

**COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS**

COMBINED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025



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**COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
YEAR ENDED JUNE 30, 2025**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Community Development Administration Revenue Obligation Funds (the Fund) of the Department of Housing and Community Development of the State of Maryland, as of and for the year ended June 30, 2025 and the related notes to the financial statements, as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Community Development Administration Revenue Obligation Funds, as of June 30, 2025 and the respective changes in financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State of Maryland and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a Matter

Financial Statement Presentation

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

Change in Accounting Principle

As discussed in Note 16 to the financial statements, there was a change in accounting principle for the Fund that resulted in a restatement to beginning net position for the year ended June 30, 2025. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Fund's 2024 financial statements, and we expressed unmodified opinions on the respective financial statements of the Community Development Administration Revenue Obligation Funds in our report dated September 26, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Disclosure of Changes in Fair Value of Investments and Mortgage-Backed Securities, which is the responsibility of management, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2025, on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Baltimore, Maryland
September 26, 2025

COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
COMBINED STATEMENT OF NET POSITION
(in thousands)
JUNE 30, 2025
(with comparative combined totals as of June 30, 2024)

	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	Combined	
				2025	2024
RESTRICTED ASSETS					
RESTRICTED CURRENT ASSETS					
Cash and Cash Equivalents on Deposit	\$ 176,015	\$ 698,641	\$ 41,202	\$ 915,858	\$ 786,406
Investments	-	425,736	5,000	430,736	233,173
Mortgage-Backed Securities	449	214,857	-	215,306	132,053
Mortgage Loans:					
Single Family	-	16,239	-	16,239	17,087
Multi-Family Construction and Permanent Financing	53,802	519	182	54,503	5,460
Business Loans	-	208	-	208	196
Accrued Interest and Other Receivables	2,802	45,086	1,913	49,801	38,435
Claims Receivable on Foreclosed and Other Loans, Net of Allowance	-	767	-	767	2,700
Real Estate Owned	-	721	-	721	1,330
Total Restricted Current Assets	<u>233,068</u>	<u>1,402,774</u>	<u>48,297</u>	<u>1,684,139</u>	<u>1,216,840</u>
RESTRICTED LONG-TERM ASSETS					
Investments, Net of Current Portion	7,215	18,038	-	25,253	13,531
Mortgage-Backed Securities, Net of Current Portion	34,242	2,708,884	-	2,743,126	2,239,650
Mortgage Loans, Net of Current Portion and Allowance:					
Single Family	-	355,874	-	355,874	374,630
Multi-Family Construction and Permanent Financing	511,535	2,261	4,355	518,151	453,238
Business Loans, Net of Current Portion	-	8,104	-	8,104	8,312
Accrued Other Receivables, Net of Current Portion	312	-	-	312	-
Total Restricted Long-Term Assets	<u>553,304</u>	<u>3,093,161</u>	<u>4,355</u>	<u>3,650,820</u>	<u>3,089,361</u>
 Total Restricted Assets	<u>\$ 786,372</u>	<u>\$ 4,495,935</u>	<u>\$ 52,652</u>	<u>\$ 5,334,959</u>	<u>\$ 4,306,201</u>

See accompanying Notes to Combined Financial Statements.

COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
COMBINED STATEMENT OF NET POSITION (CONTINUED)
(in thousands)
JUNE 30, 2025
(with comparative combined totals as of June 30, 2024)

	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	Combined	
				2025	2024, as Restated
LIABILITIES					
CURRENT LIABILITIES					
Accrued Interest Payable	\$ 11,375	\$ 53,942	\$ -	\$ 65,317	\$ 50,292
Accounts Payable	250	2,514	10,929	13,693	11,835
Positive Arbitrage Liability	250	-	-	250	-
Rebate Liability	100	875	-	975	-
Accrued Workers' Compensation	-	-	16	16	15
Accrued Compensated Absences	-	-	868	868	469
Due to State Treasurer	-	-	1,487	1,487	2,427
Bonds Payable	53,880	560,772	-	614,652	318,507
Deposits by Borrowers	13,037	1,095	102	14,234	9,089
Total Current Liabilities	78,892	619,198	13,402	711,492	392,634
LONG-TERM LIABILITIES					
Positive Arbitrage Liability, Net of Current Portion	884	-	-	884	-
Rebate Liability, Net of Current Portion	592	1,625	-	2,217	1,608
Accrued Workers' Compensation, Net of Current Portion	-	-	90	90	84
Accrued Compensated Absences, Net of Current Portion	-	-	652	652	1,538
Bonds Payable, Net of Current Portion	589,689	3,444,945	-	4,034,634	3,453,383
Deposits by Borrowers, Net of Current Portion	38,145	951	1	39,097	33,489
Total Long-Term Liabilities	629,310	3,447,521	743	4,077,574	3,490,102
Total Liabilities	708,202	4,066,719	14,145	4,789,066	3,882,736
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflow on Refunding of Bond Debt	-	412	-	412	442
NET POSITION					
Restricted by Bond Indenture	78,170	428,804	38,507	545,481	423,023
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 786,372	\$ 4,495,935	\$ 52,652	\$ 5,334,959	\$ 4,306,201

See accompanying Notes to Combined Financial Statements.

COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
COMBINED STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
(in thousands)
YEAR ENDED JUNE 30, 2025
(with comparative combined totals for the year ended June 30, 2024)

	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	Combined	
				2025	2024
OPERATING REVENUE					
Interest on Mortgage Loans	\$ 22,796	\$ 19,117	\$ 785	\$ 42,698	\$ 40,461
Interest on Mortgage-Backed Securities	1,343	134,039	-	135,382	101,140
Realized Gains on Sale of Mortgage-Backed Securities	-	16,892	-	16,892	8,562
Interest Income on Investments, Net of Rebate	5,085	41,322	1,942	48,349	42,235
(Decrease) Increase in Fair Value of Investments	(69)	484	276	691	1,897
Fee Income	2,096	-	16,557	18,653	12,634
Gain on Early Retirement of Debt	-	7,833	-	7,833	6,067
Decrease in Provision for Loan Losses	-	180	-	180	851
Other Operating Revenue	2	15	126	143	117
Total Operating Revenue	31,253	219,882	19,686	270,821	213,964
OPERATING EXPENSES					
Interest Expense on Bonds	22,763	146,043	-	168,806	128,555
Professional Fees and Other Operating Expenses	690	16,057	233	16,980	16,351
Salaries, General and Administrative Costs	-	-	28,458	28,458	24,617
Other Loan Losses and Write-Offs	-	15	-	15	-
(Recoveries) Losses and Expenses on Real Estate					
Owned, Net	-	(36)	-	(36)	345
Recoveries on Foreclosure Claims, Net	-	(67)	-	(67)	(305)
Bond Issuance Costs	-	5,903	-	5,903	7,619
Total Operating Expenses	23,453	167,915	28,691	220,059	177,182
OPERATING INCOME (LOSS)	7,800	51,967	(9,005)	50,762	36,782
NONOPERATING INCOME (EXPENSES)					
Increase (Decrease) in Fair Value of Mortgage-Backed Securities	1,066	70,371	-	71,437	(13,147)
Transfers of Funds, as Permitted by the Resolutions	-	(1,688)	1,947	259	264
CHANGES IN NET POSITION	8,866	120,650	(7,058)	122,458	23,899
NET POSITION - RESTRICTED AT BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	69,304	308,154	46,115	423,573	399,674
Prior Period Adjustment - Change in Accounting Principle	-	-	(550)	(550)	-
NET POSITION - RESTRICTED AT BEGINNING OF YEAR, AS RESTATED / AS PREVIOUSLY REPORTED	69,304	308,154	45,565	423,023	423,573
Prior Period Adjustment - Change in Accounting Principle	-	-	-	-	(550)
NET POSITION - RESTRICTED AT END OF YEAR, AS RESTATED	\$ 78,170	\$ 428,804	\$ 38,507	\$ 545,481	\$ 423,023

See accompanying Notes to Combined Financial Statements.

COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
COMBINED STATEMENT OF CASH FLOWS
(in thousands)
YEAR ENDED JUNE 30, 2025
(with comparative combined totals for the year ended June 30, 2024)

	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	Combined	
				2025	2024, as Restated
CASH FLOWS FROM OPERATING ACTIVITIES					
Principal and Interest Received on Mortgage Loans	\$ 42,104	\$ 52,031	\$ 1,148	\$ 95,283	\$ 106,137
Principal and Interest Received on Mortgage- Backed Securities	1,735	296,557	-	298,292	234,382
Deposits by Borrowers Received	22,631	1,095	86	23,812	17,862
Deposits by Borrowers Paid	(12,347)	(604)	(108)	(13,059)	(11,724)
Mortgage Insurance Claims and Other Loan Proceeds Received	-	4,610	-	4,610	7,607
Foreclosure Expenses Paid	-	(563)	-	(563)	(1,261)
Loan Fees Received	2,096	-	16,609	18,705	11,755
Purchase of Mortgage Loans	(134,466)	(13,757)	-	(148,223)	(78,653)
Purchase of Mortgage-Backed Securities	(11,731)	(953,776)	-	(965,507)	(999,845)
Funds Received from Sale of Mortgage-Backed Securities	-	301,282	-	301,282	174,120
Professional Fees and Other Operating Expenses	(562)	(16,065)	(303)	(16,930)	(16,254)
Other Income Received	2	15	126	143	117
Salaries, General and Administrative Expenses	-	-	(29,878)	(29,878)	(23,577)
Other (Disbursements) Reimbursements, Net	-	(4,425)	1,894	(2,531)	(762)
Net Cash Used by Operating Activities	<u>(90,538)</u>	<u>(333,600)</u>	<u>(10,426)</u>	<u>(434,564)</u>	<u>(580,096)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from Maturities or Sales of Investments, Net of Cash Equivalents	317	680,613	30,912	711,842	498,667
Purchases of Investments, Net of Cash Equivalents	(1,882)	(896,983)	(18,000)	(916,865)	(347,090)
Interest Received on Investments	6,278	33,734	1,249	41,261	40,951
Net Cash Provided (Used) by Investing Activities	<u>4,713</u>	<u>(182,636)</u>	<u>14,161</u>	<u>(163,762)</u>	<u>192,528</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Proceeds from Sale of Bonds	164,195	1,135,883	-	1,300,078	1,242,249
Payments on Bond Principal	(26,739)	(385,398)	-	(412,137)	(453,541)
Bond Issuance Costs	-	(5,781)	-	(5,781)	(7,758)
Interest on Bonds	(20,296)	(136,227)	-	(156,523)	(115,241)
Transfers Among Funds	-	(10,000)	10,259	259	264
Net Cash Provided by Noncapital Financing Activities	<u>117,160</u>	<u>598,477</u>	<u>10,259</u>	<u>725,896</u>	<u>665,973</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS ON DEPOSIT	<u>31,335</u>	<u>82,241</u>	<u>13,994</u>	<u>127,570</u>	<u>278,405</u>
Adjustments to Report Cash Equivalents at Fair Value:					
Amortized Discount on Cash Equivalents	-	1,762	120	1,882	556
Decrease in Fair Value on Cash Equivalents	-	-	-	-	(4)
ADJUSTED NET INCREASE IN CASH AND CASH EQUIVALENTS ON DEPOSIT	<u>31,335</u>	<u>84,003</u>	<u>14,114</u>	<u>129,452</u>	<u>278,957</u>
CASH AND CASH EQUIVALENTS ON DEPOSIT - BEGINNING OF YEAR	<u>144,680</u>	<u>614,638</u>	<u>27,088</u>	<u>786,406</u>	<u>507,449</u>
CASH AND CASH EQUIVALENTS ON DEPOSIT - END OF YEAR	<u>\$ 176,015</u>	<u>\$ 698,641</u>	<u>\$ 41,202</u>	<u>\$ 915,858</u>	<u>\$ 786,406</u>

See accompanying Notes to Combined Financial Statements.

COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
COMBINED STATEMENT OF CASH FLOWS (CONTINUED)
(in thousands)
YEAR ENDED JUNE 30, 2025
(with comparative combined totals for the year ended June 30, 2024)

	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	Combined	
				2025	2024, as Restated
RECONCILIATION OF OPERATING INCOME (LOSS)					
TO NET CASH USED BY OPERATING					
ACTIVITIES					
Operating Income (Loss)	\$ 7,800	\$ 51,967	\$ (9,005)	\$ 50,762	\$ 36,232
Adjustments to Reconcile Operating Income (Loss)					
to Net Cash Used by Operating Activities:					
Amortization of Investment Premiums/Discounts	4	(4,720)	(737)	(5,453)	(2,887)
Amortization of Bond Original Issue Premiums	-	(2,742)	-	(2,742)	(2,757)
Decrease in Provision for Loan Losses	-	(180)	-	(180)	(851)
Decrease (Increase) in Fair Value of Investments	69	(484)	(276)	(691)	(1,897)
Gain on Early Retirement of Debt	-	(7,833)	-	(7,833)	(6,067)
Bond Issuance Costs	-	5,781	-	5,781	7,758
Interest Received on Investments	(6,278)	(33,734)	(1,249)	(41,261)	(40,951)
Interest on Bonds	20,296	136,227	-	156,523	115,241
(Increase) Decrease in Assets:					
Mortgage Loans	(114,662)	20,326	364	(93,972)	(10,018)
Mortgage-Backed Securities	(11,291)	(504,001)	-	(515,292)	(697,046)
Accrued Interest and Other Receivables	(871)	(10,902)	95	(11,678)	(5,665)
Claims Receivable on Foreclosed and Other Loans	-	1,929	-	1,929	1,846
Real Estate Owned	-	609	-	609	590
Increase (Decrease) in Liabilities:					
Accrued Interest Payable	2,467	12,558	-	15,025	16,071
Accounts Payable	1,262	(94)	1,824	2,992	1,339
Rebate Liability	382	1,202	-	1,584	1,238
Accrued Workers' Compensation and					
Compensated Absences	-	-	(480)	(480)	639
Due to State Treasurer	-	-	(940)	(940)	951
Deposits by Borrowers	10,284	491	(22)	10,753	6,138
Net Cash Used by Operating Activities	<u>\$ (90,538)</u>	<u>\$ (333,600)</u>	<u>\$ (10,426)</u>	<u>\$ (434,564)</u>	<u>\$ (580,096)</u>

See accompanying Notes to Combined Financial Statements.

**COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
NOTES TO COMBINED FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025**

NOTE 1 AUTHORIZING 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 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.

The accompanying combined financial statements only include CDA's Revenue Obligation Funds (the Funds). CDA's other programs are not included. However, CDA has also separately issued financial statements for the Single-Family Housing Revenue Bonds, Multi-Family Mortgage Revenue Bonds and Local Government Infrastructure Bonds indentures. The Revenue Obligation Funds, Single-Family Housing Revenue Bonds, Multi-Family Mortgage Revenue Bonds and Local Government Infrastructure Bonds are enterprise funds of the State of Maryland and are included in the State of Maryland's Annual Comprehensive Financial Report.

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

Fund	Purpose
Housing Revenue Bonds	To provide funds to finance or refinance loans for various types of housing. As of June 30, 2025, 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 in the Revenue Obligation Funds to the extent revenues and assets specifically pledged are not sufficient. This Fund also provides for the payment of operating expenses of CDA.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Revenue Obligation Funds are accounted for as enterprise funds. Accordingly, the accompanying combined financial statements have been prepared using the accrual method of accounting and on the basis of accounting principles generally accepted in the United States of America (GAAP).

Basis of Accounting and Measurement Focus

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

**COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
NOTES TO COMBINED FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Generally Accepted Accounting Principles

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

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

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

Cash and Cash Equivalents on Deposit

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

Investments

Investments are principally governmental debt securities or investment agreements collateralized by governmental debt securities. Debt securities are stated at fair value, based on quoted market prices. Investments are classified as current or long-term based on the maturity date or call date, with the exception of State Housing Finance Agency (HFA) Variable Rate Demand Obligations (VRDO) which are short-term (7-day) instruments that can be tendered at 7 days' notice. Callable investments are classified as current, if exercise of the call within the next fiscal year is probable. Investments are more fully described in Note 3.

Mortgage-Backed Securities

These guaranteed securities are issued in connection with mortgage loans on multi-family projects and single-family homes. They are stated at fair value, based on quoted market prices. Mortgage-backed securities are more fully described in Note 3.

Mortgage Loans

Mortgage loans are carried at their unpaid principal balances, net of allowance for loan losses. Loan fees are recognized as revenue in the period received. Any single family mortgage loan in foreclosure with a pending insurance claim is recorded as claims receivables. See Notes 4 and 14 for additional information on mortgage loans and mortgage insurance, respectively.

**COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
NOTES TO COMBINED FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. On insured single-family loans, interest ceases to accrue after foreclosure. See Note 5 for additional information.

Claims Receivable on Foreclosed and Other Loans

Claims receivable on foreclosed and other loans include insured single-family loans that are in foreclosure or other single-family loans with pending insurance claims, recorded net of allowance. These loans are primarily insured by U.S. Government Agencies or private mortgage insurers. Foreclosed loans insured by private mortgage insurers are held in this account until the insurer has made a final determination as to claim payment or transfer of the property to CDA.

Real Estate Owned

Real estate owned represents real estate acquired through foreclosure or deeds-in-lieu and is stated at the lower of cost or fair value less estimated costs to sell. Expenses incurred related to real estate owned are reported on the Combined Statement of Revenue, Expenses and Changes in Net Position.

Allowance for Loan Losses

Substantially all single-family mortgage loans of the Funds are insured or guaranteed by agencies of the U.S. Government, the Maryland Housing Fund (MHF), or private mortgage insurers. Most primary coverage levels range from 25% to 100% of the loan. CDA has established an allowance for loan losses on the uninsured portions of multi-family loans and on single family loans. CDA has also established an allowance for loan losses on single family loans that are in foreclosure. Management believes the allowance established is adequate based on prior experience and evaluations from DHCD's asset management group as well as a current assessment of probability and risk of loss due to default or deteriorating economic conditions. See Note 4 for additional information on allowance for loan losses.

Bond Issuance Costs

Bond issuance costs are recognized and expensed in the period incurred.

