

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS**

JUNE 30, 2015 AND 2014

Community Development Administration
Local Government Infrastructure Bonds

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INDEPENDENT AUDITOR'S REPORT

Office of the Secretary
Department of Housing and Community Development

Report on the Financial Statements

We have audited the accompanying financial statements of the Community Development Administration Local Government Infrastructure Bonds (the Fund) of the Department of Housing and Community Development of the State of Maryland as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund as of June 30, 2015 and 2014, and the changes in its respective financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

As discussed in Note 1, the financial statements present only the Community Development Administration Local Government Infrastructure Bonds and do not purport to, and do not, present fairly the financial position of the Department of Housing and Community Development of the State of Maryland as of and for the years ended June 30, 2015 and 2014, and the changes in its net position and its cash flows, in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2015, 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 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 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.



Baltimore, Maryland
September 30, 2015

Community Development Administration
Local Government Infrastructure Bonds

STATEMENTS OF NET POSITION
(in thousands)

June 30, 2015 and 2014

	2015	2014
RESTRICTED ASSETS		
Restricted current assets		
Cash and cash equivalents on deposit	\$ 62,659	\$ 39,542
Community facilities loans	5,645	4,085
Accrued interest receivable	303	211
	68,607	43,838
Restricted long-term assets		
Community facilities loans, net of current portion	102,005	69,375
	\$ 170,612	\$ 113,213
LIABILITIES AND NET POSITION		
Current liabilities		
Accrued interest payable	\$ 272	\$ 183
Bonds payable	5,705	4,145
Due to local governments	58,940	37,165
	64,917	41,493
Long-term liabilities		
Bonds payable, net of current portion	104,613	71,060
Advance trustee fees	20	16
	104,633	71,076
Total liabilities	169,550	112,569
NET POSITION		
Restricted	1,062	644
	\$ 170,612	\$ 113,213

See notes to financial statements

Community Development Administration
Local Government Infrastructure Bonds

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

Years ended June 30, 2015 and 2014

	2015	2014
Operating revenue		
Interest on community facilities loans	\$ 3,338	\$ 2,220
Fee income	197	105
Other operating revenue	16	95
	3,551	2,420
Operating expenses		
Interest expense on bonds	3,127	2,045
Professional fee expense	6	-
	3,133	2,045
Operating income	418	375
CHANGE IN NET POSITION	418	375
Net position - restricted at beginning of year	644	269
Net position - restricted at end of year	\$ 1,062	\$ 644

See notes to financial statements

Community Development Administration
Local Government Infrastructure Bonds

STATEMENTS OF CASH FLOWS
(in thousands)

Years ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Principal and interest received on community facilities loans	\$ 8,501	\$ 6,177
Origination of community facilities loans	(17,670)	(10,411)
Advance trustee fees received	40	32
Trustee fees paid	(36)	(28)
Loan fees received	197	105
Professional fee expense	(6)	-
Other operating revenue	16	34
	<u>(8,958)</u>	<u>(4,091)</u>
Net cash used in operating activities		
Cash flows from investing activities		
Interest received on cash equivalents	-	-
	<u>-</u>	<u>-</u>
Net cash provided by investing activities		
Cash flows from noncapital financing activities		
Proceeds from sale of bonds	40,435	21,379
Payments on bond principal	(5,315)	(4,080)
Interest on bonds	(3,045)	(1,986)
	<u>32,075</u>	<u>15,313</u>
Net cash provided by noncapital financing activities		
NET INCREASE IN CASH AND CASH EQUIVALENTS ON DEPOSIT	23,117	11,222
Cash and cash equivalents on deposit at beginning of year	<u>39,542</u>	<u>28,320</u>
Cash and cash equivalents on deposit at end of year	<u>\$ 62,659</u>	<u>\$ 39,542</u>

(continued)

Community Development Administration
Local Government Infrastructure Bonds

STATEMENTS OF CASH FLOWS - CONTINUED
(in thousands)

Years ended June 30, 2015 and 2014

	2015	2014
Reconciliation of operating income to net cash used in operating activities		
Operating income	\$ 418	\$ 375
Adjustments to reconcile operating income to net cash used in operating activities		
Increase in community facilities loans	(34,190)	(16,915)
Increase in accrued interest receivable	(92)	(63)
Increase in accrued interest payable	89	59
Decrease in accounts payable	-	(61)
Increase in due to local governments and other liabilities	21,779	10,528
Amortization of bond original issue premiums	(7)	-
Interest on bonds	3,045	1,986
Net cash used in operating activities	\$ (8,958)	\$ (4,091)

See notes to financial statements

Community Development Administration
Local Government Infrastructure Bonds

NOTES TO FINANCIAL STATEMENTS
(in thousands)

June 30, 2015 and 2014

NOTE 1 - AUTHORIZING LEGISLATION AND PROGRAM DESCRIPTION

The Community Development Administration (CDA) is authorized to issue Local Government Infrastructure Bonds pursuant to Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland to provide a mechanism for financing the infrastructure needs of local governments. CDA is in the Division of Development Finance in the Department of Housing and Community Development (DHCD) of the State of Maryland.

