

State of Maryland

Maryland Teachers & State Employees Supplemental Retirement Plans,

# Comprehensive Annual Financial Report

401(k), 457, 403(b) & 401(a) Plans



*Year Ended December 31, 2008*

## **NOTICE TO READERS:**

### **Calendar Year 2008 *Prototype* Comprehensive Annual Financial Report on the Maryland Supplemental Retirement Plans**

The Government Finance Officers Association (GFOA) established the Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Program) to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal.

This is the prototype Comprehensive Annual Report of the Board of Trustees of the Maryland Teachers & State Employees Supplemental Retirement Plans (MSRP) prepared in the format and with the scope and content suitable for the GFOA financial reporting program. This report covers the calendar year 2008. This report has *not* been submitted for the GFOA review program. This prototype report prepares the MSRP Board and Staff for completing the Calendar Year 2009 Annual Report for MSRP and submitting the document to GFOA for the CAFR Program.



**STATE OF MARYLAND  
MARYLAND TEACHERS AND STATE EMPLOYEES  
SUPPLEMENTAL RETIREMENT PLANS**

**Comprehensive Annual Financial Report**  
For the Calendar Year Ended  
December 31, 2008

401(k), 457, 403(b) and 401(a) Plans

**Martin O'Malley**, Governor  
**Anthony Brown**, Lt. Governor  
T. Eloise Foster, Chairperson, Board of Trustees  
**Michael Halpin**, Executive Director  
**Debra Roberts**, Director of Finance

## TABLE OF CONTENTS

### INTRODUCTORY SECTION

LETTER OF TRANSMITTAL.....	1
<i>A Letter from the Chairperson.....</i>	5
<i>Chart of Organization.....</i>	7
<i>Mission and Vision Statements.....</i>	8
ABOUT THE PLANS.....	9
ABOUT THE BOARD.....	11
<i>Board Members.....</i>	12
<i>Board Committees.....</i>	16
<i>Board Advisor.....</i>	17

### FINANCIAL SECTION

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS.....	17
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	18
<b>BASIC FINANCIAL STATEMENTS</b>	
NET ASSETS AVAILABLE FOR PLAN BENEFITS.....	23
<i>Statement of Changes in Net Assets Available for Plan Benefits.....</i>	24
<i>Notes to the Financial Statements.....</i>	25
COMBINING STATEMENTS.....	36

### INVESTMENT SECTION

INVESTMENT ADVISOR'S REPORT.....	43
INVESTMENT POLICY AND OBJECTIVES.....	48
INVESTMENT PERFORMANCE.....	50
SCHEDULE OF INVESTMENT EXPENSES.....	52

### STATISTICAL SECTION

STATISTICAL SECTION NARRATIVE.....	55
TEN-YEAR HISTORY NET CHANGES IN ASSETS BY PLAN.....	56
SCHEDULE OF PARTICIPANT HISTORY BY PLAN.....	58
SCHEDULE OF PARTICIPANT CONTRIBUTIONS AND DISTRIBUTIONS.....	59
2008 PLAN STATISTICS.....	60
STABLE VALUE DIVERSIFICATION.....	63

**OTHER SUPPLEMENTAL SCHEDULES**

BOARD INCOME & EXPENSES.....65  
GLOSSARY/ PARTICIPANT DATA DEFINITIONS.....66  
PLAN COMPARISON CHART.....70