

**UNIVERSITY SYSTEM OF MARYLAND**

Financial Statements and Supplemental Data

For the Years Ended June 30, 2010 and 2009,  
Together with Report of Independent Public Accountants



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## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

To the Board of Regents  
University System of Maryland

We have audited the accompanying financial statements of the University System of Maryland (the System), and its discretely presented component units, as of and for the year ended June 30, 2010, which collectively comprise the System's basic financial statements as listed in the table of contents. These financial statements and supplemental data are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audit. We audited the component unit financial statements of UMBC Research Park Corporation, Inc. and Bowie State University Foundation, Inc. We did not audit the financial statements of the other component units, which represent 98 percent, 99 percent, and 98 percent, respectively, of the total assets, net assets and unrestricted revenue of the total component units. Those financial statements were audited by other auditors whose reports thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units, is based on the reports of the other auditors. The financial statements of the System as of June 30, 2009, were audited by other auditors whose report dated October 27, 2009, expressed an unqualified opinion on those statements.

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 and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the System and of its discretely presented component units as of June 30, 2010, and the respective changes in financial position and cash flows, as applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



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Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The accompanying supplemental data and notes to supplemental data are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental data have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of the other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*SB & Company, LLC*

Hunt Valley, Maryland  
November 2, 2010

## UNIVERSITY SYSTEM OF MARYLAND

### MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED JUNE 30, 2010 AND 2009

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The management of the University System of Maryland (the System), provides the readers of the System's financial statements with this narrative overview and analysis of the financial activities of the System for the years ended June 30, 2010 and 2009.

#### Financial Highlights

- Unrestricted net assets increased by \$18,951,882 for the year ended June 30, 2010, compared to an increase of \$35,081,617 for the year ended June 30, 2009.
- State appropriations for the System decreased by 10.2% for the year ended June 30, 2010, to \$925,884,473. For the year ended June 30, 2009, State appropriations increased by 2.6% from the amount received in the year ended June 30, 2008.
- Tuition and fees, after deducting Scholarship allowances, increased by \$65,295,796, or 6.7% for the year ended June 30, 2010. During the year ended June 30, 2009, net Tuition and fees increased by 3.7%, or \$34,759,266.
- Investment income on Endowment assets amounted to \$22,652,600, or a return of 13.4%, for the year ended June 30, 2010. For the year ended June 30, 2009, investment loss on Endowment assets was \$60,818,099, representing a loss of 24.4%.

#### Overview of the Financial Statements

The System's financial statements consist of three basic financial statements and the notes that provide information on the accounting alternatives used, and explanatory information and detail on certain financial statement elements. The three basic financial statements are the Balance Sheet, the Statement of Revenue, Expenses and Changes in Net Assets, and the Statement of Cash Flows.

The *Balance Sheet* presents information on the System's assets, liabilities and net assets, all as of the end of the reporting period. Net assets represent the difference between assets and liabilities, and is detailed into classifications that help readers understand the constraints that the System must consider in making decisions on expending assets. Over time, changes in net assets can help in understanding whether the financial condition of the System is improving or deteriorating.

The *Statement of Revenue, Expenses and Changes in Net Assets* presents information on the changes in net assets during the year. All changes in net assets are reported as soon as the underlying event takes place, regardless of the timing of the related cash flows. Thus, revenue and expenses are recorded for some items that will result in cash flows in future fiscal years (for example tuition and fees owed by students, or vacation earned by employees but not used at year-end).

The *Statement of Cash Flows* presents information on sources and uses of cash during the year. This statement details the changes in cash and cash equivalents from the amounts reported at the end of the preceding year, to the amounts reported in the Balance Sheet as of the end of the current year. Sources and uses are organized into operating activities, noncapital financing activities, capital and related financing activities, and investing activities.

The System's financial statements include all accounts and balances of the System (considered the primary government, in accounting terms), as well as 16 legally-separate and distinct entities for which the System is financially accountable, which are considered component units. Of the 16 component units, three are considered major component units due to their significance in terms of size, while the rest are considered non-major component units.

The emphasis of this Management's Discussion and Analysis is on the System itself. Reference should be made to the separately audited financial statements of the component units for additional information.

## **Financial Analysis**

As of June 30, 2010, the System's financial health remains strong, with assets exceeding liabilities by \$4,205,331,706, shown on the Balance Sheet as total net assets. This compares with total net assets of \$3,925,233,508 as of June 30, 2009. As suggested earlier, when viewed over time, net assets may be useful as an indicator of financial health.

For the year ended June 30, 2010, total net assets increased by \$280,098,198. Net assets invested in capital assets, net of related debt, increased by \$252,666,500, while unrestricted net assets increased \$18,951,882, and restricted net asset categories increased by \$8,479,816.

Unrestricted net assets represent the portion of assets, after taking into account liabilities, which can be used to meet ongoing obligations and fund new initiatives. The \$18,951,882 increase in unrestricted net assets for the year ended June 30, 2010 is attributable to continuing institutional efforts to limit expenditures, the effects of a second fiscal year of a state-wide furlough plan requiring System employees to take unpaid leave, revenue from enrollment growth beyond that anticipated, investment income recorded for the portion of the endowment funds recognized as a component of unrestricted net assets, as well as efforts to accumulate resources to provide for future facilities needs and renewal and renovation requirements. These factors were offset by one-time, mid-year reductions in State appropriations of \$113,268,679, and planned spending on acquisitions of buildings and renovations using cash balances.

As of June 30, 2009, the System's assets exceeded liabilities by \$3,925,233,508. This compares with total net assets of \$3,741,283,144 as of June 30, 2008.

For the year ended June 30, 2009, total net assets increased by \$183,950,364. Net assets invested in capital assets, net of related debt, increased by \$197,366,347, while unrestricted net assets increased \$35,081,617, and restricted net asset categories decreased by \$48,467,600.

The \$35,081,617 increase in unrestricted net assets for the year ended June 30, 2009 is attributable to continuing institutional efforts to limit expenditures, the effects of a state-wide furlough plan requiring System employees to take unpaid leave, revenues from enrollment growth beyond that anticipated, as well as efforts to accumulate resources to provide for future facilities needs and renewal and renovation requirements. These factors were offset by mid-year reductions in State

appropriations of \$29,000,000, investment losses on the unrestricted portion of endowment funds, and planned spending on acquisitions of buildings and renovations using cash balances.

The table below presents summary-level information of the System's assets, liabilities, and net assets as of June 30, 2010, 2009 and 2008.

**Condensed Balance Sheets**  
**June 30, 2010, 2009 and 2008**

	<b>2010</b>	<b>2009</b>	<b>2008</b>
Current and other assets	\$1,921,376,964	\$1,864,752,849	\$1,814,836,997
Capital assets, net	3,985,648,258	3,670,605,826	3,434,909,097
Total assets	<u>\$5,907,025,222</u>	<u>\$5,535,358,675</u>	<u>\$5,249,746,094</u>
Debt and obligations under capital lease agreements	\$1,082,886,292	\$1,028,523,582	\$969,923,078
Other liabilities	618,807,224	581,601,585	538,539,872
Total liabilities	<u>1,701,693,516</u>	<u>1,610,125,167</u>	<u>1,508,462,950</u>
Net assets:			
Invested in capital assets, net of related debt	3,043,704,463	2,791,037,963	2,593,701,616
Restricted	243,874,053	235,394,237	283,861,837
Unrestricted	917,753,190	898,801,308	863,719,691
Total net assets	<u>4,205,331,706</u>	<u>3,925,233,508</u>	<u>3,741,283,144</u>
Net assets and liabilities	<u>\$5,907,025,222</u>	<u>\$5,535,358,675</u>	<u>\$5,249,746,094</u>

The table below presents summary-level information on revenue, expenses, and other changes in the System's net assets for the years ended June 30, 2010, 2009 and 2008.

**Condensed Statements of Revenue, Expenses and Changes in Net Assets**  
**Years ended June 30, 2010, 2009 and 2008**

	<b>2010</b>	<b>2009</b>	<b>2008</b>
Operating revenue	\$2,862,478,437	\$2,699,475,176	\$2,600,733,089
Operating expenses	3,864,725,692	3,789,619,283	3,589,864,275
Operating loss	<u>(1,002,247,255)</u>	<u>(1,090,144,107)</u>	<u>(989,131,186)</u>
State appropriations	925,884,473	1,030,646,420	1,004,067,729
Other nonoperating revenue and gains, net	161,074,871	59,064,245	135,092,362
Total nonoperating revenue	<u>1,086,959,344</u>	<u>1,089,710,665</u>	<u>1,139,160,091</u>
Income (loss) before other revenue	84,712,089	(433,442)	150,028,905
Other revenue	195,386,109	184,383,806	166,922,065
Increase in net assets	280,098,198	183,950,364	316,950,970
Net assets, beginning of year	<u>3,925,233,508</u>	<u>3,741,283,144</u>	<u>3,424,332,174</u>
Net assets, end of year	<u>\$4,205,331,706</u>	<u>\$3,925,233,508</u>	<u>\$3,741,283,144</u>

The System's operating revenue arise from activities associated with its core mission; education, research, and public service.

For the years ended June 30, 2010, 2009 and 2008, operating revenue, which under the definitions used by the Governmental Accounting Standards Board (GASB) excludes state appropriations, are detailed below:

	2010		2009		2008	
	\$	%	\$	%	\$	%
Tuition and fees	\$1,043,888,818	36.5%	\$978,593,022	36.2%	\$943,833,756	36.2%
Contracts and grants	1,071,680,161	37.4	986,249,638	36.5	936,506,855	36.1
Sales and services of educational departments	230,911,671	8.1	225,933,669	8.4	224,755,063	8.6
Auxiliary enterprises	460,594,877	16.1	455,462,962	16.9	434,309,237	16.7
Other operating	55,402,910	1.9	53,235,885	2.0	61,328,178	2.4
<b>Total</b>	<b>\$2,862,478,437</b>	<b>100.0%</b>	<b>\$2,699,475,176</b>	<b>100.0%</b>	<b>\$2,600,733,089</b>	<b>100.0%</b>

Tuition and fees reflect the increases in non-resident tuition rates and other student charges enacted for the years ended June 30, 2010 and 2009 for graduate and non-resident undergraduate students, as well as modest enrollment increases in both years, most notably at the University of Maryland, College Park and the University of Maryland University College. Fee increases for residence halls and dining facilities and enrollment increases account for the increase in revenue from auxiliary enterprise activities.

For the years ended June 30, 2010, 2009 and 2008, operating expenses are detailed below:

	2010		2009		2008	
	\$	%	\$	%	\$	%
Instruction	\$1,010,752,199	26.2%	\$990,476,197	26.1%	\$951,367,571	26.5%
Research	905,621,907	23.4	869,719,538	23.0	838,754,387	23.4
Public service	143,672,967	3.7	139,414,385	3.7	136,357,718	3.8
Academic support	333,020,865	8.6	338,282,723	8.9	318,240,451	8.9
Student services	172,607,349	4.5	169,092,865	4.5	154,969,079	4.3
Institutional support	346,773,057	9.0	334,740,258	8.8	326,342,237	9.1
Operation and maintenance of plant	300,325,515	7.8	307,014,037	8.1	272,127,045	7.6
Scholarships and fellowships	93,482,854	2.4	81,691,427	2.2	75,884,153	2.1
Auxiliary enterprises	420,758,945	10.8	429,082,134	11.3	404,597,108	11.2
Hospital	137,710,034	3.6	130,105,719	3.4	111,224,526	3.1
<b>Total</b>	<b>\$3,864,725,692</b>	<b>100.0%</b>	<b>\$3,789,619,283</b>	<b>100.0%</b>	<b>\$3,589,864,275</b>	<b>100.0%</b>

Operating expenses are detailed by (1) employee costs, (2) payments to suppliers, contractors and other, and (3) depreciation expense in the notes to the financial statements, in order to provide an alternative presentation of operating expenses.

For the year ended June 30, 2010, increases in employee payments account for the largest component of the overall increase in operating expenses of \$75,106,409 over the year ended June 30, 2009, with the largest increase associated with research activities.

For the year ended June 30, 2009, increases in employee costs represent the largest component of the overall increase in operating expenses of almost \$200 million over the year ended June 30, 2008, the most significant portion relating to Instruction programs.

For the year ended June 30, 2008, increases in payments to suppliers, contractors and other payments account for the largest component of the overall increase in operating expenses over the year ended June 30, 2007.

### Capital Asset and Debt Administration

The System continually makes investments in facilities necessary to achieve long-term objectives resulting from:

- State-wide public policy goals,
- System-wide strategic planning,
- institutional facilities master planning
- projected enrollment growth
- projected research space needs, and
- maintenance and renewal needs for existing facilities.

Funding sources for additions to capital facilities and equipment for the last three fiscal years ended June 30, were funded through:

Funding source	2010	2009	2008
State of Maryland debt proceeds or cash balances	\$180,916,057	\$177,717,059	\$156,128,731
System debt proceeds	152,170,852	118,378,403	75,932,467
System cash balances or donations	198,840,205	160,751,103	142,552,050
<b>Total</b>	<b>\$531,927,114</b>	<b>\$456,846,565</b>	<b>\$374,613,248</b>

Over the past three fiscal years ended June 30, major projects completed or placed in service:

Project	Institution	Cost
<b>Year ended June 30, 2010</b>		
Physical Education Complex	Coppin State University	\$128,000,000
Byrd Stadium renovation	University of Maryland College Park	50,000,000
<b>Year ended June 30, 2009</b>		
College of Liberal Arts	Towson University	73,000,000
Health and Human Sciences Building	Coppin State University	73,000,000
<b>Year ended June 30, 2008</b>		
Teacher Education and Technology Center	Salisbury University	66,000,000
Van Munching Hall addition	University of Maryland College Park	21,000,000

In August 2003, the System issued Revolving Loan Program Bonds to provide a pool of funds from which the System finances the acquisition of personal property by the institutions comprising the System on a revolving basis. The Revolving Loan Program Bonds, currently outstanding in the amount of \$50,000,000, mature on July 1, 2023. In May 2009, the securities were remarketed at an annual interest rate of 0.55% for the period June 1, 2009 through May 31, 2010. On June 1, 2010, the securities were successfully remarketed on a multi-annual interest rate basis at an interest rate

of 1.50%. The Revolving Loan Program Bonds are currently subject to mandatory tender on June 1, 2013, at which time the System expects to remarket the bonds at an interest rate that will reflect the market interest rates at that point in time.

The System has issued Revenue Bonds to fund the construction, acquisition, and renewal and replacement of facilities, or refinance previously issued Revenue Bonds to realize lower current interest rates, during the years ended June 30, 2009 and 2010, and since, as follows:

<b>Revenue Bond Issuance</b>	<b>Date</b>	<b>Purpose</b>	<b>Total Par Value Issued</b>	<b>Present Value of Future Debt Service Savings</b>
2008 Refunding Series B	7/3/2008	Refinancing	\$29,070,000	\$1,018,772
2009 Series A and B	6/26/2009	Construction and facilities renewal	100,000,000	
2009 Refunding Series C	7/6/2009	Refinancing	31,275,000	1,813,416
2009 Refunding Series D	10/7/2009	Refinancing	56,045,000	4,014,543
2010 Series A and B	4/8/2010	Construction and facilities renewal	120,000,000	
2010 Refunding Series C	9/23/2010	Refinancing	50,990,000	3,337,346

The System continually pursues opportunities to reduce its overall effective cost of capital financing, and as conditions in the financial markets allow, refinances previously issued debt with new debt at lower interest costs.

### **Economic Factors and Next Year's Budget and Rates**

Enrollment demand, availability of funding for contracts and grants, and the State of Maryland support through both operating and capital appropriations are the three most significant drivers of the System's revenue base.

Across all student categories, enrollment is expected to continue to increase over the next ten years, with more than 19% more students anticipated by the end of fiscal year 2017. Projections for fiscal year 2011 reflect an expected increase of approximately 3,117 students, or just under 2% growth in headcount enrollment. During the past four years, the System has held resident tuition levels constant, improving the System's institutions relative affordability with their regional peers. Improving access through moderating tuition increases and improving financial aid will enhance prospects for attaining the enrollment levels projected.

The Federal American Recovery and Reinvestment Act has provided a large amount of new and additional funding for contract and grant work at the System's institutions. Several System institutions have successfully developed research capabilities and expertise in areas of national importance and have experienced increases in contract and grant awards. Combined with geographical proximity to Federal agencies and complementary private enterprises, the System is well positioned for further growth in research activities, particularly in the health sciences and defense-related fields.

The economy of the State of Maryland is experiencing many of the same effects, if not in the same magnitude, that the rest of the nation is undergoing as a result of the current financial crisis. The impact of the recession, and its impact on State government receipts, is expected to extend beyond

fiscal year 2011 and into the next. The State government closely monitors revenue receipts and revises projections on a quarterly basis. As an economic engine for the entire state and region, System officials point out the impact that proposed reductions of State funding provided to higher education would have on state-wide economic activity and work-force development.

Personnel costs account for more than two-thirds of the System's noncapital spending. Healthcare costs and the adoption of a state-wide funding strategy for providing for retiree's healthcare costs are significant drivers of the System's future spending levels. As enrollment continues to increase, it is reasonable to expect that additional faculty and support staff will be required to maintain the current level of educational quality.

### **Requests for Information**

This financial report is intended to provide a general overview of the System's finances. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the Office of the Vice Chancellor for Administration and Finance and Chief Financial Officer, 3300 Metzert Road, Adelphi, MD 20783.

**UNIVERSITY SYSTEM OF MARYLAND  
BALANCE SHEET  
JUNE 30, 2010 AND 2009**

	June 30,	
	2010	2009
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$1,200,641,191	\$1,153,676,011
Accounts receivable, net	300,268,536	288,998,397
Notes receivable, current portion	8,092,058	8,479,028
Inventories	10,683,614	10,950,211
Prepaid expenses and deferred charges	7,571,825	6,751,655
<b>Total current assets</b>	<b>1,527,257,224</b>	<b>1,468,855,302</b>
<b>Noncurrent assets:</b>		
Restricted cash and cash equivalents	62,864,257	166,662,229
Endowment investments	177,625,899	164,158,008
Restricted investments	90,651,337	
Other investments	3,403,621	3,403,621
Notes receivable, net	59,574,626	61,673,689
Capital assets, net	3,985,648,258	3,670,605,826
<b>Total noncurrent assets</b>	<b>4,379,767,998</b>	<b>4,066,503,373</b>
<b>Total assets</b>	<b>\$5,907,025,222</b>	<b>\$5,535,358,675</b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$235,735,786	\$208,227,636
Accrued workers' compensation, current portion	4,539,278	4,321,244
Accrued vacation costs, current portion	86,041,307	87,702,506
Revenue bonds and notes payable, current portion	78,055,983	74,176,912
Obligations under capital lease agreements, current portion	259,644	242,999
Deferred revenue	179,408,193	173,876,635
<b>Total current liabilities</b>	<b>584,040,191</b>	<b>548,547,932</b>
<b>Noncurrent liabilities:</b>		
Accrued workers' compensation	24,746,390	23,557,756
Accrued vacation costs	88,336,270	83,915,808
Revenue bonds and notes payable	1,001,020,612	950,293,975
Obligations under capital lease agreements	3,550,053	3,809,696
<b>Total noncurrent liabilities</b>	<b>1,117,653,325</b>	<b>1,061,577,235</b>
<b>Total liabilities</b>	<b>1,701,693,516</b>	<b>1,610,125,167</b>
<b>NET ASSETS</b>		
Unrestricted	917,753,190	898,801,308
Invested in capital assets, net	3,043,704,463	2,791,037,963
Restricted:		
Nonexpendable:		
Scholarships and fellowships	13,082,236	11,711,366
Research	3,644,107	3,644,007
Other	15,817,374	14,624,805
Expendable:		
Scholarships and fellowships	35,788,177	34,530,816
Research	66,758,423	63,516,484
Loans	73,363,889	73,801,432
Capital projects	11,108,933	11,180,480
Other	24,310,914	22,384,847
<b>Total net assets</b>	<b>4,205,331,706</b>	<b>3,925,233,508</b>
<b>Total liabilities and net assets</b>	<b>\$5,907,025,222</b>	<b>\$5,535,358,675</b>

See Accompanying Notes

**UNIVERSITY SYSTEM OF MARYLAND  
COMBINING BALANCE SHEET, COMPONENT UNITS  
JUNE 30, 2010**

Major Component Units-----

	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.	Total Nonmajor Component Units	Total
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	\$916,000	\$16,051,563		\$25,081,831	\$42,049,394
Accounts receivable, net	13,260,000	30,282,295	9,252,189	15,674,944	68,469,428
Other assets	278,000	415,598		834,604	1,528,202
<b>Total current assets</b>	<b>14,454,000</b>	<b>46,749,456</b>	<b>9,252,189</b>	<b>41,591,379</b>	<b>112,047,024</b>
<b>Investments</b>					
Endowment investments	185,301,000	189,008,888	80,077,971	135,391,287	589,779,146
Other investments	255,203,000	42,946,675	48,962,831	20,479,693	367,592,199
<b>Total investments</b>	<b>440,504,000</b>	<b>231,955,563</b>	<b>129,040,802</b>	<b>155,870,980</b>	<b>957,371,345</b>
<b>Other assets</b>					
Accounts receivable, net	7,140,000	38,480,833	12,424,820	2,875,655	60,921,308
Capital assets, net	10,279,000	4,953,756		9,235,987	24,468,743
Assets held for sale					-
Other assets	438,000	778,138	4,537,307	7,607,663	13,361,108
<b>Total other assets</b>	<b>17,857,000</b>	<b>44,212,727</b>	<b>16,962,127</b>	<b>19,719,305</b>	<b>98,751,159</b>
<b>Total assets</b>	<b>\$472,815,000</b>	<b>\$322,917,746</b>	<b>\$155,255,118</b>	<b>\$217,181,664</b>	<b>\$1,168,169,528</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable & accrued expenses	\$2,485,000	\$595,562	\$3,887,470	\$3,175,338	\$10,143,370
Long-term debt, current				1,053,875	1,053,875
Deferred income	493,000	1,858,006		7,611,754	9,962,760
<b>Total current liabilities</b>	<b>2,978,000</b>	<b>2,453,568</b>	<b>3,887,470</b>	<b>11,840,967</b>	<b>21,160,005</b>
<b>Other liabilities</b>					
Other payables	37,091,037	2,714,875	1,622,161	4,183,704	45,611,777
Due to primary government	177,206,963				177,206,963
Long-term debt, noncurrent				3,519,053	3,519,053
<b>Total other liabilities</b>	<b>214,298,000</b>	<b>2,714,875</b>	<b>1,622,161</b>	<b>7,702,757</b>	<b>226,337,793</b>
<b>Total liabilities</b>	<b>217,276,000</b>	<b>5,168,443</b>	<b>5,509,631</b>	<b>19,543,724</b>	<b>247,497,798</b>
<b>NET ASSETS</b>					
Unrestricted	52,616,000	6,394,332	13,584,261	23,436,764	96,031,357
Temporarily restricted:					
Scholarships & fellowships	19,112,000	29,865,546	4,135,461	7,468,619	60,581,626
Research	9,711,000	4,461,127	8,333,179	450,649	22,955,955
Other	32,724,000	89,297,654	36,786,703	65,943,047	224,751,404
Permanently restricted:					
Scholarships & fellowships	71,584,000	53,842,000	23,398,225	44,834,591	193,658,816
Research	2,052,000	4,461,000	946,152	210,003	7,669,155
Other	67,740,000	129,427,644	62,561,506	55,294,267	315,023,417
<b>Total net assets</b>	<b>255,539,000</b>	<b>317,749,303</b>	<b>149,745,487</b>	<b>197,637,940</b>	<b>920,671,730</b>
<b>Total liabilities &amp; net assets</b>	<b>\$472,815,000</b>	<b>\$322,917,746</b>	<b>\$155,255,118</b>	<b>\$217,181,664</b>	<b>\$1,168,169,528</b>