Bonds Payable

Bonds payable are carried at their unpaid principal balances, net of unamortized original issue discounts or premiums. However, in an economic refunding, any costs incurred from the refunding of bonds would be reported as deferred outflows or inflows of resources on the Combined Statement of Net Position. See Notes 6, 7, 8, 9, and 11 for additional information on bonds.

Deposits by Borrowers

This account primarily 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.

**COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits by Borrowers (Continued)

Additionally, this account includes other borrower-funded accounts held by CDA. The Negative Arbitrage Account is a subaccount for certain multi-family housing developments established within the revenue fund and utilized during the construction period for payment of all or a portion of interest when due on the bonds issued to finance such developments. The current liability for this account is estimated based on the remaining construction period. The Collateral Account is a subaccount within the bond proceeds fund which consists of amounts delivered on behalf of borrowers as consideration for their loans. The amounts in the subaccount directly secure, and are to be applied to timely payment of principal of and interest on, the bonds issued to finance the associated multi-family housing developments. The current liability for this account is estimated based on the maturity date of the bonds linked to these loans.

See Note 11 for further information on changes in long-term obligations.

Positive Arbitrage Liability

This account consists of excess investments earnings that arose due to actual investment yields earned on various funds and accounts that may be greater than yields permitted to be retained by such funds and accounts under the Internal Revenue Code. For more information, see Note 2 – “Summary of Significant Accounting Policies – Rebate liability on Investments” and Note 9 – “Rebate Liability”. Following the calculation and payment of rebate liability to the IRS, excesses will be returned to the borrowers, as applicable. The current liability for this account is determined by the expected settlement timing. See Note 11 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 may also include an estimate of the rebate obligation related to unrealized gains as a result of recording investments at fair value. Rebate liability is more fully described in Note 10.

Mortgage Yield Limitations

All mortgage loans are subject to yield limitations under the Internal Revenue Code (IRC) 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 IRC. If at any time the composite yields on the transferred loans are out of compliance with the IRC, CDA has certain remedies available to bring the yield into compliance. As of June 30, 2025, all mortgage loan yields are in compliance with the IRC.

Interest on Mortgage Loans and Mortgage-Backed Securities

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

**COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
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JUNE 30, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fee Income

CDA receives multi-family financing fees at loan origination. These fees are recognized as revenue in the period received as fee income. Tax credit fees and administrative fees are recorded as earned.

Administrative Support

In addition to expenses incurred directly by the Funds, CDA receives certain support services from other divisions of DHCD. Support services and operating expenses for CDA, including those related to compensated absences, 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, and CDA also accrues its allocated portion of compensated absences at year-end, as provided by DHCD. In addition, at year-end CDA accrues its allocated portion of worker's compensation, as provided by General Accounting Division. For the year ended June 30, 2025, DHCD adopted GASB Statement No. 101, Compensated Absences, which required adjustments to the calculation of the total Compensated Absence Liability. As a result, CDA has restated the ending June 30, 2024 net position to reflect adoption. See Note 16 for more information. For the year ended June 30, 2025, the total costs for salaries and related costs and for general and administrative costs charged to the General Bond Reserve Fund was \$28,458.

The employees of CDA are covered by the Maryland State Retirement and Pension System. See Note 15 for additional information.

Revenue and Expenses

CDA distinguishes operating revenue and expenses from non-operating items in accordance with accounting guidance issued by GASB. Operating revenue and expenses are identified as those activities that are directly related to financing affordable housing in the State of Maryland. The Funds' activities are considered to be operating except for increases and decreases in the fair value of mortgage-backed securities that are held within the portfolio. Mortgage-backed securities that are part of the To Be Announced (TBA) program are classified as operating which is more fully described in Note 3.

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
REVENUE OBLIGATION FUNDS
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(in thousands)
JUNE 30, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Combined Totals

The totals of similar accounts of the various Funds in the accompanying combined 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.

The financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Fund's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

NOTE 3 CASH, CASH EQUIVALENTS, INVESTMENTS, AND MORTGAGE-BACKED SECURITIES

Bond proceeds and revenues from mortgages, mortgage-backed securities, and investments are invested in authorized investments as defined in the respective indentures and in CDA's Investment Policy until required for purchasing mortgage-backed securities or originating mortgage loans, funding reserves, paying bond debt service or redeeming outstanding bonds and notes, and funding program expenses. Authorized investments include State Housing Finance Agency (HFA) Variable Rate Demand Obligations (VRDO), obligations of the U.S. Treasury, U.S. Government Agencies, repurchase agreements, investment agreements, money market funds, and certificates of deposit.

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

	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	Combined
Cash and Cash Equivalents:				
BlackRock Liquidity FedFund Administration Shares	\$ 176,015	\$ 690,634	\$ 41,202	\$ 907,851
Demand Deposit Account	-	8,007	-	8,007
Investments:				
State HFA VRDO(s)	-	25,465	5,000	30,465
U.S. Treasury Securities	7,215	410,454	-	417,669
Obligations of U.S. Government Agencies	-	5,447	-	5,447
Repurchase and Investment Agreements	-	2,408	-	2,408
Mortgage-Backed Securities:				
Government National Mortgage Association (GNMA)	34,691	1,641,191	-	1,675,882
Federal National Mortgage Association (FNMA)	-	841,255	-	841,255
Federal Home Loan Mortgage Corporation (FHLMC)	-	441,295	-	441,295
Total Cash and Cash Equivalents, Investments and Mortgage-Backed Securities	\$ 217,921	\$ 4,066,156	\$ 46,202	\$ 4,330,279

**COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
NOTES TO COMBINED FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025**

NOTE 3 CASH, CASH EQUIVALENTS, INVESTMENTS, AND MORTGAGE-BACKED SECURITIES (CONTINUED)

Interest Rate Risk

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

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

Asset	Amortized Cost	Fair Value	Maturities (in Years)				
			Less Than 1	1 - 5	6 - 10	11 - 15	More Than 15
BlackRock Liquidity FedFund							
Administration Shares	\$ 907,851	\$ 907,851	\$ 907,851	\$ -	\$ -	\$ -	\$ -
Demand Deposit Account	8,007	8,007	8,007	-	-	-	-
State HFA VRDO(s)	30,465	30,465	30,465	-	-	-	-
U.S. Treasury							
Securities	417,400	417,669	400,271	17,398	-	-	-
Obligations of U.S.							
Government Agencies	4,877	5,447	-	3,141	2,306	-	-
Repurchase Agreements/ Investment Agreements	2,408	2,408	-	1,232	1,176	-	-
GNMA Mortgage-Backed							
Securities	1,709,202	1,675,882	-	-	-	-	1,675,882
FNMA Mortgage-Backed							
Securities	865,727	841,255	-	-	-	-	841,255
FHLMC Mortgage-Backed							
Securities	436,630	441,295	-	-	-	-	441,295
Total	<u>\$ 4,382,567</u>	<u>\$ 4,330,279</u>	<u>\$ 1,346,594</u>	<u>\$ 21,771</u>	<u>\$ 3,482</u>	<u>\$ -</u>	<u>\$ 2,958,432</u>

Under RRB, the current portions of Mortgage-Backed Securities classified as current assets on the Statements of Net Position for the year ended June 30, 2025 in the amount of \$214,857 represents principal repayments expected to be received within the next twelve months, including both scheduled repayments and anticipated prepayments, and is not reflected in the table above as current.

Under HRB, the current portions of Mortgage-Backed Securities classified as current assets on the Statements of Net Position for the year ended June 30, 2025 in the amount of \$449 represents principal repayments expected to be received within the next twelve months, including both scheduled repayments and anticipated prepayments, and is not reflected in the table above as current.

The BlackRock Liquidity FedFund Administration Shares invests primarily in cash, U.S. Treasury bills, notes, and other obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities, and repurchase agreements secured by such obligations or cash. It is operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended. It 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 noted above, as of June 30, 2025, the cost of the money market mutual fund approximated fair value.

**COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
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(in thousands)
JUNE 30, 2025**

NOTE 3 CASH, CASH EQUIVALENTS, INVESTMENTS, AND MORTGAGE-BACKED SECURITIES (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 trust indentures require 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 CDA's indentures and 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 in a specific indenture 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, 2025, all counterparty ratings were at least equal to the ratings on the bonds. The ratings on Housing Revenue Bonds and Residential Revenue Bonds as of June 30, 2025 were Aa2 and Aa1, respectively, by Moody's Investors Service. The ratings on Housing Revenue Bonds and Residential Revenue Bonds as of June 30, 2025 were AA+ by Fitch Ratings. The following table provides credit quality rating information for the investment portfolio and individual issuers, if they represent 5% or more of total investments, in accordance with accounting guidance issued by GASB.

The market value of the underlying collateralized securities in repurchase agreements and investment agreements is maintained at a minimum of 102% of the principal of and accrued interest on the invested funds by marking to market at least weekly and using an immediate under value cure provision.

The State HFA VRDOs held in CDA's investment portfolio are short-term (7-day) instruments that can be tendered at 7 days' notice at par. The rate is reset weekly by a remarketing agent; therefore the market value of the bonds is approximately 100% of the principal amount of the bonds during any period.

