

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

**COMMUNITY DEVELOPMENT ADMINISTRATION
INFRASTRUCTURE FINANCING BONDS
(MBIA INSURED)**

JUNE 30, 2010 AND 2009

Community Development Administration
Infrastructure Financing Bonds (MBIA Insured)

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INDEPENDENT AUDITORS' REPORT

Office of the Secretary
Department of Housing and Community Development

We have audited the accompanying financial statements of the Community Development Administration Infrastructure Financing Bonds (MBIA Insured) (the Fund) of the Department of Housing and Community Development of the State of Maryland as of and for the years ended June 30, 2010 and 2009, as listed in the table of contents. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

As discussed in Note 1, the financial statements present only the Community Development Administration Infrastructure Financing Bonds (MBIA Insured) 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, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Community Development Administration Infrastructure Financing Bonds (MBIA Insured) of the Department of Housing and Community Development of the State of Maryland as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Reznick Group, P.C.

Baltimore, Maryland
September 30, 2010

Community Development Administration
Infrastructure Financing Bonds (MBIA Insured)

STATEMENTS OF NET ASSETS
(in thousands)

June 30, 2010 and 2009

	2010	2009
RESTRICTED ASSETS		
Restricted current assets		
Cash and cash equivalents on deposit with trustee	\$ 744	\$ 708
Community facilities loans	2,110	2,921
Accrued interest and other receivables	266	335
Total restricted current assets	3,120	3,964
Restricted long-term assets		
Community facilities loans, net of current portion	24,077	30,037
Other receivables, net of current portion	192	256
Total restricted long-term assets	24,269	30,293
Total restricted assets	\$ 27,389	\$ 34,257
LIABILITIES AND NET ASSETS		
Current liabilities		
Accrued interest payable	\$ 114	\$ 143
Bonds payable	2,150	3,190
Total current liabilities	2,264	3,333
Long-term liabilities		
Bonds payable, net of current portion	24,290	30,080
Advance trustee fees	199	199
Total long-term liabilities	24,489	30,279
Total liabilities	26,753	33,612
NET ASSETS		
Restricted	636	645
Total liabilities and net assets	\$ 27,389	\$ 34,257

See notes to financial statements

Community Development Administration
Infrastructure Financing Bonds (MBIA Insured)

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

Years ended June 30, 2010 and 2009

	2010	2009
Operating revenue		
Interest on community facilities loans	\$ 1,588	\$ 1,934
Interest income on cash equivalents	-	6
Other operating revenue	1	-
	1,589	1,940
Operating expenses		
Interest expense on bonds	1,598	1,944
Operating loss	(9)	(4)
Changes in net assets	(9)	(4)
Net assets - restricted at beginning of year	645	649
Net assets - restricted at end of year	\$ 636	\$ 645

See notes to financial statements

Community Development Administration
Infrastructure Financing Bonds (MBIA Insured)

STATEMENTS OF CASH FLOWS
(in thousands)

Years ended June 30, 2010 and 2009

	2010	2009
Cash flows from operating activities		
Principal and interest received on community facilities loans	\$ 8,492	\$ 10,744
Advance trustee fees received	36	41
Trustee fees paid	(36)	(36)
Other operating revenue	1	-
Other reimbursements	-	(2)
	8,493	10,747
Net cash provided by operating activities	8,493	10,747
Cash flows from investing activities		
Interest received on cash equivalents	-	7
	-	7
Net cash provided by investing activities	-	7
Cash flows from noncapital financing activities		
Payments on bond principal	(6,830)	(8,885)
Interest on bonds	(1,627)	(1,981)
	(8,457)	(10,866)
Net cash used in noncapital financing activities	(8,457)	(10,866)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS ON DEPOSIT WITH TRUSTEE	36	(112)
Cash and cash equivalents on deposit with trustee at beginning of year	708	820
Cash and cash equivalents on deposit with trustee at end of year	\$ 744	\$ 708

(continued)

Community Development Administration
Infrastructure Financing Bonds (MBIA Insured)

