

COMBINED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

**COMMUNITY DEVELOPMENT ADMINISTRATION
INFRASTRUCTURE PROGRAM FUNDS**

JUNE 30, 2003

Community Development Administration
Infrastructure Program Funds

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	3
COMBINED FINANCIAL STATEMENTS	
COMBINED BALANCE SHEET	4
COMBINED STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS	5
COMBINED STATEMENT OF CASH FLOWS	6
NOTES TO COMBINED FINANCIAL STATEMENTS	8



INDEPENDENT AUDITORS' REPORT

Office of the Secretary
Department of Housing and Community Development

We have audited the accompanying combined financial statements of the Community Development Administration Infrastructure Program Funds (the Funds) of the Department of Housing and Community Development of the State of Maryland as of and for the year ended June 30, 2003, as listed in the table of contents. These combined financial statements are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements based on our audit. The combined financial statements of the Funds for the year ended June 30, 2002, were audited by other auditors whose report dated September 30, 2002, on those statements was unqualified.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note A, the combined financial statements present only the Community Development Administration Infrastructure Program Funds and do not purport to, and do not, present fairly the financial position of the Department of Housing and Community Development of the State of Maryland as of June 30, 2003, and the changes in its net assets and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the 2003 combined financial statements referred to above present fairly, in all material respects, the financial position of the Community Development Administration Infrastructure Program Funds of the Department of Housing and Community Development of the State of Maryland as of June 30, 2003, and the changes in its net assets and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Baltimore, Maryland
September 26, 2003

Community Development Administration
Infrastructure Program Funds

COMBINED BALANCE SHEET
(in thousands)

June 30, 2003

	Infrastructure Financing Bonds (AMBAC Insured)	Infrastructure Financing Bonds (MBIA Insured)	Local Government Infrastructure Bonds (Ambac Insured)	Combined	
				2003	2002
RESTRICTED ASSETS					
Restricted current assets					
Cash and cash equivalents on deposit with trustee	\$ 433	\$ 852	\$ 17,301	\$ 18,586	\$ 13,393
Community facilities loans	460	3,537	1,050	5,047	4,100
Accrued interest and other receivables	86	677	99	862	845
Total restricted current assets	979	5,066	18,450	24,495	18,338
Restricted long-term assets					
Community facilities loans, net of current portion	8,270	63,011	28,465	99,746	86,623
Other receivables, net of current portion	-	730	-	730	843
Total restricted long-term assets	8,270	63,741	28,465	100,476	87,466
Total restricted assets	\$ 9,249	\$ 68,807	\$ 46,915	\$ 124,971	\$ 105,804
LIABILITIES AND NET ASSETS					
Current liabilities					
Bonds payable	\$ 460	\$ 3,650	\$ 1,050	\$ 5,160	\$ 4,100
Accrued interest payable	42	283	94	419	380
Other liabilities - due to local government	-	441	17,258	17,699	12,551
Total current liabilities	502	4,374	18,402	23,278	17,031
Long-term liabilities					
Bonds payable, net of current portion	8,270	63,740	28,465	100,475	87,590
Other liabilities - advance trustee fees	16	126	5	147	118
Total long-term liabilities	8,286	63,866	28,470	100,622	87,708
Total liabilities	8,788	68,240	46,872	123,900	104,739
NET ASSETS					
Restricted	461	567	43	1,071	1,065
Total liabilities and net assets	\$ 9,249	\$ 68,807	\$ 46,915	\$ 124,971	\$ 105,804

See notes to combined financial statements

Community Development Administration
Infrastructure Program Funds

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

Year ended June 30, 2003

	Infrastructure Financing Bonds (AMBAC Insured)	Infrastructure Financing Bonds (MBIA Insured)	Local Government Infrastructure Bonds (Ambac Insured)	Combined	
				2003	2002
Operating revenue					
Interest on community facilities loans	\$ 532	\$ 3,511	\$ 741	\$ 4,784	\$ 4,638
Operating expenses					
Trustee and legal costs	8	-	-	8	9
Operating income	524	3,511	741	4,776	4,629
Nonoperating revenue (expenses)					
Interest income on cash accounts	5	9	1	15	30
Interest expense on bonds	(520)	(3,523)	(742)	(4,785)	(4,588)
Total nonoperating revenue (expenses)	(515)	(3,514)	(741)	(4,770)	(4,558)
CHANGES IN NET ASSETS	9	(3)	-	6	71
Net assets at beginning of year	452	570	43	1,065	994
Net assets at end of year	\$ 461	\$ 567	\$ 43	\$ 1,071	\$ 1,065