In order to facilitate a transaction with a liquidity provider, CDA has invested in a demand deposit account that is classified as cash and cash equivalents. This investment is backed by an Irrevocable Standby Letter of Credit dated July 26, 2021, that was established by the Federal Home Loan Bank of Pittsburgh, and is automatically extended each year until July 27, 2026. This date corresponds with the termination date of the standby purchase agreement.

**COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
NOTES TO COMBINED FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025**

NOTE 3 CASH, CASH EQUIVALENTS, INVESTMENTS, AND MORTGAGE-BACKED SECURITIES (CONTINUED)

Credit Risk and Concentration of Credit Risk (Continued)

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

Asset	Fair Value	Percentage of Total Investments	Money Market Fund Rating	Securities Credit Rating	Rating Agency
BlackRock Liquidity FedFund Administration Shares	\$ 907,851	20.97%	Aaa-mf		Moody's
U.S. Treasury Securities	417,669	9.65%		Direct U.S. Obligations	
Government National Mortgage Association (GNMA) Mortgage-Backed Securities	1,675,882	38.70%		Direct U.S. Obligations	
Federal National Mortgage Association (FNMA) Mortgage-Backed Securities	841,255	19.43%		Aa1	Moody's
Federal Home Loan Mortgage Corporation (FHLMC) Mortgage-Backed Securities	441,295	10.19%		Aa1	Moody's

Mortgage-Backed Securities

All mortgage-backed securities held by CDA are guaranteed by the Government National Mortgage Association (GNMA), the Federal National Mortgage Association (FNMA or Fannie Mae), or the Federal Home Loan Corporation (Freddie Mac).

GNMA mortgage-backed securities are instrumentalities of the United States Government and are “fully modified pass-through” mortgage-backed securities which require monthly payments by a Federal Housing Administration (FHA), Veterans Administration (VA) or United States Department of Agriculture Rural Development (USDA RD) lender, as the issuer of the guaranteed security to CDA. GNMA guarantees timely payment of principal and interest on Guaranteed Securities.

Fannie Mae and Freddie Mac mortgage-backed securities are “guaranteed mortgage pass-through securities” which supplement amounts received by a trust created under a trust agreement as required permitting timely payments of principal and interest on the securities to CDA. The securities and payments of principal and interest on the securities are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities other than Fannie Mae or Freddie Mac.

**COMMUNITY DEVELOPMENT ADMINISTRATION
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JUNE 30, 2025**

NOTE 3 CASH, CASH EQUIVALENTS, INVESTMENTS, AND MORTGAGE-BACKED SECURITIES (CONTINUED)

Mortgage-Backed Securities (Continued)

As an investor of GNMA I mortgage-backed securities (MBS), CDA receives separate principal and interest payments on the 15th of each month; however, for GNMA II MBS, CDA receives the total principal and interest from a central paying agent on the 20th of each month. CDA receives the total principal and interest from the trustee on the 25th of each month for both Fannie Mae and Freddie Mac securities and on the 15th of each month for some Freddie Mac securities. All mortgages backing a GNMA I MBS have the same mortgage rate equal to 50 basis points greater than the coupon, with 44 basis points of servicing fee and 6 basis points of guaranty fee. Similarly, GNMA II MBS also have 6 basis points of guaranty fee, but the mortgage rate for the loans backing the security can vary between 25 to 75 basis points greater than the coupon which may result in a variety of servicing fees. As of June 30, 2025, Fannie Mae and Freddie Mac securities have a guaranty fee of approximately 49 basis points and a servicing fee of 25 basis points. CDA also participates from time to time in the Fannie Mae or Freddie Mac buy-up or buy-down of the guaranty fee created in the pooling process in order to maximize pooling of securities for efficiency and effectiveness.

In January 2012, CDA expanded the sources of financing for its mortgage-backed securities program through the ongoing sale of forward contracts of GNMA, Fannie Mae, or Freddie Mac mortgage-backed securities. These securities are comprised of single-family mortgage loans originated by CDA's network of approved lender partners. As part of this program, CDA periodically enters into forward contracts to sell GNMA, Fannie Mae or Freddie Mac mortgage-backed securities to investors before the securities are ready for delivery (referred to as to-be-announced or TBA Mortgage-Backed Security Contract). These forward contracts are settled monthly, using funds held in Residential Revenue Bonds' additional collateral account, prior to being sold into the secondary market. As of June 30, 2025, CDA entered into TBA Mortgage-Backed Security Contracts with a notional amount of \$4,900 outstanding.

The increase/decrease in the fair value of GNMA, Fannie Mae or Freddie Mac mortgage-backed securities that are part of the TBA program is classified as operating revenue on the Combined Statements of Revenue, Expenses, and Changes in Net Position.

Custodial Credit Risk

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

**COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
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(in thousands)
JUNE 30, 2025**

NOTE 3 CASH, CASH EQUIVALENTS, INVESTMENTS, AND MORTGAGE-BACKED SECURITIES (CONTINUED)

Fair Value Measurements

CDA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Funds have the following recurring fair value measurements as of June 30, 2025:

- U.S. Government Agencies of \$5,477 valued using quoted market prices (Level 1).
- U.S. Treasury Securities of \$417,669 are valued using quoted market prices (Level 1).
- State HFA VRDOs of \$30,465 are valued using the matrix pricing technique (Level 2).
- GNMA, FNMA and FHLMC mortgage-backed securities of \$2,958,432 are valued using the matrix pricing technique (Level 2).

NOTE 4 MORTGAGE LOANS

Substantially all single-family mortgage loans are secured by first liens on the related property. Approximately 94% of all single family outstanding loan amounts are credit enhanced through the Federal Housing Administration (FHA) mortgage insurance programs, the VA and USDA RD guarantee programs, Maryland Housing Fund (MHF), or by private mortgage insurance policies. As of June 30, 2025, interest rates on first lien single family loans ranged from 0.00% to 9.50% with remaining loan terms ranging approximately from less than 1 year to 42 years.

Approximately 99% of all multi-family construction and permanent mortgage loan amounts are insured or credit enhanced by FHA, MHF, Federal National Mortgage Association (FNMA), GNMA, or bank letters of credit. As of June 30, 2025, interest rates on the loans range from 2.62% to 8.25% with remaining loan terms ranging from less than 1 year to 40 years. For the year ended June 30, 2025, an allowance for loan losses in the amount of \$9 has been established for uninsured loans.

On June 30, 2025, CDA transferred all Business Loans, amounting to a total of \$8,312, from the General Bond Reserve Fund into the Residential Revenue Bond Indenture. A corresponding loss of the same amount was recognized in the General Bond Reserve Fund and a corresponding gain was recognized in the Residential Revenue Bond Indenture.

**COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
NOTES TO COMBINED FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025**

NOTE 4 MORTGAGE LOANS (CONTINUED)

For the year ended June 30, 2025, the mortgage loan and claims receivable balances, net of the allowances for loan losses on the uninsured portions of multi-family loans and on single-family loans, including loans in foreclosure and other loans with pending insurance claims, were as follows:

	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	Combined
Single Family Mortgage Loans	\$ -	\$ 373,471	\$ -	\$ 373,471
Allowance for Loan Losses	-	(1,358)	-	(1,358)
Single Family Mortgage Loans, Net of Allowance	\$ -	\$ 372,113	\$ -	\$ 372,113
Multi-Family Mortgage Loans	\$ 565,346	\$ 2,780	\$ 4,537	\$ 572,663
Allowance for Loan Losses	(9)	-	-	(9)
Multi-Family Mortgage Loans, Net of Allowance	\$ 565,337	\$ 2,780	\$ 4,537	\$ 572,654
Business Loans	\$ -	\$ 8,312	\$ -	\$ 8,312
Allowance for Loan Losses	-	-	-	-
Business Loans, Net of Allowance	\$ -	\$ 8,312	\$ -	\$ 8,312
Claims Receivable on Foreclosed and Other Loans	\$ -	\$ 870	\$ -	\$ 870
Allowance for Loan Losses	-	(103)	-	(103)
Claims Receivable on Foreclosed and Other Loans, Net of Allowance	\$ -	\$ 767	\$ -	\$ 767

**COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
NOTES TO COMBINED FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025**

NOTE 5 ACCRUED INTEREST AND OTHER RECEIVABLES

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

	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	Combined
Accrued Mortgage Loan Interest	\$ 2,082	\$ 2,414	\$ 156	\$ 4,652
Accrued Mortgage-Backed Securities				
Interest	135	12,769	-	12,904
Accrued Investment Interest	529	10,712	136	11,377
Accrued Rebate Liability Due from Borrowers	312	-	-	312
Negative Arbitrage Due from Mortgagors	56	-	-	56
Reimbursement Due for State-Funded Loans	-	15,977	-	15,977
Reimbursement Due For Pre-Foreclosure				
Costs Incurred on Mortgage Loans	-	2,918	-	2,918
Miscellaneous Billings	-	296	1,621	1,917
Total	<u>\$ 3,114</u>	<u>\$ 45,086</u>	<u>\$ 1,913</u>	<u>\$ 50,113</u>

NOTE 6 SHORT-TERM DEBT

CDA issues short-term debt to preserve expiring volume cap and to facilitate the refunding of prepayments and repayments from existing 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 series of 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 debt. CDA issues long-term refunding bonds to redeem the short-term debt and the prepayments and repayments are used to fund new mortgages. During the fiscal year 2025, CDA issued \$408,627 of 2024 Series G short-term debt, with a remaining balance of \$393,627 as of June 30, 2025.