STATEMENTS OF CASH FLOWS - CONTINUED
(in thousands)

Years ended June 30, 2010 and 2009

	2010	2009
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (9)	\$ (4)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Decrease in community facilities loans	6,771	8,662
Decrease in accrued interest and other receivables	133	149
Decrease in accrued interest payable	(29)	(37)
Decrease in accounts payable	-	(2)
Increase in other liabilities	-	5
Interest received on cash equivalents	-	(7)
Interest on bonds	1,627	1,981
Net cash provided by operating activities	\$ 8,493	\$ 10,747

See notes to financial statements

Community Development Administration
Infrastructure Financing Bonds (MBIA Insured)

NOTES TO FINANCIAL STATEMENTS
(in thousands)

June 30, 2010 and 2009

NOTE 1 - AUTHORIZING LEGISLATION AND PROGRAM DESCRIPTION

The Community Development Administration (CDA) is authorized to issue Infrastructure Financing Bonds (MBIA Insured) 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 Infrastructure Financing Bonds (MBIA Insured) (the Fund). 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 Infrastructure Financing Bonds (MBIA Insured) is accounted for as an enterprise fund. Accordingly, the accompanying financial statements have been prepared using the accrual method of accounting and on the basis of accounting principles generally accepted in the United States of America (GAAP).

Generally Accepted Accounting Principles

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

Community Development Administration
Infrastructure Financing Bonds (MBIA Insured)

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2010 and 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Cash and Cash Equivalents on Deposit with Trustee

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, 2010 and 2009, 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, 2010 and 2009.

Community Development Administration
Infrastructure Financing Bonds (MBIA Insured)

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2010 and 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Interest and Other Receivables

Accrued interest includes both interest on cash deposits and interest on loans. As of June 30, 2010 and 2009, all loans were current. Therefore, all accrued interest on loans was recorded during the year. Other receivables include additional principal due from local governments on refunded bonds. See Note 5 for additional information.

Bonds Payable

Bonds payable are carried at their unpaid principal balances. There are no premiums or discounts to amortize. See Notes 6, 7, 8 and 9 for additional information.

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 and the costs of employees' retirement benefits are included in the salaries and related costs charged to CDA's General Bond Reserve Fund. See Note 10 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 public facilities for local governments. All of the Fund's activities are considered to be operating.

Community Development Administration
Infrastructure Financing Bonds (MBIA Insured)

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2010 and 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 period. Actual results could differ from these estimates.

Recent Accounting Pronouncements

In March 2009, GASB issued the Accounting Standards Codification (Codification). Effective upon issuance, the Codification is the single source of authoritative accounting principles recognized by GASB to be applied by governmental entities in the preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP). The Codification is intended to reorganize, rather than change, existing GAAP. Accordingly, all references to currently existing GAAP have been removed and have been replaced with plain English explanations of CDA's accounting policies. The adoption of the Codification did not have a material impact on CDA's financial position or results of operations.

Community Development Administration
Infrastructure Financing Bonds (MBIA Insured)

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2010 and 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In May 2009, FASB issued guidance regarding subsequent events, which was subsequently updated in February 2010. This guidance established general standards of accounting for and disclosure of events that occur after the date of the statement of net assets but before financial statements are issued or are available to be issued. In particular, this guidance sets forth the period after the date of the statement of net assets during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which an entity should recognize events or transactions occurring after the date of the statement of net assets in its financial statements, and the disclosures that an entity should make about events or transactions that occurred after the date of the statement of net assets. This guidance was effective for financial statements issued for fiscal years and interim periods ending after June 15, 2009, and was therefore adopted by CDA for the period ending June 30, 2010. The adoption did not have a significant impact on the subsequent events that CDA reports, either through recognition or disclosure, in the financial statements. In February 2010, FASB amended its guidance on subsequent events for entities that are not SEC filers to disclose the date that the financial statements were available to be issued. This amendment was effective immediately. See Note 11 regarding the date through which subsequent events have been evaluated.