See Accompanying Notes

**UNIVERSITY SYSTEM OF MARYLAND  
COMBINING BALANCE SHEET, COMPONENT UNITS  
JUNE 30, 2009**

Major Component Units-----

	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.	Total Nonmajor Component Units	Total
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	\$1,007,000	\$13,838,259	\$671,968	\$25,501,058	\$41,018,285
Accounts receivable, net	18,503,000	25,767,271	7,998,490	8,031,593	60,300,354
Other assets	334,000	285,646		574,608	1,194,254
<b>Total current assets</b>	<b>19,844,000</b>	<b>39,891,176</b>	<b>8,670,458</b>	<b>34,107,259</b>	<b>102,512,893</b>
<b>Investments</b>					
Endowment investments	164,270,000	166,175,746	65,743,232	105,954,354	502,143,332
Other investments	236,366,000	43,361,921	43,587,036	21,715,678	345,030,635
<b>Total investments</b>	<b>400,636,000</b>	<b>209,537,667</b>	<b>109,330,268</b>	<b>127,670,032</b>	<b>847,173,967</b>
<b>Other assets</b>					
Accounts receivable, net	11,242,000	40,662,738	17,509,661	2,842,303	72,256,702
Capital assets, net	9,524,000	4,613,346		14,788,922	28,926,268
Assets held for sale	3,000				3,000
Other assets	1,352,000	703,757	4,486,493	8,204,393	14,746,643
<b>Total other assets</b>	<b>22,121,000</b>	<b>45,979,841</b>	<b>21,996,154</b>	<b>25,835,618</b>	<b>115,932,613</b>
<b>Total assets</b>	<b>\$442,601,000</b>	<b>\$295,408,684</b>	<b>\$139,996,880</b>	<b>\$187,612,909</b>	<b>\$1,065,619,473</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable & accrued expenses	\$4,017,000	\$2,087,033	\$2,013,689	\$2,885,887	\$11,003,609
Long-term debt, current				8,076,666	8,076,666
Deferred income	710,000	2,909,822		7,512,179	11,132,001
<b>Total current liabilities</b>	<b>4,727,000</b>	<b>4,996,855</b>	<b>2,013,689</b>	<b>18,474,732</b>	<b>30,212,276</b>
<b>Other liabilities</b>					
Other payables	26,375,686	2,773,722	1,651,961	5,311,816	36,113,185
Due to primary government	163,698,314				163,698,314
Long-term debt, noncurrent				518,644	518,644
<b>Total other liabilities</b>	<b>190,074,000</b>	<b>2,773,722</b>	<b>1,651,961</b>	<b>5,830,460</b>	<b>200,330,143</b>
<b>Total liabilities</b>	<b>194,801,000</b>	<b>7,770,577</b>	<b>3,665,650</b>	<b>24,305,192</b>	<b>230,542,419</b>
<b>NET ASSETS</b>					
Unrestricted	43,259,000	(6,851,185)	9,956,259	13,353,959	59,718,033
Temporarily restricted:					
Scholarships & fellowships	18,519,000	23,986,689	3,800,909	5,332,048	51,638,646
Research	10,089,000	4,206,778	8,953,943	43,383	23,293,104
Other	32,088,000	76,583,636	32,507,078	46,517,421	187,696,135
Permanently restricted:					
Scholarships & fellowships	76,927,000	60,029,473	21,555,818	44,255,817	202,768,108
Research	2,151,000	930,348	680,917	563,614	4,325,879
Other	64,767,000	128,752,368	58,876,306	53,241,475	305,637,149
<b>Total net assets</b>	<b>247,800,000</b>	<b>287,638,107</b>	<b>136,331,230</b>	<b>163,307,717</b>	<b>835,077,054</b>
<b>Total liabilities &amp; net assets</b>	<b>\$442,601,000</b>	<b>\$295,408,684</b>	<b>\$139,996,880</b>	<b>\$187,612,909</b>	<b>\$1,065,619,473</b>

See Accompanying Notes

**UNIVERSITY SYSTEM OF MARYLAND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**YEARS ENDED JUNE 30, 2010 AND 2009**

	Year ended June 30,	
	2010	2009
<b>OPERATING REVENUES:</b>		
Tuition and fees	\$1,251,002,922	\$1,159,112,031
Less: scholarship allowances	<u>(207,114,104)</u>	<u>(180,519,009)</u>
Federal grants and contracts	702,530,711	630,387,749
State and local grants and contracts	172,364,304	168,307,537
Nongovernmental grants and contracts	196,785,146	187,554,352
Sales and services of educational departments	230,911,671	225,933,669
Auxiliary enterprises:		
Residential facilities	118,873,435	113,072,929
Less: scholarship allowances	<u>(12,185,240)</u>	<u>(9,115,404)</u>
Dining facilities	103,710,655	99,538,769
Less: scholarship allowances	<u>(7,356,036)</u>	<u>(5,447,317)</u>
Intercollegiate athletics	81,739,427	85,320,822
Less: scholarship allowances	<u>(5,582,258)</u>	<u>(5,156,269)</u>
Bookstores	30,575,819	31,846,386
Less: scholarship allowances	<u>(80,945)</u>	<u>(98,546)</u>
Parking facilities	37,642,047	35,010,918
Other auxiliary enterprises revenues	113,323,374	110,531,880
Less: scholarship allowances	<u>(65,401)</u>	<u>(41,206)</u>
Other operating revenues	<u>55,402,910</u>	<u>53,235,885</u>
<b>Total operating revenues</b>	<b>2,862,478,437</b>	<b>2,699,475,176</b>
<b>OPERATING EXPENSES:</b>		
Instruction	1,010,752,199	990,476,197
Research	905,621,907	869,719,538
Public service	143,672,967	139,414,385
Academic support	333,020,865	338,282,723
Student services	172,607,349	169,092,865
Institutional support	346,773,057	334,740,258
Operation and maintenance of plant	300,325,515	307,014,037
Scholarships and fellowships	93,482,854	81,691,427
Auxiliary enterprises:		
Residential facilities	98,468,748	100,877,698
Dining facilities	91,647,627	90,013,785
Intercollegiate athletics	79,375,034	86,565,937
Bookstores	28,427,315	30,187,635
Parking facilities	24,227,284	20,319,515
Other auxiliary enterprises expenses	98,612,937	101,117,564
Hospital	<u>137,710,034</u>	<u>130,105,719</u>
<b>Total operating expenses</b>	<b>3,864,725,692</b>	<b>3,789,619,283</b>
<b>Operating loss</b>	<b>(1,002,247,255)</b>	<b>(1,090,144,107)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
State appropriations	925,884,473	1,030,646,420
Pell grants	101,210,965	68,800,766
Gifts	40,577,522	45,275,319
Investment income (loss)	49,398,310	(14,400,849)
Less: Investment expense	<u>(409,244)</u>	<u>(588,656)</u>
Interest on indebtedness	(37,754,091)	(36,119,957)
Other revenues, (expenses), gains and (losses)	<u>8,051,409</u>	<u>(3,902,378)</u>
<b>Total nonoperating revenue (expenses)</b>	<b>1,086,959,344</b>	<b>1,089,710,665</b>
<b>Income (loss) before other revenues (expenses)</b>	<b>84,712,089</b>	<b>(433,442)</b>
<b>OTHER REVENUES (EXPENSES):</b>		
Capital appropriations	180,916,057	177,717,059
Capital gifts and grants	12,067,165	6,346,528
Additions to permanent endowments	<u>2,402,887</u>	<u>320,219</u>
<b>Total other revenues (expenses)</b>	<b>195,386,109</b>	<b>184,383,806</b>
<b>Increase in net assets</b>	<b>280,098,198</b>	<b>183,950,364</b>
<b>Net assets - beginning of year</b>	<b>3,925,233,508</b>	<b>3,741,283,144</b>
<b>Net assets - end of year</b>	<b>\$4,205,331,706</b>	<b>\$3,925,233,508</b>

See Accompanying Notes

**UNIVERSITY SYSTEM OF MARYLAND  
COMBINING STATEMENT OF ACTIVITIES, COMPONENT UNITS  
YEAR ENDED JUNE 30, 2010**

	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.	Total Nonmajor Component Units	Total
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>					
<b>Revenues</b>					
Contributions & grants	\$2,671,000		\$4,281,518	\$11,694,255	\$18,646,773
Investment income (loss)	10,351,000	\$15,134,301	4,518,787	10,726,980	40,731,068
Other income	5,699,000	1,877,629	264,776	4,961,673	12,803,078
Assets released from restrictions	26,497,000	35,916,913	13,574,232	16,032,974	92,021,119
<b>Total revenues</b>	<b>45,218,000</b>	<b>52,928,843</b>	<b>22,639,313</b>	<b>43,415,882</b>	<b>164,202,038</b>
<b>Expenses</b>					
Program	24,549,000	36,229,228	16,737,160	26,983,450	104,498,838
General & administrative	6,659,532	1,246,600	1,390,295	3,784,130	13,080,557
Fundraising	4,635,000	818,883	901,324	795,645	7,150,852
Other expense		1,388,615		1,775,289	3,163,904
<b>Total expenses</b>	<b>35,843,532</b>	<b>39,683,326</b>	<b>19,028,779</b>	<b>33,338,514</b>	<b>127,894,151</b>
Transfer per Board resolution	(17,468)		17,468		-
<b>Change in unrestricted net assets</b>	<b>9,357,000</b>	<b>13,245,517</b>	<b>3,628,002</b>	<b>10,077,368</b>	<b>36,307,887</b>
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</b>					
Contributions & grants	8,926,000	36,067,521	9,114,614	25,579,864	79,687,999
Investment income (loss)	18,516,434	8,346,400	8,358,597	8,596,215	43,817,646
Other income		(401,740)		1,840,419	1,438,679
Assets released from restrictions	(26,497,000)	(25,164,957)	(13,574,232)	(16,782,589)	(82,018,778)
Transfer per Board resolution	(94,434)		94,434		-
<b>Change in temporarily restricted net assets</b>	<b>851,000</b>	<b>18,847,224</b>	<b>3,993,413</b>	<b>19,233,909</b>	<b>42,925,546</b>
<b>CHANGES IN PERMANENTLY RESTRICTED NET ASSETS</b>					
Contributions & grants	2,009,000	5,700,669	5,199,305	3,413,518	16,322,492
Investment income (loss)	(3,850,607)	2,849,652		851,641	(149,314)
Other income (loss)		186,234		4,172	190,406
Assets released from restrictions		(10,751,956)		749,615	(10,002,341)
Transfer per Board resolution	(627,393)	33,856	593,537		-
<b>Change in permanently restricted net assets</b>	<b>(2,469,000)</b>	<b>(1,981,545)</b>	<b>5,792,842</b>	<b>5,018,946</b>	<b>6,361,243</b>
<b>Total change in net assets</b>	<b>7,739,000</b>	<b>30,111,196</b>	<b>13,414,257</b>	<b>34,330,223</b>	<b>85,594,676</b>
<b>Net assets beginning of year</b>	<b>247,800,000</b>	<b>287,638,107</b>	<b>136,331,230</b>	<b>163,307,717</b>	<b>835,077,054</b>
<b>Net assets end of year</b>	<b>\$255,539,000</b>	<b>\$317,749,303</b>	<b>\$149,745,487</b>	<b>\$197,637,940</b>	<b>\$920,671,730</b>

See Accompanying Notes

**UNIVERSITY SYSTEM OF MARYLAND  
COMBINING STATEMENT OF ACTIVITIES, COMPONENT UNITS  
YEAR ENDED JUNE 30, 2009**

	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.	Total Nonmajor Component Units	Total
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>					
<b>Revenues</b>					
Contributions & grants	\$4,175,000	\$3,995,000	\$4,709,520	\$9,308,055	\$22,187,575
Investment income (loss)	(17,347,000)	(14,777,409)	(7,773,705)	(15,657,308)	(55,555,422)
Other income	4,901,000	1,465,643	145,778	5,100,124	11,612,545
Assets released from restrictions	27,153,000	36,171,019	11,954,586	16,195,128	91,473,733
<b>Total revenues</b>	<b>18,882,000</b>	<b>26,854,253</b>	<b>9,036,179</b>	<b>14,945,999</b>	<b>69,718,431</b>
<b>Expenses</b>					
Program	28,714,000	37,205,342	15,935,269	26,673,702	108,528,313
General & administrative	5,418,000	982,978	1,356,337	3,782,215	11,539,530
Fundraising	2,183,000	729,823	635,101	1,045,928	4,593,852
Other expense		844,492		869,033	1,713,525
<b>Total expenses</b>	<b>36,315,000</b>	<b>39,762,635</b>	<b>17,926,707</b>	<b>32,370,878</b>	<b>126,375,220</b>
Transfer per Board resolution			58,235		58,235
<b>Change in unrestricted net assets</b>	<b>(17,433,000)</b>	<b>(12,908,382)</b>	<b>(8,832,293)</b>	<b>(17,424,879)</b>	<b>(56,598,554)</b>
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</b>					
Contributions & grants	14,476,000	25,414,811	11,958,421	16,305,178	68,154,410
Investment income (loss)	9,231,000	(43,392,343)	(19,618,249)	(12,446,059)	(66,225,651)
Other income		144,751		2,591,721	2,736,472
Assets released from restrictions	(25,284,000)	(36,223,245)	(11,954,586)	(8,892,141)	(82,353,972)
Transfer per Board resolution	(17,000)		479,660		462,660
<b>Change in temporarily restricted net assets</b>	<b>(1,594,000)</b>	<b>(54,056,026)</b>	<b>(19,134,754)</b>	<b>(2,441,301)</b>	<b>(77,226,081)</b>
<b>CHANGES IN PERMANENTLY RESTRICTED NET ASSETS</b>					
Contributions & grants	8,357,000	5,204,243	5,949,074	5,775,454	25,285,771
Investment income (loss)	(59,172,000)			(7,963,583)	(67,135,583)
Other income (loss)		(145,341)		115,738	(29,603)
Assets released from restrictions	(1,869,000)	52,226		(7,302,987)	(9,119,761)
Transfer per Board resolution	(660,000)		352,125		(307,875)
<b>Change in permanently restricted net assets</b>	<b>(53,344,000)</b>	<b>5,111,128</b>	<b>6,301,199</b>	<b>(9,375,378)</b>	<b>(51,307,051)</b>
<b>Total change in net assets</b>	<b>(72,371,000)</b>	<b>(61,853,280)</b>	<b>(21,665,848)</b>	<b>(29,241,558)</b>	<b>(185,131,686)</b>
<b>Net assets beginning of year</b>	<b>320,171,000</b>	<b>349,491,387</b>	<b>157,997,078</b>	<b>192,549,275</b>	<b>1,020,208,740</b>
<b>Net assets end of year</b>	<b>\$247,800,000</b>	<b>\$287,638,107</b>	<b>\$136,331,230</b>	<b>\$163,307,717</b>	<b>\$835,077,054</b>

See Accompanying Notes

**UNIVERSITY SYSTEM OF MARYLAND  
STATEMENT OF CASH FLOWS  
YEARS ENDED JUNE 30, 2010 AND 2009**

	Year ended June 30,	
	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$1,044,334,458	\$988,318,677
Research contracts and grants	1,070,975,370	1,008,176,629
Payments to employees	(2,528,282,614)	(2,458,616,248)
Payments to suppliers and contractors	(1,101,201,472)	(1,106,883,928)
Loans issued to students	(8,636,390)	(7,459,605)
Collections of loans to students	10,396,123	8,376,984
Auxiliary enterprises:		
Residential facilities	106,541,257	105,376,917
Dining facilities	99,815,151	94,136,421
Intercollegiate athletics	76,211,508	79,870,086
Bookstores	30,434,130	31,949,373
Parking facilities	37,493,773	35,106,491
Other	113,470,822	111,258,875
Other receipts	332,328,602	329,760,541
	<b>(716,119,282)</b>	<b>(780,628,787)</b>
<b>Net cash provided (used) by operating activities</b>		
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State appropriations	925,884,473	1,030,646,420
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes	2,402,887	320,219
Pell grants	101,210,965	68,800,766
	<b>1,029,498,325</b>	<b>1,099,767,405</b>
<b>Net cash provided by noncapital financing activities</b>		
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds of capital debt	221,951,003	161,857,161
Capital appropriations	180,916,057	177,717,059
Capital grants and gifts received	11,136,197	6,104,294
Proceeds from sales of capital assets	3,109,355	3,142,971
Purchases of capital assets	(528,757,554)	(447,568,756)
Principal paid on debt and capital leases	(163,300,451)	(100,477,475)
Interest paid on debt and capital leases	(40,162,956)	(39,007,878)
	<b>(315,108,349)</b>	<b>(238,232,624)</b>
<b>Net cash provided (used) by capital and related financing activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments	11,675,822	85,438,913
Interest on investments	27,215,706	46,374,052
Investment expense	(409,244)	(588,656)
Purchases of investments	(93,585,770)	(4,506,822)
	<b>(55,103,486)</b>	<b>126,717,487</b>
<b>Net cash provided (used) by investing activities</b>		
<b>Net increase in cash</b>	<b>(56,832,792)</b>	<b>207,623,481</b>
<b>Cash and cash equivalents - beginning of the year</b>	<b>1,320,338,240</b>	<b>1,112,714,759</b>
<b>Cash and cash equivalents - end of the year</b>	<b>\$1,263,505,448</b>	<b>\$1,320,338,240</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:</b>		
Operating loss	(\$1,002,247,255)	(\$1,090,144,107)
<b>Adjustments to reconcile operating loss to net cash used by operating activities:</b>		
Depreciation expense	213,785,176	198,413,483
Gifts and Other revenues, (expenses), gains, and (losses)	48,628,931	41,372,941
<b>Changes in assets and liabilities:</b>		
Accounts receivables, net	(11,270,139)	14,492,715
Inventories	266,597	(765,806)
Prepaid expenses and deferred charges	(820,170)	1,556,349
Notes receivable	2,486,033	790,924
Accounts payable and accrued liabilities	23,354,056	21,039,854
Deferred revenue	5,531,558	17,854,614
Accrued vacation	2,759,263	14,451,246
Accrued workers' compensation	1,406,668	309,000
	<b>(716,119,282)</b>	<b>(780,628,787)</b>
<b>Net cash used by operating activities</b>		

See Accompanying Notes

## UNIVERSITY SYSTEM OF MARYLAND

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2010 AND 2009

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#### ORGANIZATION AND PURPOSE

The University System of Maryland (the System) is a component unit of the State of Maryland (the State) and is governed by its Board of Regents (the Board).

The System comprises eleven degree-granting institutions, two research entities and an administrative unit. Its degree-granting institutions provide a full range of undergraduate, graduate, professional and continuing education opportunities for students. Its research and public service entities conduct basic and applied research, and transfer new technology to constituencies. The administrative unit includes the System Chancellor and staff who serve as support to the Board.

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the System are summarized below.

**Reporting Entity** - The financial statements of the System include all funds and organizations included in the legal entity encompassed by the System, and other legally separate entities for which the System is financially accountable or which otherwise meet the criteria established in *Governmental Accounting Standards Board (GASB) Statement #14, The Financial Reporting Entity*, and *GASB Statement #39, Determining Whether Certain Organizations Are Component Units*. Amounts held in System accounts on behalf of separately organized entities are included as assets, with a corresponding liability reflected.

The System has recognized, as affiliated foundations, sixteen organizations created and operated in support of the interests of the System or any of the institutions that comprise the System. Each of these affiliated foundations are considered to (1) receive or hold economic resources that are to be used for the benefit of the System or its institutions, (2) receive or hold economic resources which the System or its institutions are entitled to or otherwise have the ability to access, and (3) are significant to the financial statements of the System or the institutions with which the foundation is affiliated. As a result, each of the sixteen affiliated foundations meet the criteria for inclusion in the financial reporting entity. Based on the criteria in *GASB Statement #14, The Financial Reporting Entity*, each of the affiliated foundations are shown in a discrete presentation.

The University System of Maryland Foundation, Inc., the University of Maryland College Park Foundation, Inc., and the University of Maryland Baltimore Foundation, Inc. are considered major component units due to the significance of the financial statement amounts to the System and its financial statements.

## UNIVERSITY SYSTEM OF MARYLAND

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2010 AND 2009

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The following affiliated foundations are considered nonmajor component units:

Medical Alumni Association of the University of Maryland, Inc.  
The Robert H. Smith School of Business Foundation, Inc.  
M Club Foundation, University of Maryland, Inc.  
The Maryland 4-H Foundation, Inc.  
University Research Corporation International, Inc.  
Bowie State University Foundation, Inc.  
The Maryland Center @ Bowie State University, Inc.  
Towson University Foundation, Inc.  
Frostburg State University Foundation, Inc.  
Coppin State University Development Foundation, Inc.  
University of Baltimore Foundation, Inc. and University Properties, Inc.  
Salisbury University Foundation, Inc.  
University of Maryland, Baltimore County Research Park Corporation, Inc.

During the years ended June 30, 2010 and 2009, the foundations distributed approximately \$77,910,044 and \$77,908,818, respectively, to the System including its institutions for both restricted and unrestricted purposes.

All of the System's component units are nongovernmental entities that prepare financial statements using the principals and accounting standards promulgated by the Financial Accounting Standards Board (FASB).

Complete financial statements of the affiliated foundations may be requested from the System's Office of the Comptroller at 3300 Metzert Road, Adelphi, MD 20783.

The University of Maryland, Baltimore provides services to hospital and critical care facilities under contractual arrangements with the State. The expenditures relating to these activities are reported within the hospital functional category. The revenue derived from these activities are reported primarily as contract and grant revenue.

**Measurement Focus and Basis of Accounting** - For financial reporting purposes, the System is considered a special-purpose government engaged only in business-type activities. Accordingly, the System's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenue is recognized when earned, and expenses are recorded when an obligation has been incurred.