NOTE 7 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.

The provisions of the various bond indentures 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 are subject to optional redemption, in whole or in part at any time, after certain dates, as specified in the respective series indentures, at a redemption price equal to the principal amount thereof to be redeemed. When bonds are redeemed, whether as a special or optional redemption, CDA writes off a proportionate share of any unamortized original issue premiums, net of any unamortized original issue discounts, as a gain on early retirement of debt in the accompanying Combined Statement of Revenue, Expenses, and Changes in Net Position. If unamortized original issue discounts exceed unamortized original issue premiums, CDA records a loss.

**COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
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(in thousands)
JUNE 30, 2025**

NOTE 7 BONDS PAYABLE (CONTINUED)

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.

Housing Revenue Bonds

Series 2013 E

The rate is set weekly by a 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 bonds bear interest at a rate in excess of 12%.

Residential Revenue Bonds

2006 Series G and J; 2012 Series B; and 2014 Series F.

The rate is set weekly by a 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 bonds bear interest at a rate in excess of 12%.

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

Housing Revenue Bonds

Series 2013 E

Residential Revenue Bonds

2012 Series B	2021 Series D	2024 Series D
2014 Series E and F	2022 Series B and C	2024 Series F
2015 Series B	2023 Series B	2025 Series B
2016 Series A	2023 Series D	2025 Series D
2017 Series A	2023 Series F	
2019 Series D	2024 Series B	

**COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
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(in thousands)
JUNE 30, 2025**

NOTE 7 BONDS PAYABLE (CONTINUED)

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

	Issue Dated	Range of Interest Rates	Range of Maturities	Bonds Payable at June 30, 2024	Bond Activity			Bonds Payable at June 30, 2025
					New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed	
Housing Revenue Bonds								
Series 2013 A	02/28/13	3.10% - 4.00%	2025-2054	\$ 9,430	\$ -	\$ (175)	\$ -	\$ 9,255
Series 2013 E	11/07/13	Variable Rate	7/1/2045	25,800	-	-	(4,000)	21,800
Series 2013 F	12/12/13	4.125% - 5.00%	2025-2048	5,405	-	(240)	-	5,165
Series 2014 A	02/27/14	4.00% - 5.00%	2025-2055	3,060	-	(100)	-	2,960
Series 2014 B	05/21/14	3.25% - 4.45%	2025-2055	1,145	-	(20)	-	1,125
Series 2014 C	08/21/14	3.15% - 4.05%	2025-2046	1,965	-	(60)	-	1,905
Series 2014 D	12/17/14	2.95% - 4.20%	2025-2056	8,925	-	(150)	-	8,775
Series 2015 A	05/28/15	3.00% - 4.55%	2025-2057	7,260	-	(110)	-	7,150
Series 2015 B	10/07/15	2.80% - 4.50%	2025-2057	41,515	-	(625)	-	40,890
Series 2016 A	12/14/16	3.05% - 4.40%	2025-2058	6,785	-	(100)	-	6,685
Series 2017 A	04/13/17	3.95%	11/1/2058	13,995	-	-	(177)	13,818
Series 2017 B	05/10/17	3.75%	3/1/2059	5,913	-	-	(77)	5,836
Series 2017 C	12/18/17	2.25% - 3.80%	2025-2059	16,960	-	(260)	-	16,700
Series 2018 A	05/31/18	2.75% - 4.25%	2025-2060	23,990	-	(330)	-	23,660
Series 2019 A	01/17/19	2.50% - 4.20%	2025-2061	11,180	-	(150)	-	11,030
Series 2019 B	04/18/19	2.20% - 3.90%	2025-2061	9,620	-	(135)	-	9,485
Series 2019 C	06/27/19	1.80% - 3.65%	2025-2061	14,170	-	(215)	-	13,955
Series 2019 D	08/08/19	1.75% - 3.60%	2025-2061	29,445	-	(440)	-	29,005
Series 2019 E	11/14/19	1.70% - 3.40%	2025-2061	2,660	-	(40)	-	2,620
Series 2020 A	06/30/20	1.15% - 3.10%	2025-2062	10,075	-	(160)	-	9,915
Series 2020 C	07/09/20	1.125% - 3.100%	2025-2062	9,080	-	(140)	-	8,940
Series 2020 D	10/22/20	0.70% - 2.95%	2025-2062	8,415	-	(140)	-	8,275
Series 2020 E	12/17/20	0.70% - 2.70%	2025-2062	21,555	-	(370)	-	21,185
Series 2021 A	06/24/21	0.55% - 2.65%	2025-2063	13,515	-	(230)	-	13,285
Series 2021 B	07/29/21	0.55% - 2.10%	2025-2041	11,240	-	(190)	-	11,050
Series 2021 C	11/18/21	0.70% - 3.05%	2025-2064	32,015	-	(3,490)	-	28,525
Series 2022 A	06/09/22	3.10% - 4.60%	2025-2042	17,895	-	(85)	-	17,810
Series 2022 B	10/18/22	3.35% - 5.25%	2025-2064	3,595	-	(15)	-	3,580
Series 2022 C	12/01/22	3.45% - 5.15%	2025-2042	11,555	-	(2,135)	-	9,420
Series 2023 A	03/15/23	3.15% - 5.00%	2025-2065	17,205	-	(8,785)	-	8,420
Series 2023 B	05/03/23	2.75% - 4.35%	2025-2043	25,575	-	(3,595)	-	21,980
Series 2023 C	07/27/23	3.30% - 4.80%	2025-2065	25,880	-	-	-	25,880
Series 2023 D	09/28/23	3.50% - 5.00%	2026-2066	29,920	-	-	-	29,920
Series 2023 E	12/14/23	3.60% - 4.75%	2026-2043	14,605	-	-	-	14,605
Series 2024 A	03/21/24	3.15% - 4.85%	2026-2066	14,765	-	-	-	14,765
Series 2024 B	07/10/24	3.35% - 4.85%	2026-2068	-	40,890	-	-	40,890
Series 2024 C	07/10/24	3.45%	1/1/2028	-	1,565	-	-	1,565
Series 2024 D	09/17/24	3.10% - 4.75%	2026-2067	-	58,205	-	-	58,205
Series 2024 E	11/14/24	3.125% - 4.750%	2026-2067	-	27,550	-	-	27,550
Series 2025 A	04/23/25	3.15% - 5.00%	2027-2067	-	21,520	-	-	21,520
Series 2025 B	06/11/25	3.60% - 5.25%	2027-2067	-	14,465	-	-	14,465
Total				<u>\$ 506,113</u>	<u>\$ 164,195</u>	<u>\$ (22,485)</u>	<u>\$ (4,254)</u>	<u>\$ 643,569</u>

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NOTE 7 BONDS PAYABLE (CONTINUED)