See notes to combined financial statements

Community Development Administration
Infrastructure Program Funds

COMBINED STATEMENT OF CASH FLOWS
(in thousands)

Year ended June 30, 2003

	Infrastructure Financing Bonds (AMBAC Insured)	Infrastructure Financing Bonds (MBIA Insured)	Local Government Infrastructure Bonds (Ambac Insured)	Combined	
				2003	2002
Cash flows from operating activities					
Principal and interest received on community facilities loans	\$ 976	\$ 6,867	\$ 1,081	\$ 8,924	\$ 12,326
Origination of community facilities loans	-	(1,539)	(11,428)	(12,967)	(8,434)
Advance trustee fees received	7	55	10	72	64
Trustee fees paid	(12)	(33)	(6)	(51)	(45)
Net cash provided by (used in) operating activities	971	5,350	(10,343)	(4,022)	3,911
Cash flows from investing activities					
Interest received on cash and cash equivalents	5	10	1	16	31
Net cash provided by investing activities	5	10	1	16	31
Cash flows from noncapital financing activities					
Proceeds from sale of bonds	-	-	18,115	18,115	11,790
Payments on bond principal	(440)	(3,340)	(390)	(4,170)	(7,790)
Interest on bonds	(522)	(3,535)	(689)	(4,746)	(4,583)
Net cash (used in) provided by noncapital financing activities	(962)	(6,875)	17,036	9,199	(583)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS ON DEPOSIT WITH TRUSTEE	14	(1,515)	6,694	5,193	3,359
Cash and cash equivalents on deposit with trustee at beginning of year	419	2,367	10,607	13,393	10,034
Cash and cash equivalents on deposit with trustee at end of year	\$ 433	\$ 852	\$ 17,301	\$ 18,586	\$ 13,393

(continued)

Community Development Administration
Infrastructure Program Funds

COMBINED STATEMENT OF CASH FLOWS - CONTINUED
(in thousands)

Year ended June 30, 2003

	Infrastructure Financing Bonds (AMBAC Insured)	Infrastructure Financing Bonds (MBIA Insured)	Local Government Infrastructure Bonds (Ambac Insured)	Combined	
				2003	2002
Reconciliation of operating income to net cash provided by (used in) operating activities					
Operating income	\$ 524	\$ 3,511	\$ 741	\$ 4,776	\$ 4,629
Adjustments to reconcile operating income to net cash provided by (used in) operating activities					
Decrease (increase) in community facilities loans	440	3,216	(17,725)	(14,069)	(775)
Decrease (increase) in accrued interest and other receivables	4	140	(50)	94	29
Increase (decrease) in other liabilities	3	(1,517)	6,691	5,177	28
	<u>3</u>	<u>(1,517)</u>	<u>6,691</u>	<u>5,177</u>	<u>28</u>
Net cash provided by (used in) operating activities	<u>\$ 971</u>	<u>\$ 5,350</u>	<u>\$ (10,343)</u>	<u>\$ (4,022)</u>	<u>\$ 3,911</u>

See notes to combined financial statements

Community Development Administration
Infrastructure Program Funds

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2003

NOTE A - AUTHORIZING LEGISLATION AND PROGRAM DESCRIPTION

The Community Development Administration (CDA) is authorized to issue Infrastructure Program Bonds pursuant to Sections 2-201 through 2-208 of Article 83B 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 combined financial statements only include CDA's Infrastructure Program Funds (the Funds). CDA's other programs are not included. However, CDA has also issued combined financial statements for the Revenue Obligation Funds. Both the Infrastructure Program Funds and the Revenue Obligation Funds are enterprise funds of the State of Maryland and are included in the State of Maryland's Comprehensive Annual Financial Report.