# UNIVERSITY SYSTEM OF MARYLAND

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2010 AND 2009

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**Application of Accounting Standards** - The System has the option to apply all FASB pronouncements issued after November 30, 1989, except for instances in which a pronouncement of the FASB conflicts with pronouncements of the GASB. The System has elected to not apply FASB pronouncements issued after November 30, 1989.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the System's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

**Operating and Nonoperating Revenue and Expenses** - Operating revenue and expenses are generally associated with those activities that relate directly to the core activities of instruction, research and public service that form the essence of the System's mission. Nonoperating revenue, expenses, gains and losses represent amounts that recur regularly but are not included in operating revenue and expenses. *GASB Statement #34 Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* specifically defines State appropriations as nonoperating revenue.

**Cash and Cash Equivalents** - Cash and cash equivalents include demand deposits with financial institutions, as well as highly liquid investments that are both readily convertible to known amounts of cash and are so near to their maturity that they present an insignificant risk of changes in value because of changes in interest rates. Only investments with an original maturity of three months or less satisfy the criteria for cash equivalents.

**Investments** – Investments are valued at fair market value.

**Inventories** - Inventories are valued at cost, determined under the first-in, first-out method, which is not in excess of net realizable value.

**Capital Assets** - Property, plant, equipment, and books and materials which are part of a catalogued library, are stated principally at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. Personal property with an original cost of more than \$5,000 and outlays for real property in excess of \$250,000 are considered capital assets.

Generally, the cost of all capital assets other than land, certain inexhaustible improvements to land, and collections of works of art are assigned to expense over a set of useful lives specific to the type of asset, using a straight-line method of depreciation. The range of useful lives used for the major categories of capital assets is:

Infrastructure and land improvements	20 - 25 years
Buildings and improvements	20 - 40 years
Contents	3 - 15 years

Depreciation expense is assigned to program expense based on the nature and use of the capital asset.

# UNIVERSITY SYSTEM OF MARYLAND

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2010 AND 2009

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**Pending change in accounting principles** – In February 2009, *GASB Statement #54, Fund Balance Reporting and Governmental Fund Type Definitions*, was issued. The requirements of this accounting standard are effective for periods beginning after June 15, 2010.

In December 2009, *GASB Statement #57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, was issued. This accounting standard relates to certain implementation issues related to other postemployment benefits. The requirements of this accounting standard are effective for periods beginning after June 15, 2011.

In June 2010, *GASB Statement #59, Financial Instruments Omnibus*, was issued. The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The requirements of this accounting standard are effective for periods beginning after June 15, 2010.

The System is in the process of assessing the impact of these new accounting standards and will present its financial statements for the year ended June 30, 2011 in accordance with *GASB Statements #54, and #58*, and its financial statements for the year ended June 30, 2012 in accordance with *GASB Statement #57*.

### 1. CASH AND INVESTMENTS

#### **Cash and cash equivalents**

As of June 30, unrestricted cash and cash equivalents consisted of the following:

	<b>2010</b>	<b>2009</b>
Cash and short-term investments on deposit with the State Treasurer	\$1,165,468,311	\$1,115,319,022
Demand and time deposits	35,172,880	38,356,989
Total	<u>\$1,200,641,191</u>	<u>\$1,153,676,011</u>

The System does not have a formal policy addressing custodial credit risk.

As of June 30, 2010, and 2009, the carrying amount of the System's demand and time deposits was \$35,172,880 and \$38,356,989, as compared to bank balances of \$38,232,057 and \$43,118,250, respectively. The difference is primarily caused by items in-transit. Of the bank balances, \$16,960,580 and \$16,465,520 was covered by Federal, private or foreign national government depository insurance, or was collateralized by a pledge of United States Treasury obligations held by the System's agents in the name of the System, and \$21,271,477 and \$26,652,730 was uninsured and uncollateralized as of June 30, 2010 and 2009, respectively.

# UNIVERSITY SYSTEM OF MARYLAND

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2010 AND 2009

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The Annotated Code of Maryland requires the System to maintain its cash balances on deposit with the State Treasurer, except for demand and time deposit accounts established to satisfy urgent cash requirements, assets associated with endowment funds or proceeds of System financing arrangements. The State Treasurer maintains State funds on a pooled basis in accordance with the Annotated Code of Maryland.

Money market accounts used for unrestricted cash and cash equivalents are not rated by rating agencies.

The System has entered into agreements with trustees for the benefit and security of registered holders of certain debt obligations issued by the System. These agreements permit the System to invest amounts maintained in trust funds in:

- United States Treasury and agency obligations.
- Deposits, having a maturity of no more than 365 days, in any bank, savings institution or trust company to the extent such deposits are fully insured or collateralized.
- Commercial paper rated at least A-1 by Standard & Poor's Corporation (Standard & Poor's) and P-1 by Moody's Investors Service, Inc. (Moody's) having a maturity of no more than 270 days.
- Repurchase agreements.
- Obligations of any state or political subdivision rated by Standard & Poor's and Moody's in one of its two highest rating categories.
- Corporate obligations rated AAA by Standard & Poor's and Aaa by Moody's.

As of June 30, restricted cash and cash equivalents included:

	<u>2010</u>	<u>2009</u>
Money market accounts – Endowment funds uninvested cash	\$47,280	\$47,280
Money market accounts – unspent proceeds of debt	62,816,977	166,614,949
Total	<u>\$62,864,257</u>	<u>\$166,662,229</u>

Unspent proceeds and other restricted debt-related trust account balances and endowment funds uninvested cash balances are maintained in money market accounts rated AAA or equivalent by rating agencies.

## UNIVERSITY SYSTEM OF MARYLAND

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2010 AND 2009

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#### Investments

In July 2005, the System transferred title to its endowment investments, approximately \$197 million in fair market value at the time of the transfer, to the University System of Maryland Foundation, Inc., in exchange for an equivalent proportionate interest in the long-term investment portfolio managed by the University System of Maryland Foundation, Inc. According to the terms of the agreement, the System is to pay a fee to the University System of Maryland Foundation, Inc., on an annual basis that amounts to 0.25% of the fair value of the assets invested on behalf of the System. The agreement is for a term of five years, with renewable two-year extensions at the option of the System, unless notice of intent to terminate the arrangement is provided within 180 days prior to the expiration of the term. In the event of termination of the arrangement, funds invested with individual investment managers that have commitments from the University System of Maryland Foundation, Inc., to maintain investments for certain minimum time periods may not be returned to the System until those constraints have been satisfied.

Investments in the University System of Maryland Foundation, Inc. are accounted for as an open-ended mutual fund. Asset values, investment gains and losses, and other portfolio-wide transactions are allocated based on the number of units or shares that each fund has relative to the total number of shares or units. Assets associated with the System's investments are reported as Endowment Investments on the Balance Sheet of the University System of Maryland, and Investments on the Balance Sheet of the University System of Maryland Foundation, Inc., with a corresponding liability reflecting the fair value of the System's interest in the investment portfolio.

The System discloses investment risks, below, in accordance with *GASB Statement #40, Deposit and Investment Risk Disclosures—an amendment of GASB Statement No. 3*, which defines these risks as follows:

#### **Interest rate risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The System has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

# UNIVERSITY SYSTEM OF MARYLAND

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2010 AND 2009

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### Custodial credit risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the System would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the System, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the System's name.

Endowment investments managed by the University System of Maryland Foundation, Inc. are uninsured and are not registered in the name of the System, as they are a part of a commingled portfolio comprising proportionate interests of several different entities.

None of the System's restricted investments are exposed to custodial credit risk.

### Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The System is exposed to credit risk on its Endowment investments managed by the University System of Maryland Foundation, Inc.

### Foreign currency risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

The System is not exposed to any material amount of foreign currency risk.

### Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investment in the securities of a single issuer.

As of June 30, 2010, the System had the following investments, which individually represent 5% or more of total investments:

	2010	
	Fair value	Portion of total
Federal Home Loan Mortgage Corporation	\$51,932,041	19%
Federal National Mortgage Association	38,719,296	14

# UNIVERSITY SYSTEM OF MARYLAND

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2010 AND 2009

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### Endowment investments

As of June 30, endowment investments consisted of the following, stated at fair value:

	<u>2010</u>	<u>2009</u>
Corporate debt	\$17,625	\$17,625
Corporate equities	401,311	442,068
Assets invested with University System of Maryland Foundation, Inc.	<u>177,206,963</u>	<u>163,698,315</u>
Total	<u>\$177,625,899</u>	<u>\$164,158,008</u>

Assets associated with endowment funds are invested in accordance with the terms of donor agreements in those instances where such agreements place constraints on allowable investments.

A spending rule has been adopted by the Board to ensure that endowment funds retain a consistent level of purchasing power over time. The spending rule provides for a target rate of spending of 4.75% of a rolling twelve-quarter average market value of the endowment fund. The spending rule is reviewed periodically by the Finance Committee of the Board. Net appreciation on investments of the endowment funds totaled \$88,251,057 and \$83,276,472 as of June 30, 2010 and 2009, respectively. Reinvestments of net appreciation are considered to be subject to the same restrictions as the original gift amounts, and accordingly, are reflected as a component of restricted, expendable net assets.

The Maryland Uniform Management of Institutional Funds Act governs the use of net appreciation, both realized and unrealized, of endowment investments. This law allows a governing board to appropriate for expenditure only those amounts in excess of the historic gift amount that are prudent, taking into consideration long and short term needs of the institution in carrying out its educational, religious, charitable, or other eleemosynary purposes, its present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions.

### Other investments

Other investments include an partnership interest in a real estate partnership formed to facilitate the long-term development of a parcel of land owned by the University of Maryland College Park. The carrying value of Other investments is assessed on an annual basis by reference to the reported value of the university's partnership interest.

# UNIVERSITY SYSTEM OF MARYLAND

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2010 AND 2009

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### Restricted investments

Restricted investments represent unspent proceeds and other debt-related trust account balances invested in U.S. government and agency obligations.

As of June 30, 2010, Restricted investments consisted of:

	Fair value	Investment maturities	
		Less than 1 year	1 to 5 years
U.S. government and agency obligations	\$ 90,651,337	\$38,719,296	\$51,932,041

### Allocation of investment income

Investment income is assigned to the accounting funds, including endowments, in proportions associated with investments held by the various accounting funds. For the years ended June 30, 2010 and 2009, investment income attributed to unrestricted funds and restricted funds was:

	2010	2009
Unrestricted funds	\$33,865,609	\$24,239,002
Restricted funds	15,532,701	(38,639,851)
Total investment income	\$49,398,310	(\$14,400,849)

### Major component units

The University System of Maryland Foundation, Inc. invests funds on behalf of the System and several other System component units. The majority of the amounts reported as investments by the University of Maryland College Park Foundation, Inc., and the University of Maryland Baltimore Foundation, Inc. are included in the investments reported by the University System of Maryland Foundation, Inc.

**UNIVERSITY SYSTEM OF MARYLAND**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2010 AND 2009**

As of June 30, 2010 and 2009, major component unit investments, recorded at fair value, were:

**University System of Maryland Foundation, Inc.**

	<u>2010</u>	<u>2009</u>
Money market funds and short-term investments	\$25,895,000	\$69,687,000
Corporate and foreign bonds	89,715,000	27,076,000
Equities	4,982,000	6,181,000
U.S. Treasury notes and bonds	5,208,000	15,633,000
U.S. Agencies	3,290,000	9,017,000
Collateral mortgage obligations and asset and mortgage-backed securities	10,527,000	17,519,000
Absolute return	179,564,000	176,793,000
Long and short equity hedge funds	225,305,000	204,765,000
Private capital	95,318,000	66,136,000
Real estate and energy and natural resources	145,383,000	117,627,000
Total	<u>785,187,000</u>	<u>710,434,000</u>
Due to primary government	(177,206,963)	(163,698,314)
Due to other foundations	(167,476,037)	(146,099,686)
Total Investments	<u>\$440,504,000</u>	<u>\$400,636,000</u>

**University of Maryland College Park Foundation, Inc.**

	<u>2010</u>	<u>2009</u>
Cash equivalents and short-term securities	\$37,351,545	\$24,715,995
Commonfund Multistrategy Equity Fund	4,265,529	3,752,174
Bonds	1,311,000	1,311,000
Investments in special strategies - USMF	191,049,366	181,577,838
Total	<u>233,977,440</u>	<u>211,357,007</u>
Due to other foundations	(2,021,877)	(1,819,340)
Total Investments	<u>\$231,955,563</u>	<u>\$209,537,667</u>

**University of Maryland Baltimore Foundation, Inc.**

	<u>2010</u>	<u>2009</u>
Cash equivalents and short term securities	\$7,738,222	\$11,473,150
Commonfund	1,305,564	1,168,148
Investments in special strategies - USMF	119,997,016	96,688,970
Total Investments	<u>\$129,040,802</u>	<u>\$109,330,268</u>

**UNIVERSITY SYSTEM OF MARYLAND**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2010 AND 2009**

**2. ACCOUNTS RECEIVABLE, NOTES RECEIVABLE, AND ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts receivable as of June 30, 2010 and 2009, were comprised of:

	<u>2010</u>	<u>2009</u>
Tuition and fees	\$85,747,320	\$85,365,477
Contracts and grants	225,875,930	212,024,429
Other	4,060,111	8,259,140
	<hr/>	<hr/>
Subtotal	315,683,361	305,649,046
Allowance for doubtful accounts	(15,414,825)	(16,650,649)
	<hr/>	<hr/>
Accounts receivable, net	<u>\$300,268,536</u>	<u>\$288,998,397</u>

Notes receivable as of June 30, 2010 and 2009, were comprised of:

	<u>2010</u>	<u>2009</u>
Student loans	\$76,024,642	\$76,930,523
Business development loans	5,224,268	5,847,547
	<hr/>	<hr/>
Subtotal	81,248,910	82,778,070
Allowance for doubtful notes	(13,582,226)	(12,625,353)
	<hr/>	<hr/>
Notes receivable, net	<u>\$67,666,684</u>	<u>\$70,152,717</u>

Accounts payable and accrued liabilities as of June 30, 2010 and 2009, were comprised of:

	<u>2010</u>	<u>2009</u>
Payroll and benefits	\$91,619,402	\$86,560,724
Suppliers and contractors	115,248,512	100,339,937
Accrued interest payable	11,687,915	8,957,825
Other	17,179,957	12,369,150
	<hr/>	<hr/>
Accounts payable and accrued liabilities	<u>\$235,735,786</u>	<u>\$208,227,636</u>

**Major component units**

Accounts receivable include unconditional promises of contributions pledged to the affiliated foundations. Promised contributions are recorded at a discounted value that reflects the time value of money.

**UNIVERSITY SYSTEM OF MARYLAND**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2010 AND 2009**

As of June 30, 2010 and 2009, contributions receivable are due as follows:

**University System of Maryland Foundation, Inc.**

<b>Due</b>	<b>Discount rates</b>	<b>2010</b>	<b>2009</b>
Within one year	not applicable	\$10,047,000	\$9,304,000
Two to five years	3.25%	6,720,000	11,105,000
More than five years	3.25%	383,000	581,000
Subtotal		17,150,000	20,990,000
Pledge discount		(956,000)	(1,500,000)
Net contributions receivable		\$16,194,000	\$19,490,000

**University of Maryland, College Park Foundation, Inc.**

<b>Due</b>	<b>Discount rates</b>	<b>2010</b>	<b>2009</b>
Within one year	not applicable	\$32,569,060	\$26,942,544
Two to five years	3.96%	40,429,494	41,663,137
More than five years	6.22%	5,045,093	5,361,017
Subtotal		78,043,647	73,966,698
Allowance for doubtful accounts		(5,365,123)	(3,296,095)
Pledge discount		(3,938,877)	(4,274,580)
Net contributions receivable		\$68,739,647	\$66,396,023

**University of Maryland, Baltimore Foundation, Inc.**

<b>Due</b>	<b>Discount rates</b>	<b>2010</b>	<b>2009</b>
Within one year	Not applicable	\$9,814,988	\$8,331,819
Two to five years	3.50%	13,676,552	15,686,936
More than five years	4.00%	869,908	4,734,900
Subtotal		24,361,448	28,753,655
Allowance for doubtful accounts		(1,735,535)	(2,726,183)
Pledge discount		(972,479)	(542,815)
Net contributions receivable		\$21,653,434	\$25,484,657

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2010 AND 2009

3. CHANGES IN NET CAPITAL ASSETS

Changes in net capital assets for the years ended June 30, 2010 and 2009:

	June 30, 2008			June 30, 2009			June 30, 2010
	Balance	Additions	Decreases	Balance	Additions	Decreases	Balance
<b>Capital assets being depreciated:</b>							
Infrastructure & Land Improvements	\$238,723,923	\$36,898,772		\$275,622,695	\$20,359,074	\$801,427	\$295,180,342
Buildings & Improvements	3,980,409,688	225,247,646	\$29,937,176	4,175,720,158	460,663,922	1,755,661	4,634,628,419
Contents	945,342,887	86,743,723	32,771,508	999,315,102	77,110,746	20,327,998	1,056,097,850
Buildings recorded under capital lease agreements	4,136,104			4,136,104			4,136,104
<b>Total capital assets being depreciated</b>	<b>5,168,612,602</b>	<b>348,890,141</b>	<b>62,708,684</b>	<b>5,454,794,059</b>	<b>558,133,742</b>	<b>22,885,086</b>	<b>5,990,042,715</b>
<b>Less accumulated depreciation for:</b>							
Infrastructure & Land Improvements	115,973,520	12,028,122		128,001,642	12,258,619	639,808	139,620,453
Buildings & Improvements	1,457,803,190	114,747,693	15,530,785	1,557,020,098	127,433,897	935,155	1,683,518,840
Contents	644,349,384	71,499,793	30,164,721	685,684,456	73,954,785	19,234,435	740,404,806
Buildings recorded under capital lease agreements	2,481,750	137,875		2,619,625	137,875		2,757,500
<b>Total accumulated depreciation</b>	<b>2,220,607,844</b>	<b>198,413,483</b>	<b>45,695,506</b>	<b>2,373,325,821</b>	<b>213,785,176</b>	<b>20,809,398</b>	<b>2,566,301,599</b>
<b>Total capital assets being depreciated, net</b>	<b>2,948,004,758</b>	<b>150,476,658</b>	<b>17,013,178</b>	<b>3,081,468,238</b>	<b>344,348,566</b>	<b>2,075,688</b>	<b>3,423,741,116</b>
<b>Capital assets not being depreciated:</b>							
Land	117,692,857	8,239,473	5,721,341	120,210,989	7,741,232	264,110	127,688,111
Contents	14,481,648	639,035	1,834	15,118,849	2,356,353	759,708	16,715,494
Construction in progress	354,729,834	334,843,279	235,765,363	453,807,750	350,994,923	387,299,136	417,503,537
<b>Total capital assets not being depreciated</b>	<b>486,904,339</b>	<b>343,721,787</b>	<b>241,488,538</b>	<b>589,137,588</b>	<b>361,092,508</b>	<b>388,322,954</b>	<b>561,907,142</b>
<b>Capital assets, net</b>	<b>\$3,434,909,097</b>	<b>\$494,198,445</b>	<b>\$258,501,716</b>	<b>\$3,670,605,826</b>	<b>\$705,441,074</b>	<b>\$390,398,642</b>	<b>\$3,985,648,258</b>

Total interest expense incurred on revenue bonds, long-term debt and obligations under capital lease agreements during the years ended June 30, 2010 and 2009, was \$38,984,941 and \$37,637,579, respectively. Interest expense of \$1,230,850 and \$1,517,622 associated with projects not yet completed was capitalized and recorded as construction in progress during the years ended June 30, 2010 and 2009, respectively. The remaining \$37,754,091 and \$36,119,957 is reported as Interest on indebtedness for the years ended June 30, 2010 and 2009, respectively.

**UNIVERSITY SYSTEM OF MARYLAND**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2010 AND 2009**

**4. REVENUE BONDS AND NOTES PAYABLE**

The System finances the construction, renovation and acquisition of certain facilities and equipment through the issuance of debt obligations. State law limits the aggregate principal amount of debt outstanding and the present value of future minimum lease payments on capital lease obligations for real property to no more than \$1,200,000,000.

Revenue bonds and notes payable consisted of the following as of June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Revenue Bonds, net	\$976,752,709	\$928,682,539
Revolving Loan Program Bonds	50,000,000	50,000,000
Certificates of Participation	6,300,000	7,900,000
Other	46,023,886	37,888,348
	<u>\$1,079,076,595</u>	<u>\$1,024,470,887</u>
Revenue bonds and notes payable, net	<u>\$1,079,076,595</u>	<u>\$1,024,470,887</u>

**Auxiliary Facility and Tuition Revenue Bonds**

As of June 30, 2010, Auxiliary Facility and Tuition Revenue Bonds (Revenue Bonds) consisted of the following:

	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>Principal Outstanding</u>
1999 Series A	4.1%	2010	\$4,420,000
2000 Series A	5.0%	2010	4,170,000
2001 Series A	4.3% - 4.4%	2011-2012	7,230,000
2001 Series B	4.0%	2011-2013	24,780,000
2002 Series A	4.0% - 5.2%	2011-2019	53,405,000
2003 Series A & B	3.7% - 5.0%	2011-2024	106,350,000
2004 Series A & B	4.5% - 6.0%	2011-2024	51,685,000
2005 Series A	3.0% - 5.0%	2011-2025	145,580,000
2006 Series A	4.0% - 5.0%	2011-2026	72,230,000
2007 Refunding Series A	4.0% - 5.0%	2011-2023	75,490,000
2008 Series A	4.0% - 5.0%	2011-2028	84,700,000
2008 Refunding Series B	3.0% - 4.5%	2010-2016	20,850,000
2009 Series A & B	3.0% - 6.0%	2011-2029	95,820,000
2009 Refunding Series C	2.5% - 4.0%	2010-2019	27,190,000
2009 Refunding Series D	2.0% - 4.0%	2011-2022	56,000,000
2010 Series A & B	2.5% - 5.4%	2011-2030	120,000,000
			<u>949,900,000</u>
Unamortized discounts, premiums and refunding adjustments			<u>26,852,709</u>
Revenue bonds, net			<u>\$976,752,709</u>

## UNIVERSITY SYSTEM OF MARYLAND

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2010 AND 2009

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Revenue Bonds have been issued pursuant to an Indenture of Trust, an agreement entered into with a trustee for the benefit of holders of Revenue Bonds. Pursuant to the Indenture of Trust, the System has agreed to charge and collect tuition revenues and net auxiliary facility fees in an amount that is not less than 200% of the maximum annual debt service on Revenue Bonds.

Revenue Bonds issued during the years ended June 30, 2010 and 2009, including the results of any advance refunding of previously-issued debt, are as follows:

Debt issuance	Date of issue	Par value of debt issued	Premium on issuance	Par value of debt refunded	Reduction in future debt service	Deferred amount on refunding	Economic gain or (loss)
2008 Refunding Series B	7/3/2008	\$29,070,000	\$621,088	\$28,880,000	\$1,418,297	\$798,464	\$1,018,772
2009 Series A & B	6/26/2009	100,000,000	3,970,203				
2009 Refunding Series C	7/6/2009	31,275,000	1,493,008	31,750,000	2,224,761	1,128,331	1,813,416
2009 Refunding Series D	10/7/2009	56,045,000	3,889,582	55,355,000	4,507,626	2,801,401	4,014,543
2010 Series A & B	4/2/2010	120,000,000	2,853,655				

As of June 30, 2010, previously issued debt removed from the System's financial statements through advance refunding transactions still outstanding was \$130,985,000.