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

	Issue Dated	Range of Interest Rates	Range of Maturities	Debt		Bond Activity			Debt		Bond		Bonds				
				Outstanding at June 30, 2024		New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed	Outstanding at June 30, 2025	Premium/ Discount Deferred	Payable at June 30, 2025						
Residential Revenue Bonds																	
2006 Series G	05/24/06	Variable Rate	2027-2040	\$	10,130	\$	-	\$	-	\$	(1,900)	\$	8,230	\$	-	\$	8,230
2006 Series J	07/13/06	Variable Rate	2029-2040		39,310		-		-		(2,005)		37,305		-		37,305
2012 Series B	08/23/12	Variable Rate	2025-2033		44,345		-		-		(285)		44,060		-		44,060
2014 Series B	02/20/14	N/A	N/A		500		-		-		(500)		-		-		-
2014 Series C	09/25/14	2.95% - 4.00%	2025-2044		11,945		-		(1,715)		(400)		9,830		35		9,865
2014 Series D	09/25/14	4.00%	2031-2036		1,095		-		-		(520)		575		32		607
2014 Series E	09/25/14	3.696% - 4.146%	2025-2029		10,770		-		(1,920)		(685)		8,165		-		8,165
2014 Series F	09/25/14	Variable Rate	2041-2044		23,770		-		-		-		23,770		-		23,770
2015 Series A	12/03/15	2.80% - 3.50%	2025-2045		1,850		-		(225)		(420)		1,205		27		1,232
2015 Series B	12/03/15	3.16%	2032-2041		2,605		-		-		(2,090)		515		-		515
2016 Series A	08/31/16	2.763% - 3.797%	2025-2047		156,555		-		(8,855)		(3,450)		144,250		202		144,452
2017 Series A	04/27/17	3.242% - 4.103%	2025-2048		91,735		-		(7,270)		(3,850)		80,615		-		80,615
2018 Series A	11/08/18	3.00% - 4.50%	2025-2048		31,735		-		(1,070)		(6,960)		23,705		1,177		24,882
2018 Series B	11/08/18	4.50%	2036-2048		16,530		-		-		(4,180)		12,350		632		12,982
2019 Series A	03/13/19	2.25% - 4.25%	2025-2049		38,630		-		(2,540)		-		36,090		778		36,868
2019 Series B	06/13/19	2.00% - 5.00%	2025-2049		122,250		-		(3,310)		(5,755)		113,185		3,445		116,630
2019 Series C	10/16/19	1.80% - 5.00%	2025-2050		222,910		-		(5,445)		(12,310)		205,155		7,373		212,528
2019 Series D	10/16/19	2.248% - 2.931%	2025-2050		11,810		-		(675)		(1,175)		9,960		-		9,960
2020 Series A	02/25/20	1.25% - 3.75%	2025-2050		99,240		-		(2,900)		(4,715)		91,625		2,334		93,959
2020 Series D	08/27/20	0.75% - 3.25%	2025-2050		129,210		-		(4,345)		(7,930)		116,935		2,703		119,638
2021 Series A	02/25/21	0.40% - 3.00%	2025-2051		170,750		-		(5,430)		(11,145)		154,175		3,932		158,107
2021 Series B	08/26/21	0.55% - 3.00%	2025-2051		150,195		-		(4,355)		(9,510)		136,330		3,801		140,131
2021 Series C	12/14/21	1.10% - 3.00%	2027-2051		212,420		-		-		(12,230)		200,190		4,415		204,605
2021 Series D	12/14/21	1.45% - 1.80%	2025-2027		18,995		-		(6,215)		-		12,780		-		12,780
2022 Series A	06/15/22	3.80% - 5.00%	2030-2052		107,495		-		-		(6,865)		100,630		2,392		103,022
2022 Series B	06/15/22	3.491% - 4.638%	2025-2034		33,655		-		(2,590)		-		31,065		-		31,065
2022 Series C	09/15/22	3.803% - 5.091%	2025-2053		94,820		-		(1,765)		(7,820)		85,235		-		85,235
2022 Series D	12/14/22	3.35% - 6.00%	2025-2053		97,440		-		(1,585)		(3,665)		92,190		1,928		94,118
2023 Series A	05/11/23	2.90% - 5.50%	2025-2053		59,080		-		(735)		(1,700)		56,645		2,046		58,691
2023 Series B	05/11/23	4.383% - 5.750%	2025-2053		89,255		-		(1,535)		(6,320)		81,400		1,316		82,716
2023 Series C	08/15/23	3.25% - 5.75%	2025-2054		114,265		-		(1,365)		(1,715)		111,185		2,541		113,726
2023 Series D	08/15/23	4.982% - 6.000%	2025-2053		185,000		-		(2,970)		(7,120)		174,910		1,406		176,316
2023 Series E	11/14/23	3.65% - 6.25%	2025-2054		75,000		-		(1,040)		(1,615)		72,345		1,655		74,000
2023 Series F	11/14/23	5.455% - 6.362%	2025-2053		325,000		-		(4,065)		(6,345)		314,590		-		314,590
2023 Series G	12/19/23	N/A	N/A		159,568		-		(159,568)		-		-		-		-
2024 Series A	05/16/24	3.35% - 6.25%	2025-2055		40,000		-		(210)		(125)		39,665		1,294		40,959
2024 Series B	05/16/24	5.007% - 6.091%	2025-2054		210,000		-		(795)		(450)		208,755		-		208,755
2024 Series C	08/28/24	3.15%-6.25%	2025-2055		-		47,375		-		(65)		47,310		1,881		49,191
2024 Series D	08/28/24	4.272% - 6.000%	2025-2055		-		100,000		-		(85)		99,915		1,403		101,318
2024 Series E	11/13/24	3.05% - 6.25%	2025-2055		-		40,000		-		-		40,000		2,312		42,312
2024 Series F	11/13/24	4.339% - 6.000%	2025-2055		-		80,000		-		-		80,000		446		80,446
2024 Series G	12/01/24	3.79% - 3.99%	2025-2055		-		408,627		-		(15,000)		393,627		-		393,627
2025 Series A	02/26/25	2.90% - 6.25%	2026-2056		-		75,975		-		-		75,975		1,997		77,972
2025 Series B	02/26/25	4.472% - 6.000%	2026-2055		-		174,025		-		-		174,025		861		174,886
2025 Series C	06/18/25	3.40% - 5.50%	2026-2056		-		45,000		-		-		45,000		731		45,731
2025 Series D	06/18/25	4.464% - 6.249%	2026-2055		-		155,000		-		-		155,000		155		155,155
Total				\$	3,209,863	\$	1,126,002	\$	(234,493)	\$	(150,905)	\$	3,950,467	\$	55,250	\$	4,005,717

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NOTE 8 DEBT SERVICE REQUIREMENTS

As of June 30, 2025, the required principal payments for bonds (including mandatory sinking fund payments, special and optional redemptions and mandatory payments and prepayments from the loans in Housing Revenue Bonds Series 2017A and 2017B that occurred subsequent to June 30, 2025, and excluding the effect of unamortized premiums as shown in Note 7) and interest payments for each of the next five years and in five-year increments thereafter, are as follows:

<u>Year Ending June 30,</u>	<u>Housing Revenue Bonds</u>		<u>Residential Revenue Bonds</u>	
	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2026	\$ 23,884	\$ 53,880	\$ 162,624	\$ 560,772
2027	22,629	39,657	148,750	104,350
2028	21,490	12,499	145,297	108,035
2029	21,168	7,602	141,581	110,645
2030	20,951	7,676	137,648	114,630
2031 - 2035	100,952	42,552	624,344	579,195
2036 - 2040	92,892	51,515	513,313	611,250
2041 - 2045	74,241	160,731	385,911	611,810
2046 - 2050	45,774	79,529	237,979	643,540
2051 - 2055	33,055	67,731	70,874	494,935
2056 - 2060	18,909	66,882	348	11,305
2061 - 2065	7,547	40,130	-	-
2066 - 2068	979	13,185	-	-
Total	<u>\$ 484,471</u>	<u>\$ 643,569</u>	<u>\$ 2,568,669</u>	<u>\$ 3,950,467</u>

The interest calculations on outstanding variable rate bonds in the amounts of \$21,800, in Housing Revenue Bonds and \$113,365 in Residential Revenue Bonds are based on the variable rates in effect on June 30, 2025 and are not indicative of the actual interest expense that will be incurred in future years. As rates vary, variable rate bond interest payments will vary.

NOTE 9 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 related to the old debt. CDA writes off any unamortized original issue premiums, net of any unamortized original issue discounts, as a gain on early retirement of debt in the accompanying combined statement of revenue, expenses, and changes in net position. If unamortized original issue discounts exceed unamortized original issue premiums, CDA records a loss.

For current refundings of debt in an optional redemption, CDA replaces previously issued bonds for the purpose of lowering debt costs by reducing interest rates or for other purposes such as revising payment schedules or modifying restrictions related to the old debt. This type of transaction is commonly known as an economic refunding.

There were no economic refundings for the year ended June 30, 2025.

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NOTE 10 REBATE LIABILITY

In accordance with the Internal Revenue Code (IRC), CDA may record a rebate liability for excess investment earnings in tax-exempt bond issues. 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 IRC. The IRC requires 90% of such excess investment earnings to be remitted to the United States Treasury every five years and in full at the final redemption of the bonds. Interest income on the Combined Statement of Revenue, Expenses, and Changes in Net Position is reduced by the rebate liability due to excess investment earnings. CDA has no rebate liability from interest income or from unrealized gains on mortgage-backed securities. As of June 30, 2025, CDA had a rebate liability of \$3,192 to record for excess investment earnings in tax-exempt bond issues (see Note 11).

NOTE 11 LONG-TERM OBLIGATIONS

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

	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	Combined
Rebate Liability				
Beginning Balance at June 30, 2024	\$ 310	\$ 1,298	\$ -	\$ 1,608
Additions	382	1,236	-	1,618
Reductions	-	(34)	-	(34)
Ending Balance at June 30, 2025	692	2,500	-	3,192
Less Due Within One Year	(100)	(875)	-	(975)
Total Long-Term Rebate Liability	592	1,625	-	2,217
Workers' Compensation:				
Beginning Balance at June 30, 2024	-	-	99	99
Additions	-	-	7	7
Reductions	-	-	-	-
Ending Balance at June 30, 2025	-	-	106	106
Less Due Within One Year	-	-	(16)	(16)
Total Long-Term Workers' Compensation	-	-	90	90
Compensated Absences:				
Beginning Balance at June 30, 2024,				
As Restated	-	-	2,007	2,007
Additions	-	-	-	-
Reductions	-	-	(487)	(487)
Ending Balance at June 30, 2025	-	-	1,520	1,520
Less Due Within One Year	-	-	(868)	(868)
Total Long-Term Compensated Absences	-	-	652	652

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NOTE 11 LONG-TERM OBLIGATIONS (CONTINUED)

	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	Combined
Positive Arbitrage Liability:				
Beginning Balance at June 30, 2024	\$ -	\$ -	\$ -	\$ -
Additions	1,134	-	-	1,134
Reductions	-	-	-	-
Ending Balance at June 30, 2025	1,134	-	-	1,134
Less Due Within One Year	(250)	-	-	(250)
Total Long-Term Positive Arbitrage Liability	884	-	-	884
Bonds Payable:				
Beginning Balance at June 30, 2024	506,113	3,265,777	-	3,771,890
Additions	164,195	1,126,002	-	1,290,197
Reductions	(26,739)	(385,398)	-	(412,137)
Change in Deferred Amounts for Issuance Premiums	-	(664)	-	(664)
Ending Balance at June 30, 2025	643,569	4,005,717	-	4,649,286
Less Due Within One Year	(53,880)	(560,772)	-	(614,652)
Total Long-Term Bonds Payable	589,689	3,444,945	-	4,034,634
Deposits by Borrowers:				
Beginning Balance at June 30, 2024	40,898	1,555	125	42,578
Additions	22,631	1,095	86	23,812
Reductions	(12,347)	(604)	(108)	(13,059)
Ending Balance at June 30, 2025	51,182	2,046	103	53,331
Less Due Within One Year	(13,037)	(1,095)	(102)	(14,234)
Total Long-Term Deposits by Borrowers	38,145	951	1	39,097
Total Long-Term Liabilities	\$ 629,310	\$ 3,447,521	\$ 743	\$ 4,077,574

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NOTE 12 INTERFUND ACTIVITY

In accordance with the various bond indentures, net position 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 are no bonds outstanding in GBRF as of June 30, 2025.