Infrastructure Program Funds include three fund groups: Infrastructure Financing Bonds (AMBAC Insured), Infrastructure Financing Bonds (MBIA Insured), and Local Government Infrastructure Bonds (Ambac Insured). Within each fund group are separate funds maintained for each obligation in accordance with the respective resolutions and series resolutions. All bonds in the Infrastructure Program Funds were issued to provide funds for construction and permanent financing to local governments for public facilities.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Community Development Administration
Infrastructure Program Funds

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2003

NOTE B - 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 the Governmental Accounting Standards Board (GASB). CDA has adopted GASB Statement No. 20 *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. Consequently, CDA applies all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, APB Opinions, and ARBS of the Committee on Accounting Procedure issued on or prior to November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Under GASB Statement No. 34, net assets should be reported as restricted when constraints placed on net asset use are either: externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or are imposed by law through constitutional provisions or enabling legislation. Accordingly, all net assets of the Funds are restricted as to their use as all net assets are pledged to bondholders.

The Annual Financial Report normally includes 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.

Cash and Cash Equivalents on Deposit with Trustee

Cash on deposit is primarily cash equivalents. Cash equivalents may include commercial paper, money market funds, repurchase agreements, investment agreements and any other investments, primarily U.S. Treasury and agencies, which have maturities of 90 or less days at the time of purchase. As of June 30, 2003, all of CDA's cash equivalents are invested in a money market mutual fund which is more fully described in Note C.

Community Facilities Loans

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

Community Development Administration
Infrastructure Program Funds

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2003

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2003.

Accrued Interest and Other Receivables

Accrued interest includes both interest on cash deposits and interest on loans. As of June 30, 2003, all loans were current. Therefore, all accrued interest on loans was recorded during the year. Other receivables includes additional principal due from local governments on refunded bonds. See Note E for additional information.

Bonds Payable

Bonds payable are carried at their unpaid principal balances. There are no premiums or discounts to amortize. See Notes F and G for additional information.

Administrative Support

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

For the year ended June 30, 2003, the total costs charged to CDA's General Bond Reserve Fund were:

Salaries and related costs	\$ 5,473
General and administrative expenses	<u>2,350</u>
	<u>\$ 7,823</u>

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

Community Development Administration
Infrastructure Program Funds

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2003

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Expenses

The Funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from the community facilities loans originated by the Funds in connection with the Funds' principal ongoing operations. Operating revenue arises from the collection of interest on community facilities loans. Operating expenses are those costs incurred in the collection of this income. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates

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

Combined Totals

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

NOTE C - CASH AND CASH EQUIVALENTS ON DEPOSIT WITH TRUSTEE

Proceeds from bonds are invested in authorized investments as defined in the respective resolutions until required for financing projects, redeeming outstanding bonds and notes, and funding program expenses. Authorized investments include obligations of the U.S. Treasury, U.S. Government agencies, political subdivisions in the United States, bankers' acceptances, repurchase agreements, corporate debt securities and certificates of deposit with foreign or domestic banks. All CDA accounts held in trust by the trustee are kept separate from the assets of the bank and from other trust accounts.

As of June 30, 2003, the Funds had \$18,586 invested in a money market mutual fund (ARK U.S. Government Cash Management Corporate II Class Fund) which is classified as cash and cash equivalents. This fund invests exclusively in obligations of the U.S. Government and its agencies and instrumentalities and in repurchase agreements. It is rated AAA by Standard & Poor's and Aaa by Moody's Investors Services.

Community Development Administration
Infrastructure Program Funds

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2003

NOTE C - CASH AND CASH EQUIVALENTS ON DEPOSIT WITH TRUSTEE (Continued)

As of June 30, 2003, the cost of this money market mutual fund approximates fair value.

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

NOTE D - 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, 2003. Interest rates on such loans range from 3.574% to 6.77%, with remaining loan terms ranging from less than 1 year to 29 years.