As of June 30, 2010 and 2009, cash and cash equivalents and investments restricted by the terms of the Indenture of Trust totaled \$123,927,852 and \$123,497,801, respectively.

#### **Revolving Loan Program Bonds**

Revolving Loan Program Bonds include debt issued pursuant to an Indenture of Trust, an agreement entered into with a trustee for the benefit of holders of the debt, dated April 1, 1995.

On August 8, 2003, the System issued \$65,000,000 of University System of Maryland Revolving Loan Program Bonds, 2003 Series A. The 2003 Series A Bonds were initially issued as auction rate reset securities, meaning interest is calculated on outstanding Revolving Loan Program Bonds using a rate of interest determined through a weekly auction process. In April, 2008, the System purchased \$15,000,000 of the auction rate reset securities in response to failed auctions that were occurring for most issuers of auction rate reset securities as a result of the collapse of the credit insurance market. On June 26, 2008, the 2003 Series A Bonds in a principal amount of \$50,000,000 were converted from an auction rate mode to a Multiannual Rate. On June 1, 2010, the securities were successfully remarketed on a multi-annual interest rate basis at an interest rate of 1.50%. The Revolving Loan Program Bonds are currently subject to mandatory tender on June 1, 2013, at which time the System expects to remarket the bonds at an interest rate that will reflect the market interest rates at that point in time.

As of June 30, 2010 and 2009, cash and cash equivalents in the amount of \$20,376,029 and \$18,748,485, respectively, was held by the trustee as unspent proceeds of the Revolving Loan Program Bonds.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2010 AND 2009

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**Certificates of Participation**

The System issued \$17,800,000 of variable rate Certificates of Participation on October 30, 2000 to finance the construction of an addition to the School of Business at the University of Maryland, College Park. Payments of principal are made annually on June 1 through June 1, 2015. Interest is payable semiannually on December 1 and June 1. Interest charges are determined on a weekly basis by a remarketing agent, using the lowest rate that would permit the sale of the Certificates at par plus accrued interest. The System has the option of converting the Certificates to a daily rate, a multi-annual rate, a commercial paper rate, or a fixed rate.

**Other**

Other debt and notes payable includes amounts borrowed to finance facilities, equipment acquisitions, a marine research vessel and other improvements designed to enhance energy efficiency savings.

The System is subject to Federal arbitrage laws governing the use of proceeds of tax-exempt debt.

**5. LEASES**

**Obligations under capital lease agreements**

The System leases a facility for the use of the University of Maryland College Park under an agreement recorded as a capital lease. The obligation is recorded at the present value of future minimum lease payments using a discount rate of 6.8%.

Future minimum payments on obligations under capital lease agreements are as follows:

<u>Years ending June 30,</u>	<u>Total</u>
2011	\$511,986
2012	511,986
2013	511,986
2014	511,986
2015	511,986
2016 – 2020	2,559,930
2021	<u>255,993</u>
Total future lease payments	5,375,853
Less: Interest component	<u>(1,566,156)</u>
Obligations under capital lease agreements	<u><u>\$3,809,697</u></u>

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2010 AND 2009

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**Operating leases**

The System and its constituent units lease facilities and equipment under agreements reported as operating leases. Many of the leases provide for an optional extension of the terms of the agreements and increases in payment amounts based on changes in indices such as the Consumer Price Index.

Future minimum payments on operating leases are as follows:

<u>Year ending June 30,</u>	<u>Minimum Annual Lease Payments</u>
2011	\$14,557,871
2012	11,426,621
2013	8,927,032
2014	7,776,882
2015	8,424,633
2016 – 2020	22,339,559
2021 – 2025	11,700,716
2026 – 2030	<u>54,664</u>
Total	<u><u>\$85,207,978</u></u>

Operating lease expenditures for the years ended June 30, 2010 and 2009, were \$20,187,682 and \$20,252,111, respectively.

The System has entered into lease agreements with developers at seven of its institutions. These agreements provide the developers the use of the System's land for periods of 30 to 40 years. In each agreement, the developer is to construct and manage the properties to provide housing services to students. Historical cost values of the disparate tracts of land leased to developers for use in providing student housing have not been calculated as each individual tract is a small portion of land acquired at varying points in time for institutional use and purposes.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2010 AND 2009

6. CHANGES IN LONG-TERM LIABILITIES

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

	June 30, 2008 Balance	Additions	Reductions	June 30, 2009 Balance	Additions	Reductions	June 30, 2010 Balance	Due Within One Year
Accrued vacation costs	\$157,167,068	\$104,045,770	\$89,594,524	\$171,618,314	\$81,391,284	\$78,632,021	\$174,377,577	\$86,041,307
Accrued workers' compensation	27,570,000	4,767,123	4,458,123	27,879,000	6,370,798	4,964,130	29,285,668	4,539,278
Revenue bonds and notes payable, net	965,642,962	161,857,161	103,029,236	1,024,470,887	219,798,720	165,193,012	1,079,076,595	78,055,983
Obligations under capital lease agreements	4,280,116		227,421	4,052,695		242,998	3,809,697	259,644
Total long-term liabilities	\$1,154,660,146	\$270,670,054	\$197,309,304	\$1,228,020,896	\$307,560,802	\$249,032,161	\$1,286,549,537	\$168,896,212

7. OPERATING EXPENSES BY OBJECT

The System reports Operating Expenses in the Statement of Revenues, Expenses and Changes in Net Assets by program category. Operating expenses for the years ended June 30, 2010 and 2009, by grouping of object classification were as follows:

	2010				2009			
	Employee Costs	Payments to Suppliers, Contractors and Others	Depreciation	Total	Employee Costs	Payments to Suppliers, Contractors and Others	Depreciation	Total
Instruction	\$858,139,955	\$116,145,943	\$36,466,301	\$1,010,752,199	\$858,783,698	\$99,591,586	\$32,100,913	\$990,476,197
Research	550,483,445	329,927,163	25,211,299	905,621,907	524,540,334	320,685,629	24,493,575	869,719,538
Public service	85,420,258	55,216,837	3,035,872	143,672,967	79,952,043	56,616,159	2,846,183	139,414,385
Academic support	228,595,141	76,845,443	27,580,281	333,020,865	228,093,237	83,632,445	26,557,041	338,282,723
Student services	111,243,096	57,786,839	3,577,414	172,607,349	110,306,037	55,323,940	3,462,888	169,092,865
Institutional support	284,075,464	46,233,599	16,463,994	346,773,057	276,761,399	40,250,507	17,728,352	334,740,258
Operation and maintenance of plant	112,639,589	142,008,716	45,677,210	300,325,515	109,491,652	156,459,966	41,062,419	307,014,037
Scholarships and fellowships	6,468,003	86,886,594	128,257	93,482,854	5,997,495	75,568,527	125,405	81,691,427
Auxiliary enterprises:								
Residential facilities	38,257,229	43,513,917	16,697,602	98,468,748	37,009,273	47,390,743	16,477,682	100,877,698
Dining facilities	28,685,371	58,764,951	4,197,305	91,647,627	29,187,328	56,824,107	4,002,350	90,013,785
Intercollegiate athletics	43,106,837	29,962,482	6,305,715	79,375,034	41,261,309	39,516,348	5,788,280	86,565,937
Bookstores	4,602,804	23,689,027	135,484	28,427,315	4,216,825	25,829,522	141,288	30,187,635
Parking facilities	9,527,325	10,492,885	4,207,074	24,227,284	8,711,020	8,010,487	3,598,008	20,319,515
Other auxiliary enterprises	42,385,520	32,145,940	24,081,477	98,612,937	42,936,241	38,175,764	20,005,559	101,117,564
Hospital	134,465,633	3,224,510	19,891	137,710,034	126,746,561	3,335,618	23,540	130,105,719
Total	\$2,538,095,670	\$1,112,844,846	\$213,785,176	\$3,864,725,692	\$2,483,994,452	\$1,107,211,348	\$198,413,483	\$3,789,619,283

## UNIVERSITY SYSTEM OF MARYLAND

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2010 AND 2009

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#### 8. RETIREMENT AND PENSION PLANS

Most System employees participate in the State Retirement and Pension System of Maryland (the State System), which is an agent, multiple-employer public employee retirement system. While the State System is an agent, multiple-employer public employee retirement system, the System accounts for the plan as a cost-sharing multiple-employer public employee retirement system, as a separate valuation is not performed for the System, and the only obligation to the plan is its required annual contributions.

The State System includes four pension and retirement plans that System employees participate in:

Teachers Retirement Systems  
Teachers Pension Systems  
Employees Retirement Systems  
Employees Pension Systems

The State System prepares a Comprehensive Annual Financial Report, which can be obtained from the State Retirement and Pension System at 120 East Baltimore Street, Suite 1600, Baltimore, MD 21202.

System employees may alternatively elect to participate in an optional retirement program.

#### **State Systems**

##### ***Plan Description***

The State System are defined benefit plans with unfunded accrued actuarial liabilities. The State System, which are administered in accordance with the State Personnel and Pensions Article of the Annotated Code of Maryland, are managed by a Board of Trustees, and are included in the State of Maryland financial reporting entity.

All plan benefits are specified by the State Personnel and Pensions Article of the Annotated Code of Maryland. Retirement allowances are computed using both the highest three years' average final salary (AFS) and the actual number of years of accumulated creditable service. Pension allowances are computed using both the highest three consecutive years' AFS and the actual number of years of accumulated creditable service. Various retirement options are available under each system which ultimately determines how a retiree's benefit allowance will be computed. Some of these options require actuarial reductions based on the retiree's and/or designated beneficiary's attained age and similar actuarial factors.

## UNIVERSITY SYSTEM OF MARYLAND

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2010 AND 2009

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#### ***Funding Policy***

The System's required contributions are based upon actuarial valuations. Effective July 1, 1980, in accordance with the law governing the State System, all benefits of the State System are funded in advance. The aggregate entry age normal cost method is the actuarial cost method used.

Both the System and covered employees are required by State statute to contribute to the State System. The contribution from the employees is 5% for participants in the State System retirement plans (with a 5% limit on the annual cost of living allowance and 7% for those who elect a limit on the cost of living allowance commensurate with the Consumer Price Index); and 2% for participants in the State System pension plans. Contributions are deducted from participant's salary and wage payments and are remitted to the State System on a regular, periodic basis.

The System made its required contributions during the years ended June 30, 2010, 2009, and 2008 of \$64,738,657, \$56,298,536, and \$53,366,248, respectively.

#### **Optional Retirement Program**

Some employees participate in the optional retirement programs, which are defined contribution money purchase plans funded currently each year and invested in specific funds offered by one of three vendors. In defined contribution plans, benefits depend solely on amounts contributed plus investment earnings. Qualified employees are eligible to participate from the date of employment.

State legislation provides that the System contribute 7.25% of covered employees' annual salaries each month. The System's contribution along with that of the employee is immediately and fully vested.

The contributions for the year ended June 30, 2010 were \$130,181,938, which consisted of \$66,358,906 from the System and \$63,823,032 from employees. The contributions for the year ended June 30, 2009 were \$124,674,313, which consisted of \$64,117,243 from the System and \$60,557,070 from employees.

#### **Major component units**

The University System of Maryland Foundation, Inc. maintains a defined contribution plan for certain personnel provided by TIAA-CREF. The University System of Maryland Foundation, Inc. contributes 7.25% of the employee's compensation to the plan. In addition, eligible employees are entitled to make voluntary contributions to the plan. Total pension expense for the years ended June 30, 2010 and 2009 was approximately \$213,000 and \$234,017, respectively.

## UNIVERSITY SYSTEM OF MARYLAND

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2010 AND 2009

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#### 9. OTHER POSTEMPLOYMENT BENEFITS

Members of the State Retirement and Pension System of Maryland (the State System) and their dependents are provided postemployment health care benefits through the State Employee and Retiree Health and Welfare Benefits Program (the Plan). The Plan is a cost sharing defined benefit healthcare plan established by the State Personnel and Pensions Article, Section 2-501 through 2-516 of the Annotated Code of Maryland. The Plan is self-insured to provide medical, hospitalization, prescription drug and dental insurance benefits to eligible state employees, retirees, and their dependents. The State does not distinguish employees by employer/State agency. Instead, the State allocates the postemployment health care costs to all participating employers.

Financial information for the Plan is included in the State of Maryland Comprehensive Annual Financial Report, which can be obtained from the Comptroller of Maryland, Louis L. Goldstein Treasury Building, Annapolis, MD 21404.

A separate actuarial valuation is not performed by the System. The System's only obligation to the Plan is its required annual contribution, which it has fully funded during the years ended June 30, 2010 and 2009. The amounts contributed for the years ended June 30, 2010 and 2009, were \$44,894,177 and \$24,346,800, respectively.

#### 10. CONSTRUCTION COMMITMENTS

The estimated costs to complete construction in progress as of June 30, 2010 is \$289,740,000, of which \$90,904,000 is to be funded from Revenue Bond proceeds, \$118,770,000 is to be derived from State appropriations and grants, and \$80,066,000 to be provided from System funds.

#### 11. CONTINGENT LIABILITIES

The System has entered into future purchase commitments for natural gas and electricity, as a means of hedging its risk against fluctuations in price of an important fuel commodity and electricity supplies. As of June 30, 2010 and 2009, the institution had entered into open contracts for the purchase of \$ 20,252,602 and \$1,997,395, respectively, of natural gas to be delivered monthly through June 2012. Future purchase commitments for electricity to be supplied through June 2012 totaled \$7,066,470 as of June 30, 2010. The System and its institutions generally take delivery of the natural gas and electricity purchased through future purchase contracts.

The System is involved in a number of legal actions that arise in the normal course of its operations. In the opinion of management, based on the advice of the State Attorney General, such actions, as well as any exposure to unasserted claims, will not have a material adverse effect on the System's financial position.

## UNIVERSITY SYSTEM OF MARYLAND

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2010 AND 2009

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#### 12. RISK MANAGEMENT

The System participates in State-wide self-insurance programs for many forms of risk of loss, including general liability, property and casualty, workers' compensation, environmental and anti-trust liabilities, as well as certain employee health benefit programs.

The System remits premiums to the State, to cover costs of claims servicing and claims payments. The premiums are based on a percentage of annual payroll or are based on average loss experience, taking into account recent trends in actual claims experience, and providing for catastrophic losses.

The System records a liability when it is probable that a loss has been incurred and the amount of that loss can be reasonably estimated. Liabilities recorded include a provision for claims incurred but not reported. Because actual claims liabilities depend on such complex factors such as inflation, changes in legal doctrines, and damage awards, actual claims could differ from estimates. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Liabilities for incurred workers' compensation losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using a 4% discount rate. The provision for workers' compensation is based upon a separately determined actuarial valuation for the fiscal years ended June 30, 2010 and 2009. Settlement amounts have not exceeded insurance coverage levels for the years ended June 30, 2010, 2009, or 2008.

As of June 30, 2010 and 2009, the System has recorded \$29,285,668 and \$27,879,000 in liabilities associated with workers' compensation, respectively.

#### 13. SUBSEQUENT EVENTS

##### **Advance Refunding of Revenue Bonds**

On September 23, 2010, the System issued \$50,990,000 of 2010 Refunding Series C University System of Maryland Auxiliary Facility and Tuition Revenue Bonds. The 2010 Series C bonds consist of serial bonds maturing through the year ended June 30, 2023 with stated interest rates from 2% to 4%, and were issued with an aggregate premium of \$5,314,847. The proceeds of the 2010 Series C bonds are to be used to advance refund \$4,670,000 of the 2002 Series A bonds, \$22,355,000 of the 2003 Series A bonds, \$16,090,000 of the 2004 Series A bonds and \$5,930,000 of the 2005 Series A bonds. The 2010 Series C bonds advance refunding will reduce future debt service by \$3,733,928 and result in an economic gain of \$3,337,346.

**UNIVERSITY OF MARYLAND, BALTIMORE**  
**BALANCE SHEETS**  
**JUNE 30, 2010 AND 2009**

	June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$160,013,764	\$392,910	\$151,163,160	\$1,259,578
Accounts receivable, net	95,066,360	9,457,925	83,487,440	8,565,801
Notes receivable, current portion	2,389,295		2,252,523	
Prepaid expenses, deferred charges and other assets	329,956	139,158	127,746	135,920
Inter-institutional balances	321,612		78,442	
<b>Total current assets</b>	<b>258,120,987</b>	<b>9,989,993</b>	<b>237,109,311</b>	<b>9,961,299</b>
<b>Noncurrent assets:</b>				
Restricted cash and cash equivalents	909,937		496,450	
Accounts receivable, net		12,647,202		17,578,277
Endowment investments	68,764,320	94,511,984	64,050,243	79,645,664
Other investments		50,564,204		44,767,916
Notes receivable, net	26,997,311		27,186,240	
Other assets		4,549,875		4,486,493
Capital assets, net	693,946,675	12,503	630,696,931	10,839
<b>Total noncurrent assets</b>	<b>790,618,243</b>	<b>162,285,768</b>	<b>722,429,864</b>	<b>146,489,189</b>
<b>Total assets</b>	<b>\$1,048,739,230</b>	<b>\$172,275,761</b>	<b>\$959,539,175</b>	<b>\$156,450,488</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	\$44,885,126	\$4,263,911	\$39,269,911	\$2,448,053
Accrued workers' compensation, current portion	1,134,863		1,005,640	
Accrued vacation costs, current portion	32,458,771		30,700,676	
Revenue bonds and notes payable, current portion	10,006,324		9,559,074	
Deferred revenue	42,069,025	1,365	31,624,763	9,795
<b>Total current liabilities</b>	<b>130,554,109</b>	<b>4,265,276</b>	<b>112,160,064</b>	<b>2,457,848</b>
<b>Noncurrent liabilities:</b>				
Accrued workers' compensation	6,186,831		5,482,360	
Accrued vacation costs	32,297,609		30,445,564	
Other payables		1,622,161		1,651,961
Revenue bonds and notes payable	136,377,142		134,706,325	
<b>Total noncurrent liabilities</b>	<b>174,861,582</b>	<b>1,622,161</b>	<b>170,634,249</b>	<b>1,651,961</b>
<b>Total liabilities</b>	<b>305,415,691</b>	<b>5,887,437</b>	<b>282,794,313</b>	<b>4,109,809</b>
<b>NET ASSETS</b>				
Unrestricted	105,469,751	16,219,548	103,291,456	11,631,169
Invested in capital assets, net	547,563,209		486,431,532	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	5,577,033	27,290,761	5,566,961	26,203,634
Research	144,440	1,057,734	144,440	810,877
Other	10,294,734	66,245,016	10,354,030	62,789,433
Expendable:				
Scholarships and fellowships	25,718,792	4,937,307	24,797,028	4,364,013
Research	4,878,722	8,740,605	4,542,022	9,260,717
Loans	28,487,715		28,598,923	
Capital projects	909,937		496,450	
Other	14,279,206	41,897,353	12,522,020	37,280,836
<b>Total net assets</b>	<b>743,323,539</b>	<b>166,388,324</b>	<b>676,744,862</b>	<b>152,340,679</b>
<b>Total liabilities and net assets</b>	<b>\$1,048,739,230</b>	<b>\$172,275,761</b>	<b>\$959,539,175</b>	<b>\$156,450,488</b>

**UNIVERSITY OF MARYLAND, BALTIMORE**  
**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
**JUNE 30, 2010 AND 2009**

	Year ended June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>OPERATING REVENUE:</b>				
Tuition and fees	\$103,718,416		\$93,890,652	
Less: scholarship allowances	(19,204,075)	\$84,514,341	(19,248,695)	\$74,641,957
Federal grants and contracts		271,734,025		234,539,801
State and local grants and contracts		52,515,973		51,638,621
Nongovernmental grants and contracts		100,415,289		97,539,895
Sales and services of educational departments		189,445,424		179,843,130
Auxiliary enterprises:				
Residential facilities		754,828		737,918
Parking facilities		11,537,976		12,400,446
Other auxiliary enterprises revenue		11,637,558		10,232,540
<b>Total operating revenue</b>		<b>722,555,414</b>		<b>661,574,308</b>
<b>OPERATING EXPENSES:</b>				
Instruction		164,872,758		159,551,074
Research		386,657,510		361,328,289
Public service		4,284,769		4,337,062
Academic support		50,825,223		51,978,267
Student services		4,414,998		5,159,555
Institutional support		61,518,694		58,514,025
Operation and maintenance of plant		78,083,475		82,720,138
Scholarships and fellowships		2,601,405		2,655,120
Auxiliary enterprises:				
Residential facilities		743,646		691,017
Parking facilities		8,446,743		7,891,774
Other auxiliary enterprises expenses		12,490,661		9,139,042
Hospital		137,710,034		130,105,719
<b>Total operating expenses</b>		<b>912,649,916</b>		<b>874,071,082</b>
<b>Operating income (loss)</b>		<b>(190,094,502)</b>		<b>(212,496,774)</b>
<b>NONOPERATING REVENUE (EXPENSES):</b>				
State appropriations		157,042,420		175,936,601
Pell grants		737,685		562,342
Gifts		13,500,188	\$20,031,166	20,115,213
Investment income (loss)	13,097,035		15,482,712	\$23,571,693
Less: Investment expense	(159,944)	12,937,091	(17,042,949)	(30,755,193)
Interest on indebtedness		(6,102,068)	(200,811)	(4,279,619)
Other revenue (expenses), gains and (losses)		363,548		(9,976,508)
Other affiliated foundation revenue			603,768	541,974
Other affiliated foundation expense			(22,070,001)	(22,678,593)
Transfers (to) from other University System of Maryland institutions		31,586,267		106,693
<b>Total nonoperating revenue (expenses)</b>		<b>210,065,131</b>	<b>14,047,645</b>	<b>165,220,962</b>
<b>Income before other revenue (expenses)</b>		<b>19,970,629</b>	<b>14,047,645</b>	<b>(47,275,812)</b>
<b>OTHER REVENUE:</b>				
Capital appropriations		45,933,429		11,524,054
Capital gifts and grants		664,061		197,000
Additions to permanent endowments		10,558		30,937
<b>Total other revenue</b>		<b>46,608,048</b>		<b>11,751,991</b>
<b>Increase (decrease) in net assets</b>		<b>66,578,677</b>	<b>14,047,645</b>	<b>(35,523,821)</b>
<b>Net assets - beginning of year</b>		<b>676,744,862</b>	<b>152,340,679</b>	<b>712,268,683</b>
<b>Net assets - end of year</b>		<b>\$743,323,539</b>	<b>\$166,388,324</b>	<b>\$676,744,862</b>