NOTE 3 - CASH AND CASH EQUIVALENTS ON DEPOSIT WITH TRUSTEE

Proceeds from bonds and revenues from loans are invested in authorized investments as defined in the Infrastructure Financing Bonds (MBIA Insured) 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, 2010 and 2009, the Fund had \$744 and \$708, respectively, invested in a money market mutual fund (Federated Treasury 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
Infrastructure Financing Bonds (MBIA Insured)

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2010 and 2009

NOTE 3 - CASH AND CASH EQUIVALENTS ON DEPOSIT WITH TRUSTEE (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 Treasury Obligations Fund invests primarily in repurchase agreements collateralized by Treasury securities and U.S. Treasuries. 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 of June 30, 2010 and 2009, the cost of this 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, 2010 and 2009, the Federated Treasury Obligations Fund was rated AAAM by Standard and Poor's and Aaa by Moody's Investors Service.

Community Development Administration
Infrastructure Financing Bonds (MBIA Insured)

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2010 and 2009

NOTE 3 - CASH AND CASH EQUIVALENTS ON DEPOSIT WITH TRUSTEE (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, 2010 and 2009, the Fund's investments were not subject to custodial credit risk under accounting guidance issued by GASB. This money market 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, 2010 and 2009. As of June 30, 2010 and 2009, interest rates on such loans range from 4.28% to 6.81% and remaining loan terms range from less than 1 year to 21 years and less than 1 year to 22 years, respectively.

NOTE 5 - ACCRUED INTEREST AND OTHER RECEIVABLES

Accrued interest and other receivables as of June 30, 2010 and 2009 were as follows:

	<u>2010</u>	<u>2009</u>
Accrued interest on community facilities loans	\$ 228	\$ 286
Additional loan principal as a result of bond refundings	<u>230</u>	<u>305</u>
	<u>\$ 458</u>	<u>\$ 591</u>

Community Development Administration
Infrastructure Financing Bonds (MBIA Insured)

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2010 and 2009

NOTE 6 - BONDS PAYABLE

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

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. The prescribed optional redemption premiums range from 0% to 1% of the principal amount. All bonds have fixed interest rates and all bonds are tax-exempt except for 2001 Series B.

The following is a summary of the bond activity for the year ended June 30, 2010 and bonds payable as of June 30, 2010:

Bond	Issue dated	Range of interest rates	Range of maturities	Bonds payable at June 30, 2009	Bond Activity		Bonds payable at June 30, 2010
					Scheduled maturity payments	Bonds Redeemed	
Infrastructure Financing Bonds (MBIA Insured)							
1996 Series A	05/01/96	5.60% - 5.90%	2010 - 2026	\$ 710	\$ (225)	\$ (245)	\$ 240
1997 Series A	04/15/97	5.40% - 5.75%	2010 - 2027	2,535	(130)	(1,610)	795
1998 Series A	02/15/98	4.60% - 5.00%	2010 - 2018	2,175	(80)	(1,830)	265
1998 Series B	06/01/98	4.70% - 5.20%	2010 - 2028	8,985	(920)	(585)	7,480
1998 Series C	06/01/98	4.60% - 5.15%	2009 - 2020	750	(110)	-	640
1999 Series A	03/01/99	4.30% - 5.00%	2010 - 2029	5,125	(240)	-	4,885
2000 Series A	03/01/00	5.25% - 5.875%	2010 - 2030	5,285	(400)	-	4,885
2001 Series A	03/01/01	4.125% - 5.00%	2010 - 2031	6,200	(370)	-	5,830
2001 Series B	03/01/01	6.25% - 6.80%	2011 - 2021	1,505	(85)	-	1,420
Totals				<u>\$ 33,270</u>	<u>\$ (2,560)</u>	<u>\$ (4,270)</u>	<u>\$ 26,440</u>

Community Development Administration
Infrastructure Financing Bonds (MBIA Insured)

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2010 and 2009

NOTE 6 - BONDS PAYABLE (Continued)