NOTE E - ACCRUED INTEREST AND OTHER CURRENT RECEIVABLES

Accrued interest and other current receivables as of June 30, 2003, were as follows:

	Infrastructure Financing Bonds (AMBAC Insured)	Infrastructure Financing Bonds (MBIA Insured)	Local Government Infrastructure Bonds (Ambac Insured)	Combined
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Accrued interest on community facilities loans	\$ 85	\$ 564	\$ 99	\$ 748
Accrued interest on cash deposits	1	-	-	1
Additional principal due on refunded bonds	-	113	-	113
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 86</u>	<u>\$ 677</u>	<u>\$ 99</u>	<u>\$ 862</u>

NOTE F - BONDS PAYABLE

The bonds issued by CDA are special obligations of CDA and are payable from the revenue and special funds of the applicable programs. 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 various bond resolutions require or allow for

Community Development Administration
Infrastructure Program Funds

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2003

NOTE F - BONDS PAYABLE (Continued)

the redemption of bonds 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. The prescribed redemption prices range from 100% to 102% of the principal amount. All bonds have fixed interest rates.

The following is a summary of bond activity for the year ended June 30, 2003, and bonds payable as of June 30, 2003:

	Issue Dated	Range of Interest Rates	Range of maturities	Bonds payable at June 30, 2002	Bond Activity		Bonds payable at June 30, 2003
					New bonds issued	Scheduled maturity payment	
Infrastructure Financing							
Bonds (AMBAC Insured)							
1992 Series A	2/1/1992	6.625%	2012	\$ 650	\$ -	\$ (50)	\$ 600
1994 Series A	2/1/1994	4.85%-5.70%	2003-2024	6,000	-	(210)	5,790
1995 Series A	4/1/1995	5.40%-6.20%	2003-2025	2,520	-	(180)	2,340
				<u>\$ 9,170</u>	<u>\$ -</u>	<u>\$ (440)</u>	<u>\$ 8,730</u>
Infrastructure Financing							
Bonds (AMBAC Insured)							
				<u>\$ 9,170</u>	<u>\$ -</u>	<u>\$ (440)</u>	<u>\$ 8,730</u>
Infrastructure Financing							
Bonds (MBIA Insured)							
1996 Series A	5/1/1996	4.90%-5.90%	2003-2026	\$ 6,920	\$ -	\$ (310)	\$ 6,610
1997 Series A	4/15/1997	5.00%-5.625%	2003-2027	8,020	-	(410)	7,610
1998 Series A	2/15/1998	4.00%-5.00%	2003-2018	4,870	-	(400)	4,470
1998 Series B	6/1/1998	4.15%-5.20%	2003-2028	24,745	-	(1,450)	23,295
1998 Series C	6/1/1998	4.05%-5.15%	2003-2020	1,785	-	(175)	1,610
1999 Series A	3/1/1999	4.20%-5.00%	2003-2029	6,565	-	(185)	6,380
2000 Series A	3/1/2000	5.125%-5.875%	2003-2030	7,555	-	(280)	7,275
2001 Series A	3/1/2001	4.00%-5.00%	2003-2031	8,340	-	(130)	8,210
2001 Series B	3/1/2001	6.25%-6.80%	2006-2021	1,930	-	-	1,930
				<u>\$ 70,730</u>	<u>\$ -</u>	<u>\$ (3,340)</u>	<u>\$ 67,390</u>
Infrastructure Financing							
Bonds (MBIA Insured)							
				<u>\$ 70,730</u>	<u>\$ -</u>	<u>\$ (3,340)</u>	<u>\$ 67,390</u>
Local Government							
Infrastructure Bonds							
(Ambac insured)							
2002 Series A	3/1/2002	3.00%-5.00%	2003-2032	\$ 11,790	\$ -	\$ (320)	\$ 11,470
2002 Series B	10/1/2002	2.25%-4.375%	2003-2022	-	3,555	(70)	3,485
2003 Series A	3/1/2003	2.00%-4.50%	2004-2023	-	14,560	-	14,560
				<u>\$ 11,790</u>	<u>\$ 18,115</u>	<u>\$ (390)</u>	<u>\$ 29,515</u>
Local Government							
Infrastructure Bonds							
(Ambac Insured)							
				<u>\$ 11,790</u>	<u>\$ 18,115</u>	<u>\$ (390)</u>	<u>\$ 29,515</u>