**UNIVERSITY OF MARYLAND, BALTIMORE**  
**STATEMENTS OF CASH FLOWS**  
**JUNE 30, 2010 AND 2009**

	Year ended June 30,	
	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Tuition and fees	\$87,474,647	\$74,324,878
Research contracts and grants	428,395,192	403,395,938
Payments to employees	(609,973,616)	(583,175,993)
Payments to suppliers and contractors	(242,403,573)	(248,670,070)
Loans issued to students	(4,038,866)	(4,284,532)
Collections of loans to students	3,427,775	3,484,505
Auxiliary enterprises:		
Residential facilities	754,828	737,918
Bookstores		
Parking facilities	11,537,976	12,400,446
Other	11,617,416	10,250,801
Other receipts	190,743,373	204,558,221
<b>Net cash (used) by operating activities</b>	<b>(122,464,848)</b>	<b>(126,977,888)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State appropriations	157,042,420	175,936,601
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes	10,558	30,937
Pell grants	737,685	562,342
<b>Net cash provided by noncapital financing activities</b>	<b>157,790,663</b>	<b>176,529,880</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds of capital debt	8,553,919	988,911
Capital appropriations	45,933,429	11,524,054
Capital grants and gifts received	300,000	197,000
Proceeds from sales of capital assets	298,866	50,781
Purchases of capital assets	(80,283,857)	(73,641,002)
Principal paid on debt and capital leases	(16,897,984)	(8,891,389)
Interest paid on debt and capital leases	(6,619,993)	(4,543,760)
Transfers (to) from other University System of Maryland institutions	14,430,882	27,721,696
<b>Net cash (used) by capital and related financing activities</b>	<b>(34,284,738)</b>	<b>(46,593,709)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	4,204,285	4,661,967
Interest on investments	4,408,311	6,955,740
Investment expense	(159,944)	(200,811)
Purchases of investments	(229,638)	(481,907)
<b>Net cash provided by investing activities</b>	<b>8,223,014</b>	<b>10,934,989</b>
<b>Net increase in cash</b>	<b>9,264,091</b>	<b>13,893,272</b>
<b>Cash and cash equivalents - beginning of the year</b>	<b>151,659,610</b>	<b>137,766,338</b>
<b>Cash and cash equivalents - end of the year</b>	<b>\$160,923,701</b>	<b>\$151,659,610</b>

**UNIVERSITY OF MARYLAND, COLLEGE PARK**  
**BALANCE SHEETS**  
**JUNE 30, 2010 AND 2009**

	June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$465,806,866	\$19,639,679	\$478,783,937	\$19,494,992
Accounts receivable, net	79,804,520	36,147,341	78,177,452	31,391,205
Notes receivable, current portion	1,385,228		1,093,975	
Inventories	2,969,945		3,061,615	
Prepaid expenses, deferred charges and other assets	1,038,252	619,024	1,057,766	537,870
Inter-institutional balances	(120,299)		274,915	
<b>Total current assets</b>	<b>550,884,512</b>	<b>56,406,044</b>	<b>562,449,660</b>	<b>51,424,067</b>
<b>Noncurrent assets:</b>				
Restricted cash and cash equivalents	7,319,146		20,974,212	
Accounts receivable, net		40,174,046		43,291,590
Endowment investments	90,444,898	272,705,302	85,021,264	252,606,905
Other investments	3,403,621	75,111,316	3,403,621	68,983,779
Notes receivable, net	8,928,946		9,363,421	
Other assets		919,008		740,416
Capital assets, net	1,393,606,079	8,638,332	1,248,947,086	8,195,646
<b>Total noncurrent assets</b>	<b>1,503,702,690</b>	<b>397,548,004</b>	<b>1,367,709,604</b>	<b>373,818,336</b>
<b>Total assets</b>	<b>\$2,054,587,202</b>	<b>\$453,954,048</b>	<b>\$1,930,159,264</b>	<b>\$425,242,403</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	\$82,825,469	\$3,152,890	\$69,847,703	\$4,941,567
Accrued workers' compensation, current portion	1,754,712		1,743,285	
Accrued vacation costs, current portion	24,431,670		26,560,413	
Revenue bonds and notes payable, current portion	30,461,129		28,759,523	
Deferred revenue	65,698,240	3,362,694	64,594,864	4,898,944
Current portion of Obligations Under Capital Lease Obligations	259,644			
<b>Total current liabilities</b>	<b>205,430,864</b>	<b>6,515,584</b>	<b>191,505,788</b>	<b>9,840,511</b>
<b>Noncurrent liabilities:</b>				
Accrued workers' compensation	9,566,012		9,503,715	
Accrued vacation costs	29,655,522		30,016,900	
Other payables		2,714,875		2,773,722
Revenue bonds and notes payable	313,630,341		310,618,220	
Obligations Under Capital Lease Agreements	3,550,053			
<b>Total noncurrent liabilities</b>	<b>356,401,928</b>	<b>2,714,875</b>	<b>350,138,835</b>	<b>2,773,722</b>
<b>Total liabilities</b>	<b>561,832,792</b>	<b>9,230,459</b>	<b>541,644,623</b>	<b>12,614,233</b>
<b>NET ASSETS</b>				
Unrestricted	339,593,599	47,836,765	365,744,036	31,688,369
Invested in capital assets, net	1,050,364,508		923,988,168	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	5,177,292	83,255,337	5,145,155	92,064,217
Research	3,499,667	5,304,152	3,499,567	1,826,090
Other	3,622,009	159,114,578	3,617,009	156,912,658
Expendable:				
Scholarships and fellowships	9,636,477	37,770,372	9,227,593	31,549,574
Research	61,663,507	8,477,649	58,021,078	8,326,976
Loans	11,155,531		11,487,748	
Capital projects	1,242,681		1,233,373	
Other	6,799,139	102,964,736	6,550,914	90,260,286
<b>Total net assets</b>	<b>1,492,754,410</b>	<b>444,723,589</b>	<b>1,388,514,641</b>	<b>412,628,170</b>
<b>Total liabilities and net assets</b>	<b>\$2,054,587,202</b>	<b>\$453,954,048</b>	<b>\$1,930,159,264</b>	<b>\$425,242,403</b>

**UNIVERSITY OF MARYLAND, COLLEGE PARK**  
**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
**JUNE 30, 2010 AND 2009**

	Year ended June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>OPERATING REVENUE:</b>				
Tuition and fees	\$422,194,424		\$400,798,751	
Less: scholarship allowances	<u>(61,501,359)</u>	\$360,693,065	<u>(55,558,759)</u>	\$345,239,992
Federal grants and contracts		308,227,353		275,448,433
State and local grants and contracts		54,238,537		53,648,935
Nongovernmental grants and contracts		67,006,468		56,344,727
Sales and services of educational departments		23,180,113		29,294,471
Auxiliary enterprises:				
Residential facilities	47,700,232		45,478,715	
Less: scholarship allowances	<u>(5,281,167)</u>	42,419,065	<u>(4,653,149)</u>	40,825,566
Dining facilities	42,705,010		43,145,686	
Less: scholarship allowances	<u>(2,708,343)</u>	39,996,667	<u>(2,277,856)</u>	40,867,830
Intercollegiate athletics		42,594,819		48,718,716
Parking facilities		13,104,738		11,855,477
Other auxiliary enterprises revenue		40,910,806		40,822,743
Other operating revenue		<u>28,894,264</u>		<u>29,036,261</u>
<b>Total operating revenue</b>		<u>1,021,265,895</u>		<u>972,103,151</u>
<b>OPERATING EXPENSES:</b>				
Instruction		386,293,320		387,144,662
Research		356,931,939		332,635,016
Public service		82,146,581		77,895,385
Academic support		122,259,790		130,610,680
Student services		43,910,458		44,511,161
Institutional support		82,674,388		75,151,132
Operation and maintenance of plant		102,968,447		107,060,558
Scholarships and fellowships		39,785,624		37,153,037
Auxiliary enterprises:				
Residential facilities		50,595,615		53,220,258
Dining facilities		41,021,632		41,340,711
Intercollegiate athletics		43,365,105		51,574,705
Parking facilities		8,865,680		8,256,276
Other auxiliary enterprises expenses		<u>43,867,095</u>		<u>46,157,292</u>
<b>Total operating expenses</b>		<u>1,404,685,674</u>		<u>1,392,710,873</u>
<b>Operating income (loss)</b>		<u>(383,419,779)</u>		<u>(420,607,722)</u>
<b>NONOPERATING REVENUE (EXPENSES):</b>				
State appropriations		352,724,815		398,627,225
Pell grants		19,685,697		13,727,260
Gifts		24,293,207	\$54,522,888	21,502,554
Investment income (loss)	21,878,257		38,008,710	(12,123,443)
Less: Investment expense	<u>(212,537)</u>	21,665,720	<u>(266,693)</u>	(12,390,136)
Interest on indebtedness		(13,604,559)		(12,901,923)
Other revenue (expenses), gains and (losses)		(55,364)		464,202
Other affiliated foundation revenue			4,678,775	4,899,446
Other affiliated foundation expense			(65,114,954)	(60,462,319)
Transfers (to) from other University System of Maryland institutions		<u>59,986,475</u>		<u>8,207,482</u>
<b>Total nonoperating revenue (expenses)</b>		<u>464,695,991</u>	<u>32,095,419</u>	<u>417,236,664</u>
<b>Income (loss) before other revenue (expenses)</b>		<u>81,276,212</u>	<u>32,095,419</u>	<u>(3,371,058)</u>
<b>OTHER REVENUE:</b>				
Capital appropriations		12,949,893		34,919,235
Capital gifts and grants		9,976,426		5,346,012
Additions to permanent endowments		<u>37,238</u>		<u>144,561</u>
<b>Total other revenues (expenses)</b>		<u>22,963,557</u>		<u>40,409,808</u>
<b>Increase (decrease) in net assets</b>		<u>104,239,769</u>	<u>32,095,419</u>	<u>37,038,750</u>
<b>Net assets - beginning of year</b>		<u>1,388,514,641</u>	<u>412,628,170</u>	<u>1,351,475,891</u>
<b>Net assets - end of year</b>		<u>\$1,492,754,410</u>	<u>\$444,723,589</u>	<u>\$1,388,514,641</u>

**UNIVERSITY OF MARYLAND, COLLEGE PARK**  
**STATEMENTS OF CASH FLOWS**  
**JUNE 30, 2010 AND 2009**

	<b>Year ended June 30,</b>	
	<b>2010</b>	<b>2009</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Tuition and fees	\$358,439,023	\$344,520,866
Research contracts and grants	421,831,668	394,796,269
Payments to employees	(937,067,246)	(924,867,039)
Payments to suppliers and contractors	(385,426,898)	(385,995,995)
Loans issued to students	(1,855,378)	(191,185)
Collections of loans to students	1,998,600	1,461,720
Auxiliary enterprises:		
Residential facilities	42,419,065	42,257,372
Dining facilities	43,513,091	40,867,830
Intercollegiate athletics	42,594,819	48,718,716
Parking facilities	13,104,738	11,855,477
Other	40,910,806	40,822,743
Other receipts	83,112,764	80,283,280
<b>Net cash (used) by operating activities</b>	<b>(276,424,948)</b>	<b>(305,469,946)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State appropriations	352,724,815	398,627,225
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes	37,238	144,561
Pell grants	19,685,697	13,727,260
<b>Net cash provided by noncapital financing activities</b>	<b>372,447,750</b>	<b>412,499,046</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds of capital debt	48,618,701	28,346,711
Capital appropriations	12,949,893	34,919,235
Capital grants and gifts received	9,976,426	5,346,012
Proceeds from sales of capital assets	2,200,000	1,468,281
Purchases of capital assets	(157,286,926)	(125,940,197)
Principal paid on debt and capital leases	(71,729,908)	(38,251,270)
Interest paid on debt and capital leases	(14,089,061)	(14,086,773)
Transfers (to) from other University System of Maryland institutions	30,463,850	38,456,824
<b>Net cash (used) by capital and related financing activities</b>	<b>(138,897,025)</b>	<b>(69,741,177)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	6,492,982	5,870,966
Interest on investments	10,336,345	19,726,689
Investment expense	(212,537)	(266,693)
Purchases of investments	(374,704)	(3,820,393)
<b>Net cash provided by investing activities</b>	<b>16,242,086</b>	<b>21,510,569</b>
<b>Net increase in cash</b>	<b>(26,632,137)</b>	<b>58,798,492</b>
<b>Cash and cash equivalents - beginning of the year</b>	<b>499,758,149</b>	<b>440,959,657</b>
<b>Cash and cash equivalents - end of the year</b>	<b>\$473,126,012</b>	<b>\$499,758,149</b>

**BOWIE STATE UNIVERSITY**  
**BALANCE SHEETS**  
**JUNE 30, 2010 AND 2009**

	June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$34,059,902	\$506,960	\$29,402,826	\$880,571
Accounts receivable, net	2,413,665	1,504,840	2,595,740	1,427,122
Notes receivable, current portion	74,593		50,665	
Prepaid expenses, deferred charges and other assets		10,706	3,440	11,763
Inter-institutional balances	(83,266)		(183,591)	
<b>Total current assets</b>	<b>36,464,894</b>	<b>2,022,506</b>	<b>31,869,080</b>	<b>2,319,456</b>
<b>Noncurrent assets:</b>				
Restricted cash and cash equivalents		4,889,426		3,712,128
Endowment investments				
Notes receivable, net	813,118		924,435	
Capital assets, net	100,020,913	6,736	83,901,434	9,944
<b>Total noncurrent assets</b>	<b>100,834,031</b>	<b>4,896,162</b>	<b>84,825,869</b>	<b>3,722,072</b>
<b>Total assets</b>	<b>\$137,298,925</b>	<b>\$6,918,668</b>	<b>\$116,694,949</b>	<b>\$6,041,528</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	\$6,656,447	\$42,925	\$6,699,693	\$148,668
Accrued workers' compensation, current portion	100,129		107,724	
Accrued vacation costs, current portion	921,198		848,309	
Revenue bonds and notes payable, current portion	738,257	8,853	496,243	8,853
Deferred revenue	2,801,800	100,034	2,595,036	
<b>Total current liabilities</b>	<b>11,217,831</b>	<b>151,812</b>	<b>10,747,005</b>	<b>157,521</b>
<b>Noncurrent liabilities:</b>				
Accrued workers' compensation	545,868		587,276	
Accrued vacation costs	1,395,926		1,347,923	
Other payables		5,994		7,771
Revenue bonds and notes payable	13,310,550		5,868,891	
<b>Total noncurrent liabilities</b>	<b>15,252,344</b>	<b>5,994</b>	<b>7,804,090</b>	<b>7,771</b>
<b>Total liabilities</b>	<b>26,470,175</b>	<b>157,806</b>	<b>18,551,095</b>	<b>165,292</b>
<b>NET ASSETS</b>				
Unrestricted	23,644,308	209,458	19,395,217	213,531
Invested in capital assets, net	85,972,106		77,536,300	
Restricted:				
Nonexpendable:				
Other		3,951,980		4,352,666
Expendable:				
Loans	1,212,336		1,212,337	
Capital projects				
Other		2,599,424		1,310,039
<b>Total net assets</b>	<b>110,828,750</b>	<b>6,760,862</b>	<b>98,143,854</b>	<b>5,876,236</b>
<b>Total liabilities and net assets</b>	<b>\$137,298,925</b>	<b>\$6,918,668</b>	<b>\$116,694,949</b>	<b>\$6,041,528</b>

**BOWIE STATE UNIVERSITY**  
**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
**JUNE 30, 2010 AND 2009**

	Year ended June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>OPERATING REVENUE:</b>				
Tuition and fees	\$32,750,159		\$30,825,478	
Less: scholarship allowances	(7,886,173)	\$24,863,986	(8,950,273)	\$21,875,205
Federal grants and contracts		7,072,040		6,781,936
State and local grants and contracts		1,194,810		2,265,857
Nongovernmental grants and contracts		305,124		317,936
Sales and services of educational departments		261,996		215,520
Auxiliary enterprises:				
Residential facilities	3,771,105		3,772,194	
Less: scholarship allowances	(406,796)	3,364,309	(200,403)	3,571,791
Dining facilities	3,116,463		2,477,037	
Less: scholarship allowances	(919,531)	2,196,932	(395,522)	2,081,515
Intercollegiate athletics	3,126,119		3,028,644	
Less: scholarship allowances	(492,845)	2,633,274	(377,920)	2,650,724
Parking facilities		361,314		266,354
Other auxiliary enterprises revenue		3,526,337		3,389,755
Other operating revenue		24,037		116,607
<b>Total operating revenue</b>		<b>45,804,159</b>		<b>43,533,200</b>
<b>OPERATING EXPENSES:</b>				
Instruction		27,541,722		26,955,211
Research		1,722,161		1,783,817
Public service		774,750		348,500
Academic support		10,146,172		9,783,051
Student services		5,868,624		5,442,419
Institutional support		13,760,294		14,519,529
Operation and maintenance of plant		7,338,319		8,473,750
Scholarships and fellowships		3,315,873		1,451,067
Auxiliary enterprises:				
Residential facilities		3,855,899		3,771,276
Dining facilities		3,115,194		2,418,295
Intercollegiate athletics		3,035,209		3,003,347
Other auxiliary enterprises expenses		2,877,347		2,171,019
<b>Total operating expenses</b>		<b>83,351,564</b>		<b>80,121,281</b>
<b>Operating income (loss)</b>		<b>(37,547,405)</b>		<b>(36,588,081)</b>
<b>NONOPERATING REVENUE (EXPENSES):</b>				
State appropriations		31,058,536		34,161,157
Pell grants		8,162,757		6,221,710
Gifts		749,081	\$1,262,004	916,094
Investment income (loss)		765,904	542,049	988,200
Interest on indebtedness		(416,353)		(207,404)
Other revenues, (expenses), gains and (losses)				
Other affiliated foundation revenue			100,010	199,648
Other affiliated foundation expense			(1,019,437)	(1,042,849)
Transfers (to) from other University System of Maryland institutions		(920,021)		(764,207)
<b>Total nonoperating revenue (expenses)</b>		<b>39,399,904</b>	<b>884,626</b>	<b>41,315,550</b>
<b>Income (loss) before other revenue (expenses)</b>		<b>1,852,499</b>	<b>884,626</b>	<b>4,727,469</b>
<b>OTHER REVENUE:</b>				
Capital appropriations		10,832,397		385,132
<b>Total other revenue</b>		<b>10,832,397</b>		<b>385,132</b>
<b>Increase (decrease) in net assets</b>		<b>12,684,896</b>	<b>884,626</b>	<b>5,112,601</b>
<b>Net assets - beginning of year</b>		<b>98,143,854</b>	<b>5,876,236</b>	<b>93,031,253</b>
<b>Net assets - end of year</b>		<b>\$110,828,750</b>	<b>\$6,760,862</b>	<b>\$98,143,854</b>

**BOWIE STATE UNIVERSITY  
STATEMENTS OF CASH FLOWS  
JUNE 30, 2010 AND 2009**

	<b>Year ended June 30,</b>	
	<b>2010</b>	<b>2009</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Tuition and fees	\$25,124,640	\$23,248,575
Research contracts and grants	8,425,626	9,212,376
Payments to employees	(51,011,003)	(48,502,881)
Payments to suppliers and contractors	(27,581,379)	(28,009,622)
Loans issued to students	(44,907)	(6,000)
Collections of loans to students	76,550	52,492
Auxiliary enterprises:		
Residential facilities	3,364,309	3,571,791
Dining facilities	2,196,932	2,081,515
Intercollegiate athletics	2,633,274	2,650,724
Parking facilities	361,314	266,354
Other	3,526,337	3,738,870
Other receipts	1,311,040	2,785,100
<b>Net cash (used) by operating activities</b>	<b>(31,617,267)</b>	<b>(28,910,706)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State appropriations	31,058,536	34,161,157
Pell grants	8,162,757	6,221,710
<b>Net cash provided by noncapital financing activities</b>	<b>39,221,293</b>	<b>40,382,867</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds of capital debt	455,386	972,048
Capital appropriations	10,832,397	385,132
Purchases of capital assets	(20,857,240)	(2,197,370)
Principal paid on debt and capital leases	(1,718,519)	(1,727,746)
Interest paid on debt and capital leases	(425,251)	(253,299)
Transfers (to) from other University System of Maryland institutions	8,000,373	503,795
<b>Net cash (used) by capital and related financing activities</b>	<b>(3,712,854)</b>	<b>(2,317,440)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on investments	765,904	988,200
<b>Net cash provided by investing activities</b>	<b>765,904</b>	<b>988,200</b>
<b>Net increase in cash</b>	<b>4,657,076</b>	<b>10,142,921</b>
<b>Cash and cash equivalents - beginning of the year</b>	<b>29,402,826</b>	<b>19,259,905</b>
<b>Cash and cash equivalents - end of the year</b>	<b>\$34,059,902</b>	<b>\$29,402,826</b>

**TOWSON UNIVERSITY  
BALANCE SHEETS  
JUNE 30, 2010 AND 2009**

	June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$148,951,025	\$1,995,510	\$138,621,087	\$7,807,114
Accounts receivable, net	15,638,162	198,695	13,491,054	1,668,734
Notes receivable, current portion	1,419,017		2,231,242	
Inventories	2,767,017		2,758,632	
Prepaid expenses, deferred charges and other assets	2,318,437	367,413	1,916,969	174,172
Inter-institutional balances	76,340		(213,861)	
<b>Total current assets</b>	<b>171,169,998</b>	<b>2,561,618</b>	<b>158,805,123</b>	<b>9,650,020</b>
<b>Noncurrent assets:</b>				
Restricted cash and cash equivalents	134,030		346,844	
Accounts receivable, net		753,357		
Endowment investments	3,932,111	32,837,853	3,633,014	27,723,137
Other investments		6,723,855		
Notes receivable, net	11,609,491		11,783,184	
Other assets		1,200,000		1,200,000
Capital assets, net	397,284,659	1,128,381	331,604,581	1,013,246
<b>Total noncurrent assets</b>	<b>412,960,291</b>	<b>42,643,446</b>	<b>347,367,623</b>	<b>29,936,383</b>
<b>Total assets</b>	<b>\$584,130,289</b>	<b>\$45,205,064</b>	<b>\$506,172,746</b>	<b>\$39,586,403</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	\$22,450,943	\$330,055	\$20,970,547	\$297,441
Accrued workers' compensation, current portion	345,446		318,525	
Accrued vacation costs, current portion	6,423,525		8,083,301	
Revenue bonds and notes payable, current portion	5,805,552	1,000,000	5,549,760	
Deferred revenue	8,592,285		8,065,702	
<b>Total current liabilities</b>	<b>43,617,751</b>	<b>1,330,055</b>	<b>42,987,835</b>	<b>297,441</b>
<b>Noncurrent liabilities:</b>				
Accrued workers' compensation	1,883,236		1,736,475	
Accrued vacation costs	4,189,810		3,427,613	
Other payables				1,000,000
Revenue bonds and notes payable	98,827,585		90,169,411	
<b>Total noncurrent liabilities</b>	<b>104,900,631</b>		<b>95,333,499</b>	<b>1,000,000</b>
<b>Total liabilities</b>	<b>148,518,382</b>	<b>1,330,055</b>	<b>138,321,334</b>	<b>1,297,441</b>
<b>NET ASSETS</b>				
Unrestricted	125,498,911	768,598	113,401,357	(2,247,727)
Invested in capital assets, net	292,651,522		235,885,410	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	238,038	19,754,521	238,038	16,567,097
Research		10,003		12,503
Other		13,214,194		14,679,073
Expendable:				
Scholarships and fellowships	550	3,790,748		2,412,284
Research		5,905	585,542	9,278
Loans	14,821,053		15,260,752	
Capital projects	86,751		299,564	
Other	2,315,082	6,331,040	2,180,749	6,856,454
<b>Total net assets</b>	<b>435,611,907</b>	<b>43,875,009</b>	<b>367,851,412</b>	<b>38,288,962</b>
<b>Total liabilities and net assets</b>	<b>\$584,130,289</b>	<b>\$45,205,064</b>	<b>\$506,172,746</b>	<b>\$39,586,403</b>