The following is a summary of the bond activity for the year ended June 30, 2009 and bonds payable as of June 30, 2009:

Bond	Issue dated	Range of interest rates	Range of maturities	Bonds payable at June 30, 2008	Bond Activity		Bonds payable at June 30, 2009
					Scheduled maturity payments	Bonds Redeemed	
Infrastructure Financing Bonds (MBIA Insured)							
1996 Series A	05/01/96	5.50% - 5.90%	2009 - 2026	\$ 935	\$ (225)	\$ -	\$ 710
1997 Series A	04/15/97	5.375% - 5.75%	2009 - 2027	2,770	(235)	-	2,535
1998 Series A	02/15/98	4.50% - 5.00%	2009 - 2018	2,540	(365)	-	2,175
1998 Series B	06/01/98	4.60% - 5.20%	2009 - 2028	15,900	(1,150)	(5,765)	8,985
1998 Series C	06/01/98	4.50% - 5.15%	2008 - 2020	855	(105)	-	750
1999 Series A	03/01/99	4.25% - 5.00%	2009 - 2029	5,355	(230)	-	5,125
2000 Series A	03/01/00	5.25% - 5.875%	2009 - 2030	5,660	(375)	-	5,285
2001 Series A	03/01/01	4.00% - 5.00%	2009 - 2031	6,555	(355)	-	6,200
2001 Series B	03/01/01	6.25% - 6.80%	2011 - 2021	1,585	(80)	-	1,505
Totals				<u>\$ 42,155</u>	<u>\$ (3,120)</u>	<u>\$ (5,765)</u>	<u>\$ 33,270</u>

Community Development Administration
Infrastructure Financing Bonds (MBIA Insured)

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2010 and 2009

NOTE 7 - DEBT SERVICE REQUIREMENTS

As of June 30, 2010, the required principal payments for bonds (including mandatory sinking fund payments) 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
2011	\$ 1,369	\$ 2,150
2012	1,266	1,775
2013	1,179	1,755
2014	1,092	1,760
2015	1,003	1,800
2016 - 2020	3,541	9,445
2021 - 2025	1,485	4,720
2026 - 2030	454	2,970
2031 - 2035	3	65
Total	\$ 11,392	\$ 26,440

As of June 30, 2009, the required principal payments for bonds (including mandatory sinking fund payments) 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
2010	\$ 1,706	\$ 3,190
2011	1,560	2,620
2012	1,434	2,275
2013	1,322	2,210
2014	1,213	1,975
2015 - 2019	4,459	10,695
2020 - 2024	1,973	6,120
2025 - 2029	677	3,810
2030 - 2034	24	375
Total	\$ 14,368	\$ 33,270

Community Development Administration
Infrastructure Financing Bonds (MBIA Insured)

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2010 and 2009

NOTE 8 - LONG-TERM OBLIGATIONS

Changes in long-term obligations for the years ended June 30, 2010 and 2009 were as follows:

	2010	2009
Bonds payable		
Beginning balance	\$ 33,270	\$ 42,155
Additions	-	-
Reductions	(6,830)	(8,885)
Ending balance	26,440	33,270
Less due within one year	(2,150)	(3,190)
Total long-term bonds payable	24,290	30,080
Advance trustee fees		
Beginning balance	199	194
Additions	36	41
Reductions	(36)	(36)
Ending balance	199	199
Total long-term advance trustee fees	199	199
Total long-term liabilities	\$ 24,489	\$ 30,279

NOTE 9 - BOND INSURANCE

All outstanding bonds of the Fund are insured by MBIA Insurance Corporation. The provisions of the policy 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. See Note 6 for list of outstanding bonds.

Community Development Administration
Infrastructure Financing Bonds (MBIA Insured)

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2010 and 2009

NOTE 10 - 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 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.

NOTE 11 - SUBSEQUENT EVENTS

Events that occur after the date of the statement of net assets but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the date of the statement of net assets are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the date of the statement of net assets require disclosure in the accompanying notes. Management evaluated the activity of CDA through September 30, 2010 (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.