Community Development Administration
Infrastructure Program Funds

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2003

NOTE G - DEBT SERVICE REQUIREMENTS

As of June 30, 2003, the required payments for bonds (including mandatory sinking fund payments) and interest payments for each of the next five years and in five-year increments thereafter, are as follows:

Year ended June 30,	Infrastructure Financing Bonds (AMBAC Insured)		Infrastructure Financing Bonds (MBIA Insured)		Local Government Infrastructure Bonds (Ambac Insured)	
	Interest	Principal	Interest	Principal	Interest	Principal
2004	\$ 499	\$ 460	\$ 3,389	\$ 3,650	\$ 1,129	\$ 1,050
2005	474	475	3,225	3,705	1,104	1,070
2006	449	420	3,057	3,835	1,079	1,105
2007	426	450	2,884	3,695	1,052	1,125
2008	401	475	2,711	3,770	1,023	1,160
2009 - 2013	1,596	2,270	10,994	16,185	4,531	6,395
2014 - 2018	976	1,970	7,234	14,265	3,259	7,600
2019 - 2023	424	1,785	3,681	10,200	1,606	7,550
2024 - 2028	28	425	1,348	7,120	497	1,235
2029 - 2033	-	-	77	965	157	1,225
Total	<u>\$ 5,273</u>	<u>\$ 8,730</u>	<u>\$ 38,600</u>	<u>\$ 67,390</u>	<u>\$ 15,437</u>	<u>\$ 29,515</u>

Community Development Administration
Infrastructure Program Funds

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2003

NOTE H - LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2003 were as follows:

	Infrastructure Financing Bonds (AMBAC Insured)	Infrastructure Financing Bonds (MBIA Insured)	Local Government Infrastructure Bonds (Ambac Insured)	Combined
Long-term bonds payable				
Beginning balance, bonds payable	\$ 8,730	\$ 67,390	\$ 11,470	\$ 87,590
Additions	-	-	18,115	18,115
Reductions	-	-	(70)	(70)
Less due within one year	(460)	(3,650)	(1,050)	(5,160)
Total long-term bonds payable	<u>8,270</u>	<u>63,740</u>	<u>28,465</u>	<u>100,475</u>
Other liabilities - advance trustee fees				
Beginning balance	14	103	1	118
Additions	6	56	10	72
Net reductions for one year	(4)	(33)	(6)	(43)
Total advance trustee fees	<u>16</u>	<u>126</u>	<u>5</u>	<u>147</u>
Total long-term liabilities	<u>\$ 8,286</u>	<u>\$ 63,866</u>	<u>\$ 28,470</u>	<u>\$ 100,622</u>

NOTE I - BOND INSURANCE

All outstanding bonds in the Infrastructure Program Funds are insured. The Local Government Infrastructure Bonds 2002 Series A through 2003 Series A are insured by Ambac Assurance Corporation and the Infrastructure Financing Bonds 1992 Series A through 1995 Series A are insured by AMBAC Indemnity Corporation. The Infrastructure Financing Bonds 1996 Series A through 2001 Series B are insured by MBIA Insurance Corporation. The provisions of the policies require the insurer to pay that portion of the principal and interest on the bonds which become due for payment but are not paid by CDA. The insurance generally extends for the term of the bonds and cannot be canceled by the insurer.

Community Development Administration
Infrastructure Program Funds

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2003

NOTE J - PENSION AND OTHER POST-RETIREMENT BENEFITS

Eligible employees of CDA and employees of the State of Maryland are covered under the retirement plans of the State Retirement and Pension System of Maryland (System) and are also entitled to certain healthcare benefits upon retirement. CDA's only liability for retirement and post-employment benefits is its required annual contribution, which was paid in full by CDA to the State of Maryland prior to year end. The System prepares a separate audited Comprehensive Annual Financial Report which can be obtained from the State Retirement and Pension System of Maryland, 120 East Baltimore Street, Baltimore, Maryland 21202 or by visiting the website at www.sra.state.md.us.