**TOWSON UNIVERSITY**  
**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
**JUNE 30, 2010 AND 2009**

	Year ended June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>OPERATING REVENUE:</b>				
Tuition and fees	\$149,426,529		\$143,734,168	
Less: scholarship allowances	<u>(34,868,318)</u>	\$114,558,211	<u>(29,859,186)</u>	\$113,874,982
Federal grants and contracts		3,123,545		3,734,895
State and local grants and contracts		6,871,032		9,017,598
Nongovernmental grants and contracts		1,658,252		1,933,192
Sales and services of educational departments		4,903,411		3,440,297
Auxiliary enterprises:				
Residential facilities	17,642,163		16,670,788	
Less: scholarship allowances	<u>(1,300,085)</u>	16,342,078	<u>(1,248,976)</u>	15,421,812
Dining facilities	17,827,155		16,874,470	
Less: scholarship allowances	<u>(668,933)</u>	17,158,222	<u>(604,385)</u>	16,270,085
Intercollegiate athletics	15,371,388		14,935,674	
Less: scholarship allowances	<u>(3,728,870)</u>	11,642,518	<u>(3,483,132)</u>	11,452,542
Bookstores	9,905,749		10,971,208	
Less: scholarship allowances	<u>(51,633)</u>	9,854,116	<u>(76,148)</u>	10,895,060
Parking facilities		6,261,367		4,860,050
Other auxiliary enterprises revenue		24,055,926		24,395,515
Other operating revenue				<u>128,981</u>
<b>Total operating revenues</b>		<u>216,428,678</u>		<u>215,425,009</u>
<b>OPERATING EXPENSES:</b>				
Instruction		95,198,529		92,458,637
Research		3,490,956		3,452,497
Public service		15,733,406		16,680,497
Academic support		34,840,510		34,935,743
Student services		15,253,614		15,291,128
Institutional support		33,505,849		35,882,131
Operation and maintenance of plant		25,876,001		23,002,268
Scholarships and fellowships		6,654,289		5,532,766
Auxiliary enterprises:				
Residential facilities		11,107,193		12,600,105
Dining facilities		14,352,889		14,140,698
Intercollegiate athletics		14,588,716		13,663,144
Bookstores		10,016,147		10,262,005
Parking facilities		3,683,740		2,250,782
Other auxiliary enterprises expenses		<u>12,570,883</u>		<u>14,674,435</u>
<b>Total operating expenses</b>		<u>296,872,722</u>		<u>294,826,836</u>
<b>Operating income (loss)</b>		<u>(80,444,044)</u>		<u>(79,401,827)</u>
<b>NONOPERATING REVENUE (EXPENSES):</b>				
State appropriations		77,438,516		86,635,409
Pell grants		13,892,993		9,028,072
Gifts		1,159,871	\$5,042,154	807,949
Investment income (loss)	4,451,156		4,646,708	4,191,157
Less: Investment expense	<u>(9,003)</u>	4,442,153	<u>(11,486)</u>	4,179,671
Interest on indebtedness		(3,537,823)		(3,972,479)
Other revenues (expenses), gains and (losses)		9,286,502		6,773,615
Other affiliated foundation revenue			1,594,276	1,617,264
Other affiliated foundation expense			(5,697,091)	(5,826,402)
Transfers (to) from other University System of Maryland institutions		<u>(4,736,822)</u>		<u>(4,884,969)</u>
<b>Total nonoperating revenue (expenses)</b>		<u>97,945,390</u>	<u>5,586,047</u>	<u>98,567,268</u>
<b>Income (loss) before other revenue (expenses)</b>		<u>17,501,346</u>	<u>5,586,047</u>	<u>19,165,441</u>
<b>OTHER REVENUE:</b>				
Capital appropriations		49,828,325		28,652,670
Capital gifts and grants		<u>430,824</u>		<u>261,203</u>
<b>Total other revenue</b>		<u>50,259,149</u>		<u>28,913,873</u>
<b>Increase (decrease) in net assets</b>		<u>67,760,495</u>	<u>5,586,047</u>	<u>48,079,314</u>
<b>Net assets - beginning of year</b>		<u>367,851,412</u>	<u>38,288,962</u>	<u>319,772,098</u>
<b>Net assets - end of year</b>		<u>\$435,611,907</u>	<u>\$43,875,009</u>	<u>\$367,851,412</u>

**TOWSON UNIVERSITY**  
**STATEMENTS OF CASH FLOWS**  
**JUNE 30, 2010 AND 2009**

	<b>Year ended June 30,</b>	
	<b>2010</b>	<b>2009</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Tuition and fees	\$113,363,818	\$115,565,685
Research contracts and grants	13,118,693	16,290,435
Payments to employees	(190,919,536)	(180,717,220)
Payments to suppliers and contractors	(86,269,811)	(92,733,588)
Loans issued to students	(987,937)	(844,428)
Collections of loans to students	1,973,855	1,442,203
Auxiliary enterprises:		
Residential facilities	16,204,806	15,470,188
Dining facilities	17,076,478	16,305,807
Intercollegiate athletics	11,667,983	11,211,293
Bookstores	9,925,621	11,108,317
Parking facilities	6,116,776	4,959,043
Other	24,280,194	24,581,437
Other receipts	14,166,601	7,623,287
	<b>(50,282,459)</b>	<b>(49,737,541)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State appropriations	77,438,516	86,635,409
Pell grants	13,892,993	9,028,072
	<b>91,331,509</b>	<b>95,663,481</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds of capital debt	11,235,302	4,041,437
Capital appropriations	49,828,325	28,652,670
Capital grants and gifts received		229,161
Purchases of capital assets	(85,241,755)	(50,976,144)
Principal paid on debt and capital leases	(18,184,652)	(13,772,838)
Interest paid on debt and capital leases	(4,061,743)	(4,442,000)
Transfers (to) from other University System of Maryland institutions	11,349,541	5,389,257
	<b>(35,074,982)</b>	<b>(30,878,457)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	208,113	216,993
Interest on investments	3,943,946	5,547,475
Investment expense	(9,003)	(11,486)
Purchases of investments		
	<b>4,143,056</b>	<b>5,752,982</b>
<b>Net cash provided by investing activities</b>	<b>4,143,056</b>	<b>5,752,982</b>
<b>Net increase (decrease) in cash</b>	<b>10,117,124</b>	<b>20,800,465</b>
<b>Cash and cash equivalents - beginning of the year</b>	<b>138,967,931</b>	<b>118,167,466</b>
<b>Cash and cash equivalents - end of the year</b>	<b>\$149,085,055</b>	<b>\$138,967,931</b>

**UNIVERSITY OF MARYLAND EASTERN SHORE  
BALANCE SHEETS  
JUNE 30, 2010 AND 2009**

	June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$15,147,590		\$15,278,040	
Accounts receivable, net	6,953,580	\$801,688	8,221,559	\$3,056,211
Notes receivable, current portion	1,453,612		1,310,652	
Prepaid expenses, deferred charges and other assets		7,824		4,695
Inter-institutional balances	79,397		(57,520)	
<b>Total current assets</b>	<b>23,634,179</b>	<b>809,512</b>	<b>24,752,731</b>	<b>3,060,906</b>
<b>Noncurrent assets:</b>				
Restricted cash and cash equivalents	23,680		25,650	
Accounts receivable, net		418,505		905,579
Endowment investments	2,715,644	17,991,817	390,637	13,835,264
Other investments		377,474		525,676
Notes receivable, net	2,324,512		2,974,347	
Other assets				
Capital assets, net	173,582,266		170,863,324	
<b>Total noncurrent assets</b>	<b>178,646,102</b>	<b>18,787,796</b>	<b>174,253,958</b>	<b>15,266,519</b>
<b>Total assets</b>	<b>\$202,280,281</b>	<b>\$19,597,308</b>	<b>\$199,006,689</b>	<b>\$18,327,425</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	\$6,854,895	\$67,515	\$4,357,809	\$86,761
Accrued workers' compensation, current portion	144,757		122,605	
Accrued vacation costs, current portion	998,819		1,161,949	
Revenue bonds and notes payable, current portion	5,377,861		5,847,595	
Deferred revenue	791,086		354,832	
<b>Total current liabilities</b>	<b>14,167,418</b>	<b>67,515</b>	<b>11,844,790</b>	<b>86,761</b>
<b>Noncurrent liabilities:</b>				
Accrued workers' compensation	789,158		668,395	
Accrued vacation costs	2,735,724		2,814,752	
Revenue bonds and notes payable	50,615,849		52,568,965	
<b>Total noncurrent liabilities</b>	<b>54,140,731</b>		<b>56,052,112</b>	
<b>Total liabilities</b>	<b>68,308,149</b>	<b>67,515</b>	<b>67,896,902</b>	<b>86,761</b>
<b>NET ASSETS</b>				
Unrestricted	7,213,318	1,809,166	11,991,478	935,782
Invested in capital assets, net	117,588,556		112,446,764	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	1,168,898	7,645,344	28,009	8,597,258
Research		219,159		240,393
Other	1,189,176	7,234,795		7,238,272
Expendable:				
Scholarships and fellowships	82,462	813,993	66,826	374,969
Research		413,598		204,280
Loans	6,697,790		6,551,060	
Capital projects	23,680		25,650	
Other	8,252	1,393,738		649,710
<b>Total net assets</b>	<b>133,972,132</b>	<b>19,529,793</b>	<b>131,109,787</b>	<b>18,240,664</b>
<b>Total liabilities and net assets</b>	<b>\$202,280,281</b>	<b>\$19,597,308</b>	<b>\$199,006,689</b>	<b>\$18,327,425</b>

**UNIVERSITY OF MARYLAND EASTERN SHORE**  
**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
**JUNE 30, 2010 AND 2009**

	Year ended June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>OPERATING REVENUE:</b>				
Tuition and fees	\$22,845,359		\$23,578,169	
Less: scholarship allowances	<u>(12,466,794)</u>	\$10,378,565	<u>(10,648,104)</u>	\$12,930,065
Federal grants and contracts		12,617,244		11,576,813
State and local grants and contracts		8,697,110		9,660,992
Nongovernmental grants and contracts		1,396,988		1,393,892
Sales and services of educational departments		144,611		206,395
Auxiliary enterprises:				
Residential facilities	10,711,487		9,196,532	
Less: scholarship allowances	<u>(1,082,753)</u>	9,628,734	<u>(623,347)</u>	8,573,185
Dining facilities	7,646,115		7,059,034	
Less: scholarship allowances	<u>(1,110,913)</u>	6,535,202	<u>(801,626)</u>	6,257,408
Intercollegiate athletics		2,435,531		2,127,871
Parking facilities		134,536		144,380
Other auxiliary enterprises revenue		5,764,109		5,565,864
Other operating revenue		<u>1,169,098</u>		<u>1,535,656</u>
<b>Total operating revenue</b>		<u>58,901,728</u>		<u>59,972,521</u>
<b>OPERATING EXPENSES:</b>				
Instruction		26,856,500		25,770,865
Research		12,188,158		12,902,599
Public service		654,022		278,265
Academic support		8,861,914		11,636,139
Student services		4,490,223		4,470,449
Institutional support		9,231,538		8,204,069
Operation and maintenance of plant		11,268,622		11,532,446
Scholarships and fellowships		416,801		236,132
Auxiliary enterprises:				
Residential facilities		7,430,192		6,717,904
Dining facilities		5,567,467		5,804,914
Intercollegiate athletics		2,595,539		2,710,976
Other auxiliary enterprises expenses		<u>5,115,681</u>		<u>5,861,396</u>
<b>Total operating expenses</b>		<u>94,676,657</u>		<u>96,126,154</u>
<b>Operating income (loss)</b>		<u>(35,774,929)</u>		<u>(36,153,633)</u>
<b>NONOPERATING REVENUE (EXPENSES):</b>				
State appropriations		28,756,638		31,455,771
Pell grants		9,042,726		6,394,181
Gifts			\$405,030	\$2,602,675
Investment income (loss)	485,417		2,060,922	503,776
Less: Investment expense	<u>(976)</u>	484,441	<u>(1,226)</u>	502,550
Interest on indebtedness		(2,215,645)		(2,397,896)
Other revenues (expenses), gains and (losses)		46,356		(260,418)
Other affiliated foundation revenue			4,184	8,092
Other affiliated foundation expense			(1,181,007)	(907,631)
Transfers (to) from other University System of Maryland institutions		<u>64,029</u>		<u>312,815</u>
<b>Total nonoperating revenue (expenses)</b>		<u>36,178,545</u>	1,289,129	<u>36,007,003</u>
<b>Income (loss) before other revenue (expenses)</b>		<u>403,616</u>	1,289,129	<u>(146,630)</u>
<b>OTHER REVENUE:</b>				
Capital appropriations		128,663		433,958
Additions to permanent endowments		<u>2,330,066</u>		
<b>Total other revenues (expenses)</b>		<u>2,458,729</u>		<u>433,958</u>
<b>Increase (decrease) in net assets</b>		2,862,345	1,289,129	287,328
<b>Net assets - beginning of year</b>		<u>131,109,787</u>	<u>18,240,664</u>	<u>130,822,459</u>
<b>Net assets - end of year</b>		<u>\$133,972,132</u>	<u>\$19,529,793</u>	<u>\$131,109,787</u>

**UNIVERSITY OF MARYLAND EASTERN SHORE  
STATEMENTS OF CASH FLOWS  
JUNE 30, 2010 AND 2009**

	Year ended June 30,	
	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Tuition and fees	\$12,203,322	\$12,652,918
Research contracts and grants	22,724,640	21,828,882
Payments to employees	(61,685,242)	(59,949,207)
Payments to suppliers and contractors	(22,372,745)	(28,524,110)
Loans issued to students	(184,500)	(398,500)
Collections of loans to students	691,375	641,581
Auxiliary enterprises:		
Residential facilities	9,628,734	8,573,185
Dining facilities	6,535,202	6,257,408
Intercollegiate athletics	2,435,531	2,127,871
Parking facilities	134,536	144,380
Other	5,630,290	5,809,437
Other receipts (payments)	1,214,353	1,677,779
<b>Net cash (used) by operating activities</b>	<b>(23,044,504)</b>	<b>(29,158,376)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State appropriations	28,756,638	31,455,771
Private gifts for endowment purposes	2,330,066	
Pell grants	9,042,726	6,394,181
<b>Net cash provided by noncapital financing activities</b>	<b>40,129,430</b>	<b>37,849,952</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds of capital debt	10,487,345	3,260,785
Capital appropriations	128,663	433,958
Purchases of capital assets	(10,770,235)	(4,923,840)
Principal paid on debt and capital leases	(14,693,825)	(7,534,488)
Interest paid on debt and capital leases	(2,603,863)	(2,632,585)
Transfers (to) from other University System of Maryland institutions	2,075,134	2,941,389
<b>Net cash (used) by capital and related financing activities</b>	<b>(15,376,781)</b>	<b>(8,454,781)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	115,290	25,584
Interest on investments	375,187	650,437
Investment expense	(976)	(1,226)
Purchases of investments	(2,330,066)	
<b>Net cash provided (used) by investing activities</b>	<b>(1,840,565)</b>	<b>674,795</b>
<b>Net increase (decrease) in cash</b>	<b>(132,420)</b>	<b>911,590</b>
<b>Cash and cash equivalents - beginning of the year</b>	<b>15,303,690</b>	<b>14,392,100</b>
<b>Cash and cash equivalents - end of the year</b>	<b>\$15,171,270</b>	<b>\$15,303,690</b>

**FROSTBURG STATE UNIVERSITY**  
**BALANCE SHEETS**  
**JUNE 30, 2010 AND 2009**

	June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$23,554,777	\$403,359	\$23,169,198	\$541,386
Accounts receivable, net	1,843,897	657,551	1,685,300	931,182
Notes receivable, current portion	114,508		94,276	
Inventories	1,092,954		881,097	
Prepaid expenses, deferred charges and other assets	580,814	148,942	762,081	113,613
Inter-institutional balances	112,621		42,642	
<b>Total current assets</b>	<b>27,299,571</b>	<b>1,209,852</b>	<b>26,634,594</b>	<b>1,586,181</b>
<b>Noncurrent assets:</b>				
Restricted cash and cash equivalents	226,018		212,210	
Endowment investments	900,533	12,248,471	794,730	10,908,903
Other investments		650,056		580,939
Notes receivable, net	1,030,570		1,004,275	
Capital assets, net	72,413,640	1,454	69,002,002	
<b>Total noncurrent assets</b>	<b>74,570,761</b>	<b>12,899,981</b>	<b>71,013,217</b>	<b>11,489,842</b>
<b>Total assets</b>	<b>\$101,870,332</b>	<b>\$14,109,833</b>	<b>\$97,647,811</b>	<b>\$13,076,023</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	\$6,039,157	\$13,479	\$7,001,226	\$71,285
Accrued workers' compensation, current portion	106,063		82,925	
Accrued vacation costs, current portion	2,963,281		2,777,999	
Revenue bonds and notes payable, current portion	1,157,941		1,054,886	
Deferred revenue	1,389,725	152,578	1,122,564	137,666
<b>Total current liabilities</b>	<b>11,656,167</b>	<b>166,057</b>	<b>12,039,600</b>	<b>208,951</b>
<b>Noncurrent liabilities:</b>				
Accrued workers' compensation	578,215		452,075	
Revenue bonds and notes payable	15,320,048		12,756,378	
<b>Total noncurrent liabilities</b>	<b>15,898,263</b>		<b>13,208,453</b>	
<b>Total liabilities</b>	<b>27,554,430</b>	<b>166,057</b>	<b>25,248,053</b>	<b>208,951</b>
<b>NET ASSETS</b>				
Unrestricted	16,743,802	130,935	15,526,321	23,247
Invested in capital assets, net	55,935,651		55,190,738	
Restricted:				
Expendable:				
Scholarships and fellowships	3,941		15,514	
Research	197,889		349,537	
Loans	1,208,601		1,105,438	
Capital projects	226,018		212,210	
Other		13,812,841		12,843,825
<b>Total net assets</b>	<b>74,315,902</b>	<b>13,943,776</b>	<b>72,399,758</b>	<b>12,867,072</b>
<b>Total liabilities and net assets</b>	<b>\$101,870,332</b>	<b>\$14,109,833</b>	<b>\$97,647,811</b>	<b>\$13,076,023</b>

**FROSTBURG STATE UNIVERSITY**  
**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
**JUNE 30, 2010 AND 2009**

	Year ended June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>OPERATING REVENUE:</b>				
Tuition and fees	\$31,410,037		\$30,315,028	
Less: scholarship allowances	<u>(6,511,522)</u>	\$24,898,515	<u>(4,752,372)</u>	\$25,562,656
Federal grants and contracts		2,511,388		2,353,616
State and local grants and contracts		1,736,254		1,517,200
Nongovernmental grants and contracts		135,051		272,103
Sales and services of educational departments		1,076,419		1,116,700
Auxiliary enterprises:				
Residential facilities	5,847,028		5,711,447	
Less: scholarship allowances	<u>(194,904)</u>	5,652,124	<u>(68,450)</u>	5,642,997
Dining facilities	7,151,120		6,639,090	
Less: scholarship allowances	<u>(54,455)</u>	7,096,665	<u>(17,483)</u>	6,621,607
Intercollegiate athletics	2,932,432		2,475,305	
Less: scholarship allowances	<u>(128,663)</u>	2,803,769	<u>(54,368)</u>	2,420,937
Bookstores	2,620,960		2,978,345	
Less: scholarship allowances	<u>(16,324)</u>	2,604,636	<u>(2,753)</u>	2,975,592
Other auxiliary enterprises revenues	4,494,801		4,345,369	
Less: scholarship allowances	<u>(65,161)</u>	4,429,640	<u>(38,400)</u>	4,306,969
Other operating revenue		<u>335,570</u>		<u>261,117</u>
<b>Total operating revenue</b>		<u>53,280,031</u>		<u>53,051,494</u>
<b>OPERATING EXPENSES:</b>				
Instruction		28,968,590		28,556,554
Research		440,928		303,074
Public service		3,549,815		3,632,540
Academic support		8,471,214		8,050,172
Student services		4,385,949		4,558,531
Institutional support		11,539,860		11,417,017
Operation and maintenance of plant		9,000,647		9,696,089
Scholarships and fellowships		5,404,827		5,247,918
Auxiliary enterprises:				
Residential facilities		4,450,041		4,226,335
Dining facilities		4,443,620		4,166,957
Intercollegiate athletics		3,032,990		2,816,319
Bookstores		2,036,154		3,114,874
Other auxiliary enterprises expenses		<u>2,386,648</u>		<u>2,457,536</u>
<b>Total operating expenses</b>		<u>88,111,283</u>		<u>88,243,916</u>
<b>Operating income (loss)</b>		<u>(34,831,252)</u>		<u>(35,192,422)</u>
<b>NONOPERATING REVENUE (EXPENSES):</b>				
State appropriations		28,535,825		31,848,959
Pell grants		5,859,870		3,954,682
Gifts		860,710	\$1,860,390	751,256
Investment income (loss)	777,142		1,720,986	\$3,197,913
Less: Investment expense	<u>(1,987)</u>	775,155	<u>(2,344)</u>	<u>(3,986,268)</u>
Interest on indebtedness		(363,634)		(434,197)
Other revenues (expenses), gains and (losses)		51,626		(21,981)
Other affiliated foundation revenue			299,909	521,256
Other affiliated foundation expense			(2,804,581)	(2,716,090)
Transfers (to) from other University System of Maryland institutions		<u>591,622</u>		<u>560,322</u>
<b>Total nonoperating revenue (expenses)</b>		<u>36,311,174</u>	<u>1,076,704</u>	<u>37,372,464</u>
<b>Income (loss) before other revenue (expenses)</b>		<u>1,479,922</u>	<u>1,076,704</u>	<u>2,180,042</u>
<b>OTHER REVENUE:</b>				
Capital appropriations		39		8,545
Capital gifts and grants		<u>436,183</u>		<u>44,923</u>
<b>Total other revenue</b>		<u>436,222</u>		<u>53,468</u>
<b>Increase (decrease) in net assets</b>		<u>1,916,144</u>	<u>1,076,704</u>	<u>2,233,510</u>
<b>Net assets - beginning of year</b>		<u>72,399,758</u>	<u>12,867,072</u>	<u>70,166,248</u>
<b>Net assets - end of year</b>		<u>\$74,315,902</u>	<u>\$13,943,776</u>	<u>\$72,399,758</u>