During the year ended June 30, 2025, CDA transferred the following amounts, as permitted, among Funds:

	Transfers Among Funds			Combined
	Housing Revenue Bonds	Residential Revenue Bonds	General Bond Reserve Fund	
Business Loans Transferred to the Residential Revenue Bond Indenture	\$ -	\$ 8,312	\$ (8,312)	\$ -
Excess Revenue Transferred to the General Bond Reserve Fund	-	(10,000)	10,000	-
Administrative Fees on Mortgage Loans Transferred from Multi-Family Mortgage Revenue Bonds	-	-	259	259
Transfers of Funds, Net, as Permitted by the Various Bond Indentures	<u>\$ -</u>	<u>\$ (1,688)</u>	<u>\$ 1,947</u>	<u>\$ 259</u>

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NOTE 13 OTHER OUTSTANDING BONDS AND NOTES ISSUED BY CDA (CONDUIT BONDS AND NOTES)

CDA has issued the following bonds and notes that are not included in the Combined Financial Statements of the Funds. The Multi-Family Development Revenue Bonds and each Multi-Family Note (Freddie Mac Tax-Exempt Loan) are secured solely by the properties and related revenues of the projects and the applicable credit enhancements. Neither the faith and credit of CDA nor the assets of the Funds have been pledged as security for these bonds and notes. Accordingly, these obligations are excluded from CDA's Combined Financial Statements.

Multi-Family Development Revenue Bonds	Amount Issued	Outstanding at June 30, 2025
Series 2006A (BARCLAY GREENMOUNT APARTMENTS)	\$ 4,535	\$ 2,225
Series 2007A (BRUNSWICK HOUSE APARTMENTS)	3,000	1,735
Series 2007B (PARKVIEW AT CATONSVILLE)	5,200	4,545
Series 2008B (SHAKESPEARE PARK APARTMENTS)	7,200	7,200
Series 2008C (THE RESIDENCES AT ELLICOTT GARDENS)	9,105	6,175
Series 2008D (CRUSADER ARMS APARTMENTS)	3,885	2,660
Series 2008E (MONTE VERDE APARTMENTS)	15,200	12,800
Series 2008G (KIRKWOOD HOUSE APARTMENTS)	16,000	16,000
Series 2012A (PARKVIEW AT BLADENSBURG)	3,500	2,435
Series 2013G (GLEN MANOR APARTMENTS)	13,640	10,680
Series 2014I (MARLBOROUGH APARTMENTS)	27,590	20,180
Series 2015D (CUMBERLAND ARMS APARTMENTS)	6,315	3,130
Series 2017G (BOLTON NORTH)	25,200	21,820
Series 2021C-1 (PV AT ELLICOTT CITY II)	7,115	6,813
Series 2021D-1 (PV AT FURNACE BRANCH)	9,505	9,101
Series 2021E-1 (PV AT SNOWDEN RIVER)	7,750	7,421
Series 2021F (HOMES AT OXON HILL)	24,660	24,660
Series 2022B-1 (WEINBERG PLACE APARTMENTS)	18,790	18,790
Series 2022E-1 (ROSLYN RISE)	14,975	14,975
Series 2023B (MORRIS H. BLUM SENIOR APARTMENTS)	27,950	27,950
Series 2023C (PARK HEIGHTS SENIOR)	24,880	24,880
Series 2023D (WAKEFIELD TERRACE)	39,565	39,565
Series 2024A (GREENMOUNT PARK APARTMENTS)	26,500	26,500
Series 2024B (PATUXENT COMMONS)	22,920	22,920
Series 2024C (WALKER MEWS)	22,620	22,540
Series 2024D-1 (VILLAGES AT MARLEY STATION)	98,810	98,810
Series 2024D-2 (VILLAGES AT MARLEY STATION)	79,190	79,190
Series 2024E (BEACON HOUSE SQUARE)	19,455	19,455
Series 2025A (RANLEAGH COURT)	21,440	21,440
Series 2025B (ESSEX CO-OP APARTMENTS)	27,995	27,995
Series 2025C-1 (PARK PLACE AT ADDISON ROAD METRO)	27,915	27,915
Series 2025C-2 (PARK PLACE AT ADDISON ROAD METRO)	16,510	16,510
Series 2025D (HOPKINS VILLAGE APARTMENTS)	26,610	26,610
Series 2025E (WEINBERG HOUSE)	16,565	16,565

**COMMUNITY DEVELOPMENT ADMINISTRATION
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NOTE 13 OTHER OUTSTANDING BONDS AND NOTES ISSUED BY CDA (CONDUIT BONDS AND NOTES) (CONTINUED)

Multi-Family Notes	Amount of Note at June 30, 2025	Outstanding at June 30, 2025
VICTORY CROSSING - 2016	\$ 7,675	\$ 7,097
RIVIERA APARTMENTS - 2017	2,430	2,253
MOMENTUM AT SHADY GROVE METRO - 2018	12,900	12,549
VICTORY HAVEN - 2018	6,080	5,951
J.VAN STORY BRANCH APARTMENTS - 2018	18,604	17,920
SILVER SPRING ARTSPACE LOFTS - 2019	8,100	7,794
GREENMOUNT AND CHASE - 2019	1,790	1,724
GLENARDEN HILLS 2 - 2019	5,562	5,358
OX FIBRE APARTMENTS - 2020	11,030	10,621
WINDSOR AND MAIN - 2020	5,500	5,310
HOLLANDER RIDGE - 2020	6,850	6,639
KNOWLES MANOR - 2020	13,975	13,686
SUITLAND - 2020	19,100	18,653
SNOWDEN'S RIDGE APARTMENTS - 2020	21,100	19,945
NEWTOWNE 20 - 2020	9,350	9,164
RYE STREET APARTMENTS - 2020	73,500	73,500
HILLBROOKE TOWERS - 2021	6,772	6,650
525 AISQUITH APARTMENTS - 2021	14,023	13,969
420 AISQUITH APARTMENTS - 2021	7,525	7,489
HILLWOOD MANOR - 2021	10,300	10,226
SANDY SPRING SR.VILLAGE - 2022	12,230	11,180
WOODLAND GARDENS II - 2022	1,085	1,078
ST.ANNE'S SENIOR APARTMENTS - 2022	13,550	9,743
FREDERICK ROAD SENIOR APARTMENTS - 2022	16,633	16,633
RESIDENCES AT SPRINGBROOK -2022	14,000	11,190
PERKINS PHASE I - 2022	20,200	20,200
HIGHLANDTOWN PLAZA CO-OP - 2022	1,425	1,420
GUARDIAN HOUSE - 2022	11,950	11,950
COLD SPRING LANE - 2022	14,080	13,885
4010 RANDOLPH ROAD - 2022	41,555	41,555
AUTUMN WOODS - 2022	61,330	61,330
GLENARDEN HILLS PHASE 3 - 2022	21,150	21,150
PERKINS PHASE II B - 2022	16,350	14,179
RESIDENCES AT FOREST GLEN 4 - 2023	33,790	29,232
CHARLES LANDING - 2023	9,050	8,735
WILLOWS AT SALISBURY - 2023	8,310	6,850
BON SECOURTS APARTMENTS - 2023	10,260	10,260
HILL HOUSE AT BEECHFIELD - 2023	28,275	28,275
NORTH FREDERICK APARTMENTS - 2023	17,280	13,648
PARK MONTGOMERY APARTMENTS - 2023	30,350	26,469
SLIGO APARTMENTS 4 - 2023	14,160	10,656
FLATS AT COLLEGE PARK - 2023	65,500	63,768
NORTH ODENTON - 2023	14,815	11,346
PERKINS HOMES PHASE III - 2023	32,400	29,118
OVERLOOK EAST - 2024	15,940	14,192
FOXWELL MEMORIAL - 2024	16,530	15,155
RESIDENCES AT IRVINGTON WOODS - 2024	11,500	8,823
GUARDIAN HOUSE II - 2024	1,050	1,050
AMBER COMMONS LT - 2024	37,720	37,720
AMBER COMMONS ST - 2024	11,685	11,685
NEBEL STREET APARTMENT 4 - 2024	35,035	705
WAVERLY WINDS - 2025	15,000	607
PERKINS HOMES PHASE IVB - 2025	25,185	2,471
1910 UNIVERSITY SENIOR HOUSING - 2025	20,700	323

**COMMUNITY DEVELOPMENT ADMINISTRATION
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NOTE 13 OTHER OUTSTANDING BONDS AND NOTES ISSUED BY CDA (CONDUIT BONDS AND NOTES) (CONTINUED)

The Multi-Family Development Revenue Bonds and each Multi-Family Note (Freddie Mac Tax-Exempt Loan) are special obligations payable solely from the trust estate pledged under each trust agreement. These bonds and notes 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 14 MORTGAGE INSURANCE

Substantially all the Funds' mortgage loans have mortgage insurance 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.