The accompanying financial statements only include CDA's Local Government Infrastructure Bonds (the Fund) (resolution adopted August 1, 2010). CDA's other Funds are not included.

The Fund was established to issue bonds to provide funds for construction and permanent financing to local governments for public facilities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Local Government Infrastructure Bonds is accounted for as an enterprise fund. Accordingly, the accompanying financial statements have been prepared using the accrual method of accounting and on the basis of accounting principles generally accepted in the United States of America (GAAP).

Generally Accepted Accounting Principles

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

Community Development Administration
Local Government Infrastructure Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2015 and 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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, 2015 and 2014, all of the Fund's cash equivalents were invested in a money market mutual fund which is more fully described in Note 3.

Community Facilities Loans

Community facilities loans are carried at their unpaid principal balances. See Note 4 for additional information on community facilities loans.

Allowance for Loan Losses

Community facilities loans are secured by the full faith and credit of the applicable local government. Therefore, CDA has determined that no allowance for loan losses was necessary as of June 30, 2015 and 2014.

Community Development Administration
Local Government Infrastructure Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2015 and 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Interest Receivable

Accrued interest includes both interest on cash deposits and interest on loans. As of June 30, 2015 and 2014, all loans were current. Therefore, all accrued interest on loans was recorded during the year.

Bonds Payable

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

Due to Local Governments

CDA records the total loan amount when the loan closes and collects interest from the local government on this full loan amount from the date of closing. Due to local governments represents the undrawn loan amount which is held by CDA as an escrow until the funds are needed by the local government.

Fee Income

CDA receives financing fees at loan origination. These fees are recognized as revenue in the period received as fee income.

Administrative Support

In addition to expenses incurred directly by the Fund, CDA receives certain support services from other divisions of DHCD. Support services and the operating expenses of CDA have been allocated to CDA's General Bond Reserve Fund and are reported in the financial statements of CDA's Revenue Obligation Funds. The General Bond Reserve Fund records these expenses as invoiced by DHCD for the fiscal year.

The employees of CDA are covered by the Maryland State Retirement and Pension System. See Note 8 for additional information.

Community Development Administration
Local Government Infrastructure Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2015 and 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 public facilities for local governments. All of the Fund's activities are considered to be operating.

Use of Estimates

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

NOTE 3 - CASH AND CASH EQUIVALENTS ON DEPOSIT

Proceeds from bonds and revenues from loans are invested in authorized investments as defined in the Local Government Infrastructure Bonds Resolution (the Resolution) and in CDA's Investment Policy until required for financing projects, redeeming outstanding bonds, and funding program expenses. Authorized investments include obligations of the U.S. Treasury, U.S. Government Agencies, investment agreements, money market funds and any other investment as defined by the Resolution.

As of June 30, 2015 and 2014, the Fund had \$62,659 and \$39,542, respectively, invested in a money market mutual fund (Federated Prime Cash Obligations Fund) which is classified as cash and cash equivalents. The following represents the GASB evaluation of this asset for interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

Community Development Administration
Local Government Infrastructure Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2015 and 2014

NOTE 3 - CASH AND CASH EQUIVALENTS ON DEPOSIT (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.

The Federated Prime Cash Obligations Fund invests primarily in short-term, high-quality, fixed-income securities issued by banks, corporations and the U.S. Government. 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, 2015 and 2014, the cost of the money market mutual fund approximated fair value and its maturity is less than one year.

Credit Risk and Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Neither CDA's Investment Policy nor the Resolution requires investment agreements or deposits to be collateralized. CDA's Investment Policy places no limit on the amount that CDA may invest in any one issuer or counterparty. According to the Resolution, securities must be rated at the highest investment grade by any national rating agency. U.S. dollar denominated accounts and bankers' acceptances which have a rating on their short-term certificates of deposit must be in the two highest ratings by any nationally recognized rating agency. Accounting guidance issued by GASB requires disclosure by amount and investment issuer if investments in any one issuer represent 5 percent or more of total investments. Investments in mutual funds are excluded from this requirement.