**FROSTBURG STATE UNIVERSITY  
STATEMENTS OF CASH FLOWS  
JUNE 30, 2010 AND 2009**

	<b>Year ended June 30,</b>	
	<b>2010</b>	<b>2009</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Tuition and fees	\$25,057,300	\$25,315,565
Research contracts and grants	4,350,936	4,139,662
Payments to employees	(56,561,319)	(55,608,226)
Payments to suppliers and contractors	(27,715,987)	(27,007,735)
Loans issued to students	(107,314)	(118,308)
Collections of loans to students	60,787	168,931
Auxiliary enterprises:		
Residential facilities	5,652,099	5,642,997
Dining facilities	7,142,734	6,610,084
Intercollegiate athletics	2,842,649	2,379,757
Bookstores	2,480,658	2,974,082
Other	4,461,390	4,297,464
Other receipts	2,236,270	2,174,210
<b>Net cash (used) by operating activities</b>	<b>(30,099,797)</b>	<b>(29,031,517)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State appropriations	28,535,825	31,848,959
Pell grants	5,859,870	3,954,682
<b>Net cash provided by noncapital financing activities</b>	<b>34,395,695</b>	<b>35,803,641</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds of capital debt	1,703,853	361,068
Capital appropriations	39	8,545
Capital grants and gifts received	300,000	5,981
Purchases of capital assets	(7,692,275)	(5,590,962)
Principal paid on debt and capital leases	(2,323,243)	(1,367,206)
Interest paid on debt and capital leases	(540,892)	(558,091)
Transfers (to) from other University System of Maryland institutions	3,986,655	2,634,248
<b>Net cash (used) by capital and related financing activities</b>	<b>(4,565,863)</b>	<b>(4,506,417)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	2,162	1,459
Interest on investments	669,177	994,111
Investment expense	(1,987)	(2,344)
Purchases of investments		(508)
<b>Net cash provided by investing activities</b>	<b>669,352</b>	<b>992,718</b>
<b>Net increase in cash</b>	<b>399,387</b>	<b>3,258,425</b>
<b>Cash and cash equivalents - beginning of the year</b>	<b>23,381,408</b>	<b>20,122,983</b>
<b>Cash and cash equivalents - end of the year</b>	<b>\$23,780,795</b>	<b>\$23,381,408</b>

**COPPIN STATE UNIVERSITY  
BALANCE SHEETS  
JUNE 30, 2010 AND 2009**

	June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$2,880,863	\$2,174,252	\$3,991,258	\$1,510,183
Accounts receivable, net	7,848,699	894,867	9,568,513	479,888
Notes receivable, current portion	77,942		206,156	
Inventories			73,086	
Prepaid expenses, deferred charges and other assets	19,000	6,131		5,768
Inter-institutional balances	106,474		38,319	
<b>Total current assets</b>	<b>10,932,978</b>	<b>3,075,250</b>	<b>13,877,332</b>	<b>1,995,839</b>
<b>Noncurrent assets:</b>				
Restricted cash and cash equivalents	122,052		94,598	
Endowment investments	726,960	6,906,363	622,786	6,354,467
Notes receivable, net	645,289		1,224,485	
Other assets		145,443		216,092
Capital assets, net	263,952,227		219,934,323	617,539
<b>Total noncurrent assets</b>	<b>265,446,528</b>	<b>7,051,806</b>	<b>221,876,192</b>	<b>7,188,098</b>
<b>Total assets</b>	<b>\$276,379,506</b>	<b>\$10,127,056</b>	<b>\$235,753,524</b>	<b>\$9,183,937</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	\$4,893,163	\$96,012	\$4,894,065	\$84,630
Accrued workers' compensation, current portion	130,583		167,245	
Accrued vacation costs, current portion	568,891		422,495	
Revenue bonds and notes payable, current portion	1,857,530		1,575,360	
Deferred revenue	1,038,231	59,972	3,848,763	
<b>Total current liabilities</b>	<b>8,488,398</b>	<b>155,984</b>	<b>10,907,928</b>	<b>84,630</b>
<b>Noncurrent liabilities:</b>				
Accrued workers' compensation	711,891		911,755	
Accrued vacation costs	2,465,193		2,323,310	
Other payables		100,980		83,842
Revenue bonds and notes payable	25,303,817		18,604,236	
<b>Total noncurrent liabilities</b>	<b>28,480,901</b>	<b>100,980</b>	<b>21,839,301</b>	<b>83,842</b>
<b>Total liabilities</b>	<b>36,969,299</b>	<b>256,964</b>	<b>32,747,229</b>	<b>168,472</b>
<b>NET ASSETS</b>				
Unrestricted	532,439	429,333	1,326,713	855,648
Invested in capital assets, net	236,790,880		199,754,727	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	413,474		231,570	
Other	240,125	7,237,863	182,436	6,390,967
Expendable:				
Scholarships and fellowships			69,101	
Loans	1,311,237		1,195,481	
Capital projects	122,052		94,598	
Other		2,202,896	151,669	1,768,850
<b>Total net assets</b>	<b>239,410,207</b>	<b>9,870,092</b>	<b>203,006,295</b>	<b>9,015,465</b>
<b>Total liabilities and net assets</b>	<b>\$276,379,506</b>	<b>\$10,127,056</b>	<b>\$235,753,524</b>	<b>\$9,183,937</b>

**COPPIN STATE UNIVERSITY**  
**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
**JUNE 30, 2010 AND 2009**

	Year ended June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>OPERATING REVENUE:</b>				
Tuition and fees	\$15,517,378		\$14,968,754	
Less: scholarship allowances	(11,528,904)	\$3,988,474	(9,673,754)	\$5,295,000
Federal grants and contracts		8,777,416		7,271,718
State and local grants and contracts		1,646,628		1,803,692
Nongovernmental grants and contracts		1,844,762		1,175,103
Sales and services of educational departments		166,513		285,145
Auxiliary enterprises:				
Residential facilities		3,070,973		3,026,896
Dining facilities		1,598,234		1,617,481
Intercollegiate athletics	3,053,167		2,868,078	
Less: scholarship allowances	(1,231,880)	1,821,287	(1,239,633)	1,628,445
Parking facilities		1,138,412		868,107
Other auxiliary enterprises revenue		1,409,714		1,849,309
Other operating revenue		1,676,046		620,282
<b>Total operating revenue</b>		<b>27,138,459</b>		<b>25,441,178</b>
<b>OPERATING EXPENSES:</b>				
Instruction		26,773,325		23,826,874
Research		275,973		317,851
Public service		17,625		
Academic support		6,802,454		7,659,035
Student services		5,858,237		5,557,514
Institutional support		17,286,406		15,742,361
Operation and maintenance of plant		9,172,047		9,473,352
Scholarships and fellowships		763,647		1,708,391
Auxiliary enterprises:				
Residential facilities		1,702,018		2,290,615
Dining facilities		1,667,980		1,552,820
Intercollegiate athletics		3,459,864		2,971,771
Parking facilities		857,162		448,876
Other auxiliary enterprises expenses		1,025,821		2,449,978
<b>Total operating expenses</b>		<b>75,662,559</b>		<b>73,999,438</b>
<b>Operating income (loss)</b>		<b>(48,524,100)</b>		<b>(48,558,260)</b>
<b>NONOPERATING REVENUE (EXPENSES):</b>				
State appropriations		35,267,551		34,181,414
Pell grants		8,667,136		7,522,085
Gifts			\$4,187,783	\$5,047,094
Investment income (loss)	164,862		970,560	30,645
Less: Investment expense	(1,585)	163,277	(1,807)	28,838
Interest on indebtedness		(923,754)		(844,783)
Other revenues (expenses), gains and (losses)		22,831		(2,312)
Other affiliated foundation revenue			208,837	322,382
Other affiliated foundation expense			(4,512,553)	(4,363,867)
Transfers (to) from other University System of Maryland institutions		2,625,684		(3,117)
<b>Total nonoperating revenue (expenses)</b>		<b>45,822,725</b>	<b>854,627</b>	<b>40,882,125</b>
<b>Income (loss) before other revenue (expenses)</b>		<b>(2,701,375)</b>	<b>854,627</b>	<b>(7,676,135)</b>
<b>OTHER REVENUE:</b>				
Capital appropriations		39,080,287		69,820,694
Additions to permanent endowments		25,000		35,000
<b>Total other revenue</b>		<b>39,105,287</b>		<b>69,855,694</b>
<b>Increase (decrease) in net assets</b>		<b>36,403,912</b>	<b>854,627</b>	<b>62,179,559</b>
<b>Net assets - beginning of year</b>		<b>203,006,295</b>	<b>9,015,465</b>	<b>140,826,736</b>
<b>Net assets - end of year</b>		<b>\$239,410,207</b>	<b>\$9,870,092</b>	<b>\$203,006,295</b>

**COPPIN STATE UNIVERSITY  
STATEMENTS OF CASH FLOWS  
JUNE 30, 2010 AND 2009**

	Year ended June 30,	
	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Tuition and fees	\$4,494,591	\$5,622,040
Research contracts and grants	10,671,971	11,467,150
Payments to employees	(48,433,896)	(45,409,785)
Payments to suppliers and contractors	(19,641,993)	(26,880,219)
Loans issued to students	(360,793)	(201,134)
Collections of loans to students	1,068,203	112,911
Auxiliary enterprises:		
Residential facilities	3,070,973	3,026,896
Dining facilities	1,598,234	1,617,481
Intercollegiate athletics	1,821,287	1,628,445
Parking facilities	1,138,412	868,107
Other	1,409,714	1,849,309
Other receipts	1,840,385	1,095,413
<b>Net cash (used) by operating activities</b>	<b>(41,322,912)</b>	<b>(45,203,386)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State appropriations	35,267,551	34,181,414
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes	25,000	35,000
Pell grants	8,667,136	7,522,085
<b>Net cash provided by noncapital financing activities</b>	<b>43,959,687</b>	<b>41,738,499</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds of capital debt	2,065,904	1,287,368
Capital appropriations	39,080,287	69,820,694
Purchases of capital assets	(51,499,633)	(70,084,317)
Principal paid on debt and capital leases	(4,093,124)	(2,825,744)
Interest paid on debt and capital leases	(1,013,483)	(889,021)
Transfers (to) from other University System of Maryland institutions	11,656,230	1,737,928
<b>Net cash (used) by capital and related financing activities</b>	<b>(3,803,819)</b>	<b>(953,092)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments		7,086
Interest on investments	85,688	58,559
Investment expense	(1,585)	(1,807)
Purchases of investments		(35,000)
<b>Net cash provided by investing activities</b>	<b>84,103</b>	<b>28,838</b>
<b>Net increase (decrease) in cash</b>	<b>(1,082,941)</b>	<b>(4,389,141)</b>
<b>Cash and cash equivalents - beginning of the year</b>	<b>4,085,856</b>	<b>8,474,997</b>
<b>Cash and cash equivalents - end of the year</b>	<b>\$3,002,915</b>	<b>\$4,085,856</b>

**UNIVERSITY OF BALTIMORE  
BALANCE SHEETS  
JUNE 30, 2010 AND 2009**

	June 30,			
	2010	Component	2009	Component
	Institution	Units	Institution	Units
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$19,120,918	\$14,079,641	\$16,973,686	\$7,263,776
Accounts receivable, net	5,444,154	8,083,013	5,167,520	1,317,840
Notes receivable, current portion	421,082		336,657	
Prepaid expenses, deferred charges and other assets	1,023,284	11,108	880,664	34,779
Inter-institutional balances	(8,907,779)		(9,192,964)	
<b>Total current assets</b>	<b>17,101,659</b>	<b>22,173,762</b>	<b>14,165,563</b>	<b>8,616,395</b>
<b>Noncurrent assets:</b>				
Restricted cash and cash equivalents	243,700		6,201,301	
Accounts receivable, net				2,509,525
Endowment investments		35,631,278		32,864,779
Notes receivable, net	2,810,703		3,013,811	
Capital assets, net	88,883,674	1,537,537	81,458,097	1,634,215
<b>Total noncurrent assets</b>	<b>91,938,077</b>	<b>37,168,815</b>	<b>90,673,209</b>	<b>37,008,519</b>
<b>Total assets</b>	<b>\$109,039,736</b>	<b>\$59,342,577</b>	<b>\$104,838,772</b>	<b>\$45,624,914</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	\$7,555,325	\$424,300	\$6,431,034	\$468,474
Accrued workers' compensation, current portion	102,790		70,680	
Accrued vacation costs, current portion	2,403,671		2,300,223	
Revenue bonds and notes payable, current portion	1,560,292		1,429,657	
Deferred revenue	7,399,414	297,148	7,029,602	260,340
<b>Total current liabilities</b>	<b>19,021,492</b>	<b>721,448</b>	<b>17,261,196</b>	<b>728,814</b>
<b>Noncurrent liabilities:</b>				
Accrued workers' compensation	560,371		385,320	
Accrued vacation costs	332,760		323,885	
Revenue bonds and notes payable	28,698,456		30,625,574	
<b>Total noncurrent liabilities</b>	<b>29,591,587</b>		<b>31,334,779</b>	
<b>Total liabilities</b>	<b>48,613,079</b>	<b>721,448</b>	<b>48,595,975</b>	<b>728,814</b>
<b>NET ASSETS</b>				
Unrestricted	(1,673,754)	4,629,462	(1,555,100)	1,769,022
Invested in capital assets, net	58,624,926		54,146,485	
Restricted:				
Nonexpendable:				
Scholarships and fellowships		13,692,760		15,560,364
Other		17,551,100		14,391,461
Expendable:				
Scholarships and fellowships		1,044,279		1,554,710
Loans	3,231,785		3,350,468	
Capital projects	243,700		300,944	
Other		21,703,528		11,620,543
<b>Total net assets</b>	<b>60,426,657</b>	<b>58,621,129</b>	<b>56,242,797</b>	<b>44,896,100</b>
<b>Total liabilities and net assets</b>	<b>\$109,039,736</b>	<b>\$59,342,577</b>	<b>\$104,838,772</b>	<b>\$45,624,914</b>

**UNIVERSITY OF BALTIMORE**  
**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
**JUNE 30, 2010 AND 2009**

	Year ended June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>OPERATING REVENUE:</b>				
Tuition and fees	\$60,863,661		\$53,245,429	
Less: scholarship allowances	(11,305,644)	\$49,558,017	(8,281,804)	\$44,963,625
Federal grants and contracts		1,263,122		2,003,295
State and local grants and contracts		5,099,782		3,349,528
Nongovernmental grants and contracts		2,793,778		2,520,429
Sales and services of educational departments		221,595		152,349
Auxiliary enterprises:				
Parking facilities		1,287,145		1,264,079
Other auxiliary enterprises revenue		6,772,611		5,495,872
Other operating revenue		93,808		526,221
<b>Total operating revenue</b>		<b>67,089,858</b>		<b>60,275,398</b>
<b>OPERATING EXPENSES:</b>				
Instruction		35,097,414		30,528,580
Research		4,556,734		5,424,139
Academic support		11,676,259		11,299,427
Student services		8,693,483		8,396,455
Institutional support		18,877,384		19,397,521
Operation and maintenance of plant		5,078,917		7,061,117
Scholarships and fellowships		4,580,702		939,262
Auxiliary enterprises:				
Parking facilities		1,033,105		489,010
Other auxiliary enterprises expenses		4,845,048		3,406,234
<b>Total operating expenses</b>		<b>94,439,046</b>		<b>86,941,745</b>
<b>Operating income (loss)</b>		<b>(27,349,188)</b>		<b>(26,666,347)</b>
<b>NONOPERATING REVENUE (EXPENSES):</b>				
State appropriations		26,351,923		29,627,568
Pell grants		4,695,913		2,422,896
Gifts			\$11,114,764	\$3,427,832
Investment income (loss)		365,393	5,308,496	196,947
Interest on indebtedness		(970,140)		(996,032)
Other affiliated foundation revenue			183,906	369,383
Other affiliated foundation expense			(2,882,137)	(5,135,681)
Transfers (to) from other University System of Maryland institutions		(3,020,206)		(2,641,342)
<b>Total nonoperating revenue (expenses)</b>		<b>27,422,883</b>	<b>13,725,029</b>	<b>28,610,037</b>
<b>Income (loss) before other revenue (expenses)</b>		<b>73,695</b>	<b>13,725,029</b>	<b>1,943,690</b>
<b>OTHER REVENUE:</b>				
Capital appropriations		4,110,165		1,351,693
<b>Total other revenue</b>		<b>4,110,165</b>		<b>1,351,693</b>
<b>Increase (decrease) in net assets</b>		<b>4,183,860</b>	<b>13,725,029</b>	<b>3,295,383</b>
<b>Net assets - beginning of year</b>		<b>56,242,797</b>	<b>44,896,100</b>	<b>52,947,414</b>
<b>Net assets - end of year</b>		<b>\$60,426,657</b>	<b>\$58,621,129</b>	<b>\$56,242,797</b>

**UNIVERSITY OF BALTIMORE  
STATEMENTS OF CASH FLOWS  
JUNE 30, 2010 AND 2009**

	Year ended June 30,	
	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Tuition and fees	\$50,150,996	\$46,709,733
Research contracts and grants	8,453,727	9,306,558
Payments to employees	(65,452,946)	(63,217,139)
Payments to suppliers and contractors	(24,820,590)	(16,322,728)
Loans issued to students	(471,993)	(668,858)
Collections of loans to students	583,371	493,648
Auxiliary enterprises:		
Parking facilities	1,287,145	1,264,079
Other	6,911,056	5,495,872
Other receipts (payments)	540,407	(1,491,280)
<b>Net cash (used) by operating activities</b>	<b>(22,818,827)</b>	<b>(18,430,115)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State appropriations	26,351,923	29,627,568
Pell grants	4,695,913	2,422,896
<b>Net cash provided by noncapital financing activities</b>	<b>31,047,836</b>	<b>32,050,464</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds of capital debt	1,330,665	8,899,877
Capital appropriations	4,110,165	1,351,693
Purchases of capital assets	(10,541,882)	(11,499,869)
Principal paid on debt and capital leases	(2,605,094)	(2,660,945)
Interest paid on debt and capital leases	(1,031,035)	(1,059,137)
Transfers (to) from other University System of Maryland institutions	(3,662,250)	2,551,942
<b>Net cash (used) by capital and related financing activities</b>	<b>(12,399,431)</b>	<b>(2,416,439)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on investments	360,053	174,981
<b>Net cash provided by investing activities</b>	<b>360,053</b>	<b>174,981</b>
<b>Net increase (decrease) in cash</b>	<b>(3,810,369)</b>	<b>11,378,891</b>
<b>Cash and cash equivalents - beginning of the year</b>	<b>23,174,987</b>	<b>11,796,096</b>
<b>Cash and cash equivalents - end of the year</b>	<b>\$19,364,618</b>	<b>\$23,174,987</b>

**SALISBURY UNIVERSITY  
BALANCE SHEETS  
JUNE 30, 2010 AND 2009**

	2010		June 30, 2009	
	Institution	Component Units	Institution	Component Units
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$57,652,164	\$905,081	\$55,374,512	\$338,270
Accounts receivable, net	1,550,611	2,233,252	1,721,789	221,184
Notes receivable, current portion	128,314		125,618	
Inventories	1,022,007		1,142,165	
Prepaid expenses, deferred charges and other assets		64,057	35,949	
Inter-institutional balances	(2,783)		(325,966)	
<b>Total current assets</b>	<b>60,350,313</b>	<b>3,202,390</b>	<b>58,074,067</b>	<b>559,454</b>
<b>Noncurrent assets:</b>				
Restricted cash and cash equivalents	39,119		81,562	
Accounts receivable, net		2,122,298		332,778
Endowment investments		34,594,754		28,277,337
Notes receivable, net	1,265,188		1,321,730	
Other assets		6,248,320		6,772,989
Capital assets, net	241,112,892	3,515,612	196,639,975	8,404,641
<b>Total noncurrent assets</b>	<b>242,417,199</b>	<b>46,480,984</b>	<b>198,043,267</b>	<b>43,787,745</b>
<b>Total assets</b>	<b>\$302,767,512</b>	<b>\$49,683,374</b>	<b>\$256,117,334</b>	<b>\$44,347,199</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	\$8,674,819	\$97,110	\$8,390,798	\$503,797
Accrued workers' compensation, current portion	179,506		148,645	
Accrued vacation costs, current portion	1,829,953		1,902,185	
Revenue bonds and notes payable, current portion	4,235,005		3,597,602	8,009,122
Deferred revenue	2,054,707	149,136	2,093,087	
<b>Total current liabilities</b>	<b>16,973,990</b>	<b>246,246</b>	<b>16,132,317</b>	<b>8,512,919</b>
<b>Noncurrent liabilities:</b>				
Accrued workers' compensation	978,600		810,355	
Accrued vacation costs	1,584,292		1,549,812	
Other payables		2,667,760		2,559,122
Revenue bonds and notes payable	54,493,441	3,045,431	30,367,498	
<b>Total noncurrent liabilities</b>	<b>57,056,333</b>	<b>5,713,191</b>	<b>32,727,665</b>	<b>2,559,122</b>
<b>Total liabilities</b>	<b>74,030,323</b>	<b>5,959,437</b>	<b>48,859,982</b>	<b>11,072,041</b>
<b>NET ASSETS</b>				
Unrestricted	44,953,648	2,208,382	43,167,356	(788,697)
Invested in capital assets, net	182,384,446		162,674,875	
Restricted:				
Nonexpendable:				
Scholarships and fellowships		11,387,310		12,128,356
Research		200,000		551,111
Other		11,486,062		12,237,968
Expendable:				
Scholarships and fellowships		2,633,592		1,365,054
Research	18,305	444,744	18,305	34,105
Loans	1,341,671		1,315,254	
Capital projects	39,119		81,562	
Other		15,363,847		7,747,261
<b>Total net assets</b>	<b>228,737,189</b>	<b>43,723,937</b>	<b>207,257,352</b>	<b>33,275,158</b>
<b>Total liabilities and net assets</b>	<b>\$302,767,512</b>	<b>\$49,683,374</b>	<b>\$256,117,334</b>	<b>\$44,347,199</b>