For the single-family loan portfolio, approximately 46% of the outstanding loan amounts are insured by agencies of the U.S. Government in an amount substantially equal to the unpaid principal amount of the loan. Approximately 48% of the outstanding loan amounts have primary mortgage insurance in an amount that is at least 25% of the loan amount. Approximately 6% of the outstanding loan amounts of the first lien loans either did not have primary mortgage insurance due to their original loan-to-value ratios of less than 80% or have cancelled primary mortgage insurance due to their outstanding balance falling below 80% of the original loan amount.

Approximately 48% of outstanding loan amounts are insured by private mortgage insurers and MHF. Approximately 99% of the outstanding loan amounts insured by private mortgage insurers and MHF are covered at 35% of the loan amount, while 1% of the outstanding loan amounts are covered at 25%. There are two private mortgage insurers who, due to financial constraints or receivership, are currently paying to CDA approximately three quarters of the amount determined to be due. These two private mortgage insurers represent approximately 2% of the outstanding loan amounts insured by private mortgage insurers and MHF.

An allowance for loan losses has been established for all the loans insured by FHA, VA, USDA RD, MHF and private mortgage insurers.

Mortgage insurance premiums are paid by single family mortgagors.

**COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
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JUNE 30, 2025**

NOTE 15 PENSION AND OTHER POST-RETIREMENT BENEFITS

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

NOTE 16 RESTATEMENT OF BEGINNING NET POSITION

Change in Accounting Principle

In fiscal year 2025, the Department of Housing and Community Development of the State of Maryland implemented GASB Statement No. 101, *Compensated Absences*. This new guidance supersedes GASB Statement No. 16, Accounting for Compensated Absences, which was issued in 1992. The goal of Statement No. 101 is to provide financial statement users with improved and comparable information regarding compensated absences by establishing a unified model for recognizing and measuring compensated absences. The implementation of GASB 101 resulted in an increase of \$550 in accrued compensated absences as of June 30, 2024. Accordingly, the beginning net position for governmental activities was reduced by \$550. Comparable information for fiscal year 2024 has been restated. See below for details of the adjustment and restatement of net position:

	June 30 ,2024 as Previously Reported	Change in Accounting Principle	June 30 ,2024 as Restated
NET POSITION			
Restricted by Bond Indenture			
Housing Revenue Bonds	\$ 69,304	\$ -	\$ 69,304
Residential Revenue Bonds	308,154	-	308,154
General Bond Reserve Fund	46,115	(550)	45,565
Total Restricted by Bond Indenture	\$ 423,573	\$ (550)	\$ 423,023

NOTE 17 SUBSEQUENT EVENTS

CDA has identified the following activity that occurred subsequent to June 30, 2025:

- On July 1, 2025, CDA refunded \$25,000 of 2024 Series G-1 and G-5 Residential Revenue Bonds.
- On July 16, 2025, CDA issued \$48,470 of Series 2025 C Housing Revenue Bonds.
- On August 1, 2025, CDA refunded \$20,000 of 2024 Series G-2 and G-6 Residential Revenue Bonds.
- On August 27, 2025, CDA issued 2025 Series EF Residential Revenue Bonds in the amount of \$250,000.

**COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
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NOTE 17 SUBSEQUENT EVENTS (CONTINUED)

- On August 29, 2025, CDA redeemed the following Residential Revenue Bonds:

2006 Series G	\$545
2006 Series J	\$1,035
2014 Series C	\$455
2014 Series D	\$575
2015 Series A	\$590
2015 Series B	\$515
2016 Series A	\$3,460
2017 Series A	\$3,245
2018 Series A	\$3,240
2018 Series B	\$1,945
2019 Series B	\$4,695
2019 Series C	\$6,455
2019 Series D	\$530
2020 Series A	\$2,800
2020 Series D	\$3,475
2021 Series A	\$4,510
2021 Series B	\$3,940
2021 Series C	\$6,070
2022 Series A	\$4,060
2022 Series C	\$2,670
2022 Series D	\$2,615
2023 Series A	\$1,230
2023 Series B	\$2,240
2023 Series C	\$1,390
2023 Series D	\$3,850
2023 Series E	\$1,360
2023 Series F	\$6,325
2024 Series A	\$210
2024 Series B	\$1,090
2024 Series C	\$250
2024 Series D	\$525
2024 Series E	\$180
2024 Series F	\$170
2025 Series B	\$110

- On September 1, 2025, CDA refunded \$35,205 of 2024 Series G-2, G-3, G-6 and G-7 Residential Revenue Bonds.
- On September 8, 2025, Moody's upgraded CDA's Housing Revenue Bonds to Aa1 from Aa2.

**COMMUNITY DEVELOPMENT ADMINISTRATION
REVENUE OBLIGATION FUNDS
SUPPLEMENTAL DISCLOSURE OF COMBINED CHANGES IN
FAIR VALUE OF INVESTMENTS AND MORTGAGE-BACKED SECURITIES
(in thousands)
JUNE 30, 2025**

In accordance with accounting guidance issued by GASB, CDA reflects 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 Position.

For investments held by the Funds as of June 30, 2025, the following schedule summarizes annual increases/(decreases) in fair value and the cumulative difference between fair value and amortized cost:

<u>Fiscal Year Ended June 30,</u>	<u>Housing Revenue Bonds</u>	<u>Residential Revenue Bonds</u>	<u>General Bond Reserve Fund</u>	<u>Combined</u>
1996 and Prior Periods	\$ -	\$ -	\$ 620	\$ 620
1997	(352)	-	175	(177)
1998	832	-	90	922
1999	(407)	-	(191)	(598)
2000	48	(227)	(237)	(416)
2001	193	551	244	988
2002	157	97	405	659
2003	889	544	519	1,952
2004	(678)	(674)	(1,368)	(2,720)
2005	897	403	(403)	897
2006	(866)	(1,567)	(526)	(2,959)
2007	48	1,062	437	1,547
2008	444	785	445	1,674
2009	202	46	(150)	98
2010	472	2,747	(53)	3,166
2011	(280)	(2,244)	1,898	(626)
2012	1,283	1,374	449	3,106
2013	(730)	(855)	(539)	(2,124)
2014	(27)	243	(287)	(71)
2015	36	43	(271)	(192)
2016	409	445	(180)	674
2017	(666)	(646)	(403)	(1,715)
2018	(454)	(866)	(268)	(1,588)
2019	276	768	(14)	1,030
2020	330	532	(23)	839
2021	(493)	(460)	(139)	(1,092)
2022	(852)	(3,527)	(174)	(4,553)
2023	(378)	(660)	(52)	(1,090)
2024	(57)	2,234	(280)	1,897
2025	(69)	484	276	691
Cumulative Total	<u>\$ 207</u>	<u>\$ 632</u>	<u>\$ -</u>	<u>\$ 839</u>

**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, 2025**

For mortgage-backed securities held by the Funds as of June 30, 2025, the following schedule summarizes annual increases/(decreases) in fair value and the cumulative difference between fair value and cost:

<u>Fiscal Year Ended June 30,</u>	Housing Revenue Bonds	Residential Revenue Bonds	Combined
2000	\$ (3,825)	\$ -	\$ (3,825)
2001	(3,291)	-	(3,291)
2002	3,340	-	3,340
2003	21,435	-	21,435
2004	(11,126)	-	(11,126)
2005	12,879	-	12,879
2006	(27,704)	-	(27,704)
2007	3,661	-	3,661
2008	(5,987)	-	(5,987)
2009	17,358	-	17,358
2010	13,103	-	13,103
2011	(7,348)	(585)	(7,933)
2012	6,303	1,858	8,161
2013	(8,491)	(5,593)	(14,084)
2014	(5,694)	3,127	(2,567)
2015	(1,650)	503	(1,147)
2016	2,232	4,216	6,448
2017	(2,551)	(3,294)	(5,845)
2018	(1,920)	(4,093)	(6,013)
2019	(705)	23,239	22,534
2020	(33)	50,845	50,812
2021	634	(14,252)	(13,618)
2022	(723)	(115,172)	(115,895)
2023	(1,165)	(50,159)	(51,324)
2024	(75)	(13,072)	(13,147)
2025	1,066	70,371	71,437
Cumulative Total	<u>\$ (277)</u>	<u>\$ (52,061)</u>	<u>\$ (52,338)</u>