As of June 30, 2015 and 2014, the Federated Prime Cash Obligations Fund was rated AAAM by Standard and Poor's and Aaa by Moody's Investors Service.

Community Development Administration
Local Government Infrastructure Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2015 and 2014

NOTE 3 - CASH AND CASH EQUIVALENTS ON DEPOSIT (Continued)

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, 2015 and 2014, the Fund's investments were not subject to custodial credit risk under accounting guidance issued by GASB. The money market mutual fund is held in trust by the trustee, kept separate from the assets of the bank and from other trust accounts and is held in CDA's name.

NOTE 4 - COMMUNITY FACILITIES LOANS

Community facilities loans are secured by the full faith and credit of the applicable local government. As such, no allowance for loan losses was necessary as of June 30, 2015 and 2014. As of June 30, 2015 and 2014, interest rates on such loans range from 1.76% to 5.09% and 1.77% to 5.09% and remaining loan terms range from less than 3 years to 28 years and less than 1 year to 29 years, respectively.

NOTE 5 - BONDS PAYABLE

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

The provisions of the Resolution require or allow for the special redemption of bonds at par through the use of unexpended bond proceeds and excess funds accumulated primarily through prepayment of community facilities loans. All outstanding bonds are subject to redemption at the option of CDA, in whole or in part at any time, after certain dates, as specified in the respective series resolutions, at a redemption price equal to the principal amount thereof to be redeemed. All bonds have fixed interest rates and all bonds are tax-exempt.

Community Development Administration
Local Government Infrastructure Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2015 and 2014

NOTE 5 - BONDS PAYABLE (Continued)

The following is a summary of the bond activity for the year ended June 30, 2015 and the bonds payable as of June 30, 2015:

	Issue Dated	Range of Interest Rates	Range of Maturities	Debt Outstanding at June 30, 2014	Bond Activity			Debt Outstanding at June 30, 2015	Bond premium /discount deferred	Bonds payable at June 30, 2015
					New bonds issued	Scheduled maturity payments	Bonds redeemed			
Local Government Infrastructure Bonds										
2010 Series A-1	08/25/10	2.00% - 4.00%	2015 - 2030	\$ 15,870	\$ -	\$ (920)	\$ -	\$ 14,950	\$ -	\$ 14,950
2010 Series A-2	08/25/10	2.00% - 4.00%	2015 - 2030	6,985	-	(395)	-	6,590	-	6,590
2012 Series A-1	05/17/12	1.00% - 3.50%	2015 - 2032	8,245	-	(675)	-	7,570	-	7,570
2012 Series A-2	05/17/12	1.00% - 3.60%	2015 - 2032	3,835	-	(300)	-	3,535	-	3,535
2012 Series B-1	12/19/12	0.75% - 3.125%	2015 - 2032	13,465	-	(725)	-	12,740	-	12,740
2012 Series B-2	12/19/12	0.80% - 3.125%	2015 - 2032	6,205	-	(330)	-	5,875	-	5,875
2013 Series A-1	10/03/13	0.65% - 5.00%	2015 - 2043	14,110	-	(560)	-	13,550	-	13,550
2013 Series A-2	10/03/13	0.70% - 5.05%	2015 - 2043	6,485	-	(240)	-	6,245	-	6,245
2014 Series A-1	08/28/14	0.20% - 3.50%	2015 - 2034	-	27,605	(820)	-	26,785	-	26,785
2014 Series A-2	08/28/14	0.20% - 5.00%	2015 - 2034	-	12,720	(350)	-	12,370	108	12,478
Total				\$ 75,200	\$ 40,325	\$ (5,315)	\$ -	\$ 110,210	\$ 108	\$ 110,318

The following is a summary of the bond activity for the period ended June 30, 2014 and the bonds payable as of June 30, 2014:

	Issue Dated	Range of Interest Rates	Range of Maturities	Debt Outstanding at June 30, 2013	Bond Activity			Debt Outstanding at June 30, 2014	Bond premium /discount deferred	Bonds payable at June 30, 2014
					New bonds issued	Scheduled maturity payments	Bonds redeemed			
Local Government Infrastructure Bonds										
2010 Series A-1	08/25/10	1.90% - 4.00%	2014 - 2030	\$ 16,765	\$ -	\$ (895)	\$ -	\$ 15,870	\$ -	\$ 15,870
2010 Series A-2	08/25/10	1.20% - 4.00%	2014 - 2030	7,375	-	(390)	-	6,985	3	6,988
2012 Series A-1	05/17/12	1.00% - 3.50%	2014 - 2032	8,905	-	(660)	-	8,245	-	8,245
2012 Series A-2	05/17/12	1.00% - 3.60%	2014 - 2032	4,135	-	(300)	-	3,835	-	3,835
2012 Series B-1	12/19/12	0.55% - 3.125%	2014 - 2032	14,185	-	(720)	-	13,465	-	13,465
2012 Series B-2	12/19/12	0.60% - 3.125%	2014 - 2032	6,535	-	(330)	-	6,205	3	6,208
2013 Series A-1	10/03/13	0.65% - 5.00%	2015 - 2043	-	14,660	(550)	-	14,110	-	14,110
2013 Series A-2	10/03/13	0.70% - 5.05%	2015 - 2043	-	6,720	(235)	-	6,485	(1)	6,484
Total				\$ 57,900	\$ 21,380	\$ (4,080)	\$ -	\$ 75,200	\$ 5	\$ 75,205

Community Development Administration
Local Government Infrastructure Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2015 and 2014

NOTE 6 - DEBT SERVICE REQUIREMENTS

As of June 30, 2015, the required principal payments for bonds (including mandatory sinking fund payments and excluding the effect of unamortized bond premiums and discounts) and interest payments for each of the next five years and in 5-year increments thereafter, are as follows:

Years ended June 30,	Interest	Principal
2016	\$ 3,264	\$ 5,705
2017	3,201	5,785
2018	3,115	5,895
2019	3,012	5,955
2020	2,898	6,335
2021 - 2025	12,082	31,300
2026 - 2030	7,219	31,265
2031 - 2035	1,933	16,460
2036 - 2040	322	610
2041 - 2045	114	900
Total	\$ 37,160	\$ 110,210

Community Development Administration
Local Government Infrastructure Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2015 and 2014

NOTE 6 - DEBT SERVICE REQUIREMENTS (Continued)

As of June 30, 2014, the required principal payments for bonds (including mandatory sinking fund payments and excluding the effect of unamortized bond premiums and discounts) and interest payments for each of the next five years and in 5-year increments thereafter, were as follows:

Years ended June 30,	Interest	Principal
2015	\$ 2,199	\$ 4,145
2016	2,149	4,200
2017	2,093	4,275
2018	2,018	4,365
2019	1,932	4,300
2020 - 2024	8,039	21,130
2025 - 2029	4,814	20,550
2030 - 2034	1,345	10,600
2035 - 2039	352	600
2040 - 2044	166	1,035
Total	\$ 25,107	\$ 75,200

Community Development Administration
Local Government Infrastructure Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2015 and 2014

NOTE 7 - LONG-TERM OBLIGATIONS

Changes in long-term obligations for the years ended June 30, 2015 and 2014 were as follows:

	<u>2015</u>	<u>2014</u>
Bonds payable		
Beginning balance	\$ 75,205	\$ 57,906
Additions	40,325	21,379
Reductions	(5,315)	(4,080)
Change in deferred amounts for issuance premiums / discounts	<u>103</u>	<u>-</u>
Ending balance	110,318	75,205
Less due within one year	<u>(5,705)</u>	<u>(4,145)</u>
Total long-term bonds payable	<u>104,613</u>	<u>71,060</u>
Other liabilities - advance trustee fees		
Beginning balance	16	12
Additions	40	32
Reductions	<u>(36)</u>	<u>(28)</u>
Ending balance	<u>20</u>	<u>16</u>
Total long-term other liabilities - advance trustee fees	<u>20</u>	<u>16</u>
Total long-term liabilities	<u>\$ 104,633</u>	<u>\$ 71,076</u>

Community Development Administration
Local Government Infrastructure Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2015 and 2014

NOTE 8 - PENSION AND OTHER POST-RETIREMENT BENEFITS

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

NOTE 9 - SUBSEQUENT EVENTS

Events that occur after the date of the statement of net position but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the date of the statement of net position are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the date of the statement of net position require disclosure in the accompanying notes. Management evaluated the activity of CDA through September 30, 2015 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements except for the following activity that occurred subsequent to June 30, 2015.

Subsequent to the year ended June 30, 2015, CDA issued \$18,865 of 2015 Series A bonds on August 27, 2015.