**SALISBURY UNIVERSITY**  
**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
**JUNE 30, 2010 AND 2009**

	Year ended June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>OPERATING REVENUE:</b>				
Tuition and fees	\$51,247,236		\$49,340,304	
Less: scholarship allowances	(9,539,460)	\$41,707,776	(7,014,366)	\$42,325,938
Federal grants and contracts		1,320,307		1,034,367
State and local grants and contracts		2,687,930		3,234,396
Nongovernmental grants and contracts		732,615		540,150
Sales and services of educational departments		98,440		87,304
Auxiliary enterprises:				
Residential facilities	15,608,866		14,524,343	
Less: scholarship allowances	(628,137)	14,980,729	(519,820)	14,004,523
Dining facilities	11,975,097		11,245,383	
Less: scholarship allowances	(6,118)	11,968,979	(23,492)	11,221,891
Intercollegiate athletics	4,216,115		3,603,928	
Less: scholarship allowances		4,216,115	(1,216)	3,602,712
Bookstores		5,432,231		5,675,949
Parking facilities		673,640		629,878
Other auxiliary enterprises revenue	1,577,651		1,770,040	
Less: scholarship allowances	(240)	1,577,411	(2,806)	1,767,234
<b>Total operating revenue</b>	<b>85,396,173</b>		<b>84,124,342</b>	
<b>OPERATING EXPENSES:</b>				
Instruction		41,965,237		41,783,569
Research		785,816		822,374
Public service		3,951,042		4,052,903
Academic support		8,027,110		8,343,295
Student services		5,208,884		5,130,337
Institutional support		13,294,843		13,111,872
Operation and maintenance of plant		14,113,835		16,610,448
Scholarships and fellowships		612,499		406,013
Auxiliary enterprises				
Residential facilities		6,754,197		7,241,377
Dining facilities		10,679,764		10,689,479
Intercollegiate athletics		3,547,709		3,638,105
Bookstores		4,860,567		4,858,850
Parking facilities		700,682		242,760
Other auxiliary enterprises expenses		1,764,014		2,493,645
<b>Total operating expenses</b>		<b>116,266,199</b>		<b>119,425,027</b>
<b>Operating income (loss)</b>		<b>(30,870,026)</b>		<b>(35,300,685)</b>
<b>NONOPERATING REVENUE (EXPENSES):</b>				
State appropriations		33,747,270		37,575,176
Pell grants		5,839,594		3,551,460
Gifts			\$8,112,593	\$3,722,519
Investment income (loss)		1,431,008	4,843,436	2,135,558
Interest on indebtedness		(1,563,403)		(1,066,369)
Other revenues (expenses), gains and (losses)		(12,397)		(43,313)
Other affiliated foundation revenue			1,437,282	1,484,301
Other affiliated foundation expense			(3,944,532)	(4,626,868)
Transfers (to) from other University System of Maryland institutions		(1,728,098)		145,377
<b>Total nonoperating revenue (expenses)</b>		<b>37,713,974</b>	<b>10,448,779</b>	<b>42,297,889</b>
<b>Income (loss) before other revenue (expenses)</b>		<b>6,843,948</b>	<b>10,448,779</b>	<b>6,997,204</b>
<b>OTHER REVENUE:</b>				
Capital appropriations		14,442,785		8,972,692
Capital gifts and grants		193,104		220,186
<b>Total other revenue</b>		<b>14,635,889</b>		<b>9,192,878</b>
<b>Increase (decrease) in net assets</b>		<b>21,479,837</b>	<b>10,448,779</b>	<b>16,190,082</b>
<b>Net assets, beginning of year</b>		<b>207,257,352</b>	<b>33,275,158</b>	<b>191,067,270</b>
<b>Net assets, end of year</b>		<b>\$228,737,189</b>	<b>\$43,723,937</b>	<b>\$207,257,352</b>

**SALISBURY UNIVERSITY**  
**STATEMENTS OF CASH FLOWS**  
**JUNE 30, 2010 AND 2009**

	<b>Year ended June 30,</b>	
	<b>2010</b>	<b>2009</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Tuition and fees	\$41,777,277	\$42,516,434
Research contracts and grants	4,839,671	5,113,503
Payments to employees	(81,152,935)	(78,395,547)
Payments to suppliers and contractors	(26,583,169)	(34,108,554)
Loans issued to students	(78,878)	(233,109)
Collections of loans to students	132,724	85,512
Auxiliary enterprises:		
Residential facilities	14,985,117	14,005,753
Dining facilities	11,961,894	11,256,357
Intercollegiate athletics	4,216,838	3,601,989
Bookstores	5,432,313	5,676,082
Parking facilities	673,640	629,878
Other	1,567,403	1,767,018
Other receipts	294,302	182,887
<b>Net cash (used) by operating activities</b>	<b>(21,933,803)</b>	<b>(27,901,797)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State appropriations	33,747,270	37,575,176
Pell grants	5,839,594	3,551,460
<b>Net cash provided by noncapital financing activities</b>	<b>39,586,864</b>	<b>41,126,636</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds of capital debt	1,687,727	1,115,197
Capital appropriations	14,442,785	8,972,692
Capital grants and gifts received	193,104	48,936
Purchases of capital assets	(52,846,293)	(21,441,060)
Principal paid on debt and capital leases	(5,757,993)	(5,316,998)
Interest paid on debt and capital leases	(1,570,231)	(1,252,035)
Transfers (to) from other University System of Maryland institutions	27,002,041	10,612,702
<b>Net cash (used) by capital and related financing activities</b>	<b>(16,848,860)</b>	<b>(7,260,566)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on investments	1,431,008	2,135,558
<b>Net cash provided by investing activities</b>	<b>1,431,008</b>	<b>2,135,558</b>
<b>Net increase in cash</b>	<b>2,235,209</b>	<b>8,099,831</b>
<b>Cash and cash equivalents - beginning of the year</b>	<b>55,456,074</b>	<b>47,356,243</b>
<b>Cash and cash equivalents - end of the year</b>	<b>\$57,691,283</b>	<b>\$55,456,074</b>

**UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE  
BALANCE SHEETS  
JUNE 30, 2010 AND 2009**

	June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$148,943,341	\$1,500	\$140,906,069	\$4,030
Accounts receivable, net	43,509,303	1,090,736	42,318,827	1,639,796
Notes receivable, current portion	231,389		408,122	
Inventories	2,134,557		2,335,234	
Prepaid expenses, deferred charges and other assets	1,786,355	4,901	1,659,312	4,746
Inter-institutional balances	452,194		184,410	
<b>Total current assets</b>	<b>197,057,139</b>	<b>1,097,137</b>	<b>187,811,974</b>	<b>1,648,572</b>
<b>Noncurrent assets:</b>				
Restricted cash and cash equivalents	455,109		397,540	
Accounts receivable, net		205,239		1,775,988
Endowment investments	137,353	8,161,516	129,787	9,948,597
Other investments		5,900,171		5,438,046
Notes receivable, net	1,245,977		1,093,909	
Other assets		10,426		
Capital assets, net	146,044,724	3,339,887	128,121,288	3,388,181
<b>Total noncurrent assets</b>	<b>147,883,163</b>	<b>17,617,239</b>	<b>129,742,524</b>	<b>20,550,812</b>
<b>Total assets</b>	<b>\$344,940,302</b>	<b>\$18,714,376</b>	<b>\$317,554,498</b>	<b>\$22,199,384</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	\$18,199,294	\$18,629	\$18,599,613	\$29,047
Accrued workers' compensation, current portion	218,002		207,545	
Accrued vacation costs, current portion	5,655,000		5,681,304	
Revenue bonds and notes payable, current portion	2,998		864,664	
Deferred revenue	37,180,473		31,851,736	
<b>Total current liabilities</b>	<b>61,255,767</b>	<b>18,629</b>	<b>57,204,862</b>	<b>29,047</b>
<b>Noncurrent liabilities:</b>				
Accrued workers' compensation	1,188,461		1,131,455	
Accrued vacation costs	4,884,793		4,266,624	
Revenue bonds and notes payable	23,146		17,181,066	
<b>Total noncurrent liabilities</b>	<b>6,096,400</b>		<b>22,579,145</b>	
<b>Total liabilities</b>	<b>67,352,167</b>	<b>18,629</b>	<b>79,784,007</b>	<b>29,047</b>
<b>NET ASSETS</b>				
Unrestricted	129,427,750	4,745,718	125,642,716	3,707,268
Invested in capital assets, net	146,018,580		110,075,558	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	29,423	2,306,090	23,580	4,264,503
Research		66,106		119,242
Other		2,182,255		3,590,405
Expendable:				
Scholarships and fellowships	61,702	2,917,580	60,119	3,200,282
Research		1,482,452		1,743,487
Loans	1,595,571		1,570,978	
Capital projects	455,109		397,540	
Other		4,995,546		5,545,150
<b>Total net assets</b>	<b>277,588,135</b>	<b>18,695,747</b>	<b>237,770,491</b>	<b>22,170,337</b>
<b>Total liabilities and net assets</b>	<b>\$344,940,302</b>	<b>\$18,714,376</b>	<b>\$317,554,498</b>	<b>\$22,199,384</b>

**UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE**  
**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
**JUNE 30, 2010 AND 2009**

	Year ended June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>OPERATING REVENUE:</b>				
Tuition and fees	\$265,260,479		\$225,326,298	
Less: scholarship allowances	<u>(13,752,370)</u>	\$251,508,109	<u>(9,929,227)</u>	\$215,397,071
Federal grants and contracts		1,635,695		1,347,935
State and local grants and contracts		1,557,703		1,456,829
Nongovernmental grants and contracts		2,230,093		858,439
Sales and services of educational departments		1,709,152		2,335,922
Auxiliary enterprises:				
Residential facilities		1,857		
Bookstores		6,368,194		5,285,513
Parking facilities		393,722		436,451
Other auxiliary enterprises revenue		560		460
Other operating revenue		<u>15,916,045</u>		<u>17,985,307</u>
<b>Total operating revenue</b>		<u>281,321,130</u>		<u>245,103,927</u>
<b>OPERATING EXPENSES:</b>				
Instruction		82,414,796		78,953,263
Research		325,115		458,409
Public service		14,197,024		13,630,706
Academic support		44,197,473		39,382,405
Student services		61,807,174		56,367,150
Institutional support		42,611,661		39,072,303
Operation and maintenance of plant		18,355,107		12,361,468
Scholarships and fellowships		14,798,772		10,143,675
Auxiliary enterprises:				
Bookstores		5,487,277		4,961,576
Parking facilities		<u>640,172</u>		<u>740,037</u>
<b>Total operating expenses</b>		<u>284,834,571</u>		<u>256,070,992</u>
<b>Operating income (loss)</b>		<u>(3,513,441)</u>		<u>(10,967,065)</u>
<b>NONOPERATING REVENUE (EXPENSES):</b>				
State appropriations		26,458,498		27,474,818
Pell grants		15,153,632		9,018,154
Gifts				
Investment income (loss)	2,659,963		\$1,295,646	\$7,090,692
Less: Investment expense	<u>(324)</u>	1,406,789	3,737,153	(8,771,378)
Interest on indebtedness		2,659,639	<u>(413)</u>	3,736,740
Other revenues (expenses), gains and (losses)		(792,848)		(874,334)
Other revenues (expenses), gains and (losses)		(207,997)		(138,552)
Other affiliated foundation revenue				1,869
Other affiliated foundation expense				(2,233,103)
Transfers (to) from other University System of Maryland institutions		<u>60,161</u>		<u>(225,089)</u>
<b>Total nonoperating revenue (expenses)</b>		<u>43,331,085</u>		<u>38,991,737</u>
<b>Income (loss) before other revenue (expenses)</b>		<u>39,817,644</u>		<u>28,024,672</u>
<b>OTHER REVENUE:</b>				
Capital appropriations				15,000,000
Additions to permanent endowments				
<b>Total other revenue</b>				<u>15,000,000</u>
<b>Increase (decrease) in net assets</b>		<u>39,817,644</u>		<u>43,024,672</u>
<b>Net assets - beginning of period</b>		<u>237,770,491</u>		<u>194,745,819</u>
<b>Net assets - end of period</b>		<u>\$277,588,135</u>		<u>\$237,770,491</u>

**UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE**  
**STATEMENTS OF CASH FLOWS**  
**JUNE 30, 2010 AND 2009**

	<b>Year ended June 30,</b>	
	<b>2010</b>	<b>2009</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Tuition and fees	\$249,588,795	\$220,975,750
Research contracts and grants	10,948,654	2,713,939
Payments to employees	(169,226,607)	(153,788,510)
Payments to suppliers and contractors	(104,659,851)	(90,573,314)
Loans issued to students	(118,316)	(131,290)
Collections of loans to students	142,981	184,437
Auxiliary enterprises:		
Residential facilities	1,857	
Bookstores	6,368,194	5,285,513
Parking facilities	393,722	436,451
Other	560	460
Other receipts	17,202,432	14,868,381
<b>Net cash provided (used) by operating activities</b>	<b>10,642,421</b>	<b>(28,183)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State appropriations	26,458,498	27,474,818
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes		
Pell grants	15,153,632	9,018,154
<b>Net cash provided by noncapital financing activities</b>	<b>41,612,130</b>	<b>36,492,972</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds of capital debt	1,324,320	7,831
Capital appropriations		15,000,000
Proceeds from sales of capital assets	610,489	114,433
Purchases of capital assets	(28,191,649)	(51,670,972)
Principal paid on debt and capital leases	(2,048,953)	(755,790)
Interest paid on debt and capital leases	(1,099,435)	(905,673)
Transfers (to) from other University System of Maryland institutions	(17,406,555)	142,158
<b>Net cash (used) by capital and related financing activities</b>	<b>(46,811,783)</b>	<b>(38,068,013)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	10,015	10,251
Interest on investments	2,642,382	3,786,482
Investment expense	(324)	(413)
Purchases of investments		
<b>Net cash provided by investing activities</b>	<b>2,652,073</b>	<b>3,796,320</b>
<b>Net increase in cash</b>	<b>8,094,841</b>	<b>2,193,096</b>
<b>Cash and cash equivalents - beginning of the year</b>	<b>141,303,609</b>	<b>139,110,513</b>
<b>Cash and cash equivalents - end of the year</b>	<b>\$149,398,450</b>	<b>\$141,303,609</b>

**UNIVERSITY OF MARYLAND, BALTIMORE COUNTY**  
**BALANCE SHEETS**  
**JUNE 30, 2010 AND 2009**

	June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$31,672,073	\$1,040,018	\$28,489,101	\$922,696
Accounts receivable, net	32,669,987	6,261,879	32,308,961	4,672,812
Notes receivable, current portion	397,078		369,142	
Inventories	697,134		698,382	
Prepaid expenses, deferred charges and other assets	475,727	53,470	307,728	51,058
Inter-institutional balances	(738,631)		2,658,647	
<b>Total current assets</b>	<b>65,173,368</b>	<b>7,355,367</b>	<b>64,831,961</b>	<b>5,646,566</b>
<b>Noncurrent assets:</b>				
Restricted cash and cash equivalents	1,093,075		1,019,529	
Accounts receivable, net		3,664,935		4,903,676
Endowment investments	1,374,642	47,500,238	1,267,573	42,264,060
Other investments		15,301,314		14,519,191
Notes receivable, net	1,903,521		1,783,852	
Capital assets, net	261,089,226	2,910,705	263,653,697	2,979,710
<b>Total noncurrent assets</b>	<b>265,460,464</b>	<b>69,377,192</b>	<b>267,724,651</b>	<b>64,666,637</b>
<b>Total assets</b>	<b>\$330,633,832</b>	<b>\$76,732,559</b>	<b>\$332,556,612</b>	<b>\$70,313,203</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	\$16,671,404	\$461,298	\$17,070,015	\$724,089
Accrued workers' compensation, current portion	300,098		272,955	
Accrued vacation costs, current portion	6,044,477		4,906,429	
Revenue bonds and notes payable, current portion	7,345,171	45,022	7,885,752	58,691
Deferred revenue	9,902,534	5,839,833	17,741,717	5,825,256
<b>Total current liabilities</b>	<b>40,263,684</b>	<b>6,346,153</b>	<b>47,876,868</b>	<b>6,608,036</b>
<b>Noncurrent liabilities:</b>				
Accrued workers' compensation	1,636,017		1,488,045	
Accrued vacation costs	5,371,738		2,566,290	
Other payables		1,408,970		1,661,081
Revenue bonds and notes payable	88,184,920	473,622	93,367,296	518,644
<b>Total noncurrent liabilities</b>	<b>95,192,675</b>	<b>1,882,592</b>	<b>97,421,631</b>	<b>2,179,725</b>
<b>Total liabilities</b>	<b>135,456,359</b>	<b>8,228,745</b>	<b>145,298,499</b>	<b>8,787,761</b>
<b>NET ASSETS</b>				
Unrestricted	26,094,190	13,738,377	21,554,467	7,887,343
Invested in capital assets, net	165,559,135		162,400,650	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	130,474	21,488,412	130,474	24,791,094
Research		615,979		693,198
Other		20,334,502		20,872,317
Expendable:				
Scholarships and fellowships		3,809,247		2,221,661
Research		1,935,517		1,210,343
Loans	2,300,599		2,152,993	
Capital projects	1,093,075		1,019,529	
Other		6,581,780		3,849,486
<b>Total net assets</b>	<b>195,177,473</b>	<b>68,503,814</b>	<b>187,258,113</b>	<b>61,525,442</b>
<b>Total liabilities and net assets</b>	<b>\$330,633,832</b>	<b>\$76,732,559</b>	<b>\$332,556,612</b>	<b>\$70,313,203</b>

**UNIVERSITY OF MARYLAND, BALTIMORE COUNTY**  
**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
**JUNE 30, 2010 AND 2009**

	Year ended June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>OPERATING REVENUE:</b>				
Tuition and fees	\$95,769,244		\$93,089,000	
Less: scholarship allowances	(18,549,485)	\$77,219,759	(16,602,469)	\$76,486,531
Federal grants and contracts		58,269,011		54,599,301
State and local grants and contracts		27,672,159		22,361,857
Nongovernmental grants and contracts		14,694,541		21,186,994
Sales and services of educational departments		6,859,125		5,390,681
Auxiliary enterprises:				
Residential facilities	13,764,896		13,954,096	
Less: scholarship allowances	(3,291,398)	10,473,498	(1,801,259)	12,152,837
Dining facilities	11,691,461		10,480,588	
Less: scholarship allowances	(1,887,743)	9,803,718	(1,326,953)	9,153,635
Intercollegiate athletics		8,009,856		7,562,606
Bookstores	6,248,685		6,935,371	
Less: scholarship allowances	(12,988)	6,235,697	(19,645)	6,915,726
Parking facilities		2,749,197		2,285,696
Other auxiliary enterprises revenue		13,173,301		12,664,413
Other operating revenue		6,580,796		3,025,453
<b>Total operating revenue</b>		<b>241,740,658</b>		<b>233,785,730</b>
<b>OPERATING EXPENSES:</b>				
Instruction		94,770,008		94,946,908
Research		65,653,747		60,607,396
Public service		18,363,933		18,558,527
Academic support		22,079,763		20,112,551
Student services		12,715,705		14,208,166
Institutional support		29,232,076		30,797,395
Operation and maintenance of plant		18,880,163		18,846,348
Scholarships and fellowships		14,548,415		16,218,046
Auxiliary enterprises:				
Residential facilities		11,829,947		10,118,811
Dining facilities		10,799,081		9,899,911
Intercollegiate athletics		5,749,902		6,187,570
Bookstores		6,027,170		6,990,330
Other auxiliary enterprises expenses		11,669,739		12,306,987
<b>Total operating expenses</b>		<b>322,319,649</b>		<b>319,798,946</b>
<b>Operating income (loss)</b>		<b>(80,578,991)</b>		<b>(86,013,216)</b>
<b>NONOPERATING REVENUE (EXPENSES):</b>				
State appropriations		77,416,858		86,910,895
Pell grants		9,472,962		6,397,924
Gifts		14,365	\$4,081,662	1,182,253
Investment income (loss)	880,470		6,997,625	\$7,451,874
Less: Investment expense	(3,169)	877,301	737,318	(17,267,716)
Interest on indebtedness		(2,748,687)	(3,718)	733,600
Other revenues (expenses), gains and (losses)		(77,374)		(4,013,691)
Other affiliated foundation revenue			2,226,858	(255,033)
Other affiliated foundation expense			(6,327,773)	1,814,832
Transfers (to) from other University System of Maryland institutions		1,081,567		(10,098,973)
<b>Total nonoperating revenue (expenses)</b>		<b>86,036,992</b>	<b>6,978,372</b>	<b>88,981,463</b>
<b>Income (loss) before other revenue, (expenses)</b>		<b>5,458,001</b>	<b>6,978,372</b>	<b>2,968,247</b>
<b>OTHER REVENUE:</b>				
Capital appropriations		2,094,792		3,682,812
Capital gifts and grants		366,567		277,204
Additions to permanent endowments				109,721
<b>Total other revenue</b>		<b>2,461,359</b>		<b>4,069,737</b>
<b>Increase (decrease) in net assets</b>		<b>7,919,360</b>	<b>6,978,372</b>	<b>7,037,984</b>
<b>Net assets - beginning of year</b>		<b>187,258,113</b>	<b>61,525,442</b>	<b>180,220,129</b>
<b>Net assets - end of year</b>		<b>\$195,177,473</b>	<b>\$68,503,814</b>	<b>\$187,258,113</b>

**UNIVERSITY OF MARYLAND, BALTIMORE COUNTY**  
**STATEMENTS OF CASH FLOWS**  
**JUNE 30, 2010 AND 2009**

	Year ended June 30,	
	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Tuition and fees	\$76,660,049	\$76,866,233
Research contracts and grants	94,794,738	88,238,460
Payments to employees	(198,345,061)	(202,942,127)
Payments to suppliers and contractors	(103,421,197)	(92,638,978)
Loans issued to students	(387,508)	(382,261)
Collections of loans to students	239,902	249,044
Auxiliary enterprises:		
Residential facilities	10,459,469	12,090,817
Dining facilities	9,790,586	9,139,939
Intercollegiate athletics	7,999,127	7,551,291
Bookstores	6,227,344	6,905,379
Parking facilities	2,745,514	2,282,276
Other	13,155,656	12,645,464
Other receipts	13,682,563	12,879,563
<b>Net cash (used) by operating activities</b>	<b>(66,398,818)</b>	<b>(67,114,900)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State appropriations	77,416,858	86,910,895
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes		109,721
Pell grants	9,472,962	6,397,924
<b>Net cash provided by noncapital financing activities</b>	<b>86,889,820</b>	<b>93,418,540</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds of capital debt	12,817,568	6,010,180
Capital appropriations	2,094,792	3,682,812
Capital grants and gifts received	366,567	277,204
Purchases of capital assets	(13,315,080)	(16,542,187)
Principal paid on debt and capital leases	(19,982,862)	(12,936,520)
Interest paid on debt and capital leases	(3,993,804)	(4,273,134)
Transfers (to) from other University System of Maryland institutions	