (Broadway Homes)	$	8,100	$	8,100
Series 2002 B (Broadway Homes)	$	5,045	$	5,045
Series 2002 C (Orchard Mews Apartments)	$	5,845	$	5,845
Series 2003 A (Barrington Apartments)	$	40,000	$	40,000
Multifamily Development Revenue Refunding Bonds				
Series 1997 (Avalon Lea Apartments)	$	16,835	$	16,835
Series 1997 (Avalon Ridge Apartments)	$	26,815	$	26,815
Series 1999 C (Westfield/Greens)	$	9,200	$	8,690
Draw Down Mortgage Revenue Bonds				
Series 2002-1 (AMT)	$	41,140	$	50
Series 2002-2 (Non-AMT)	$	93,870	$	24,350
Capital Fund Securitization Revenue Bonds				
Series 2003	$	94,295	$	94,295

The Multifamily Development Revenue Bonds, the Multifamily Development Revenue Refunding Bonds, the Draw Down Mortgage Revenue Bonds and the Capital Fund Securitization Revenue Bonds are special obligations of CDA payable solely from the trust estate pledged under each indenture. These bonds do not constitute a debt of and are not guaranteed by the State of Maryland, any political subdivision thereof, CDA or the Department of Housing and Community Development.

NOTE N - MORTGAGE INSURANCE

Substantially all of CDA's mortgage loans have mortgage insurance as described in Note D.

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

For an FHA insured loan in Single Family Program Bonds, the primary mortgage insurance covers an amount equal to the unpaid principal amount of the loan. All other loans have primary mortgage insurance in an amount that is at least 25% of the loan amount. Single family mortgagors pay the premiums for primary mortgage insurance. For any losses not covered by primary mortgage insurance, CDA has purchased pool insurance or established specific reserves. For each series of bonds, pool insurance coverage cannot exceed 10% of the amount of proceeds of the series of bonds. MHF has issued most of the pool insurance policies.

FHA insured loans in Residential Revenue Bonds are insured in an amount equal to the unpaid principal amount of the loan. All other loans are insured by the VA or USDA/RD at various coverages. These coverage levels are sufficient so that no pool insurance or reserves are required. Premiums are paid by single family mortgagors.

NOTE O - 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 (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.

(in thousands)

NOTE P - COMMITMENTS

As of June 30, 2004, CDA had approximately $65,000 in reservations for single family mortgages at interest rates ranging from 4.75% to 5.5%. CDA plans to purchase these loans with proceeds from Residential Revenue Bonds. CDA also had commitments to purchase approximately $76,500 in GNMA mortgage-backed securities. These securities will be purchased with the proceeds of bonds already issued in Housing Revenue Bonds to finance mortgage loans on multifamily projects. The interest rates on these securities range from 4.86% to 6.16%. Finally, CDA has a commitment to fund a 4% mortgage loan of $1,250 in Housing Revenue Bonds. This loan is uninsured with two tranches. The first tranche of $139 is amortizing monthly for 40 years; the balance is payable from surplus cash.

NOTE Q - SUBSEQUENT EVENTS

Subsequent to year ended, June 30, 2004, the following bond activity took place:

<u>Single Family Program Bonds</u>

On September 13, 2004, CDA redeemed the following bonds:

1994 Fourth Series	$9,630

<u>Multi-Family Housing Revenue Bonds</u>

On July 28, 2004, CDA redeemed the following bonds:

2003 Series A	$1,610

On September 10, 2004, CDA redeemed the following bonds:

2001 Series B	$10,005

<u>Housing Revenue Bonds</u>

On August 17, 2004, CDA redeemed the following bonds:

Series 1996 A	$150

(in thousands)

NOTE Q - SUBSEQUENT EVENTS (Continued)

Residential Revenue Bonds

On August 2, 2004, CDA redeemed the following bonds:

2003 Series E	$16,080

On August 12, 2004, CDA issued the following bonds:

2004 Series D	$12,960
2004 Series E	$27,040
2004 Series F	$20,000

On September 13, 2004, CDA redeemed the following bonds:

2000 Series B	$13,035
2001 Series H	$350

Community Development Administration
Revenue Obligation Funds

SUPPLEMENTAL DISCLOSURE OF COMBINED CHANGES IN FAIR VALUE OF INVESTMENTS AND MORTGAGE-BACKED SECURITIES
(in thousands)

June 30, 2004
(Unaudited)

During fiscal year 1997, CDA adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 31. This statement requires the financial statements of CDA to reflect investments and mortgage-backed securities at fair value, and the increase or decrease in fair value is included in the Combined Statement of Revenue, Expenses and Changes in Net Assets.

For investments held by CDA as of June 30, 2004, the following schedule summarizes the increase/decrease in fair value for each of these years and the cumulative difference between fair value and amortized cost:

Fiscal Year Period	Single Family Program Bonds	Multi-Family Housing Revenue Bonds	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	Combined
Cumulative FY 1996 and prior periods	$ 28,537	$ 1,972	$ -	$ -	$ 620	$ 31,129
FY 1997	3,461	415	(352)	-	175	3,699
FY 1998	18,225	3,431	832	-	90	22,578
FY 1999	(14,325)	(2,009)	(407)	-	(191)	(16,932)
FY 2000	(1,536)	(154)	48	(227)	(237)	(2,106)
FY 2001	1,356	1,192	193	551	244	3,536
FY 2002	3,372	(668)	157	97	405	3,363
FY 2003	18,005	755	889	544	519	20,712
FY 2004	(17,786)	(2,004)	(678)	(674)	(1,368)	(22,510)
Cumulative total	$ 39,309	$ 2,930	$ 682	$ 291	$ 257	$ 43,469

Community Development Administration
Revenue Obligation Funds

SUPPLEMENTAL DISCLOSURE OF COMBINED CHANGES IN FAIR VALUE OF INVESTMENTS AND MORTGAGE-BACKED SECURITIES - CONTINUED
(in thousands)

June 30, 2004
(Unaudited)

Reconciliation to the Combined Statement of Revenue, Expenses and Changes in Net Assets:

	Single Family Program Bonds	Multi-Family Housing Revenue Bonds	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	Combined
Decrease in fair value of investments held at June 30, 2004	$ (17,786)	$ (2,004)	$ (678)	$ (674)	$ (1,368)	$ (22,510)
Increase in fair value of matured investments	-	-	-	57	-	57
Adjustment due to change in rebate liability (see Note J)	8,747	104	-	501	-	9,352
Decrease in fair value of investments, net of rebate, as reported on the Combined Statement of Revenue, Expenses and Changes in Net Assets	$ (9,039)	$ (1,900)	$ (678)	$ (116)	$ (1,368)	$ (13,101)

For mortgage-backed securities held by CDA as of June 30, 2004, the following schedule summarizes the increase/decrease in fair value for each of these years:

Fiscal Year Period	Multi-Family Housing Revenue Bonds	Housing Revenue Bonds	Combined
FY 2000	$ (452)	$ (3,825)	$ (4,277)
FY 2001	1,358	(3,291)	(1,933)
FY 2002	812	3,340	4,152
FY 2003	884	21,435	22,319
FY 2004	(1,476)	(11,126)	(12,602)
Cumulative total	$ 1,126	$ 6,533	$ 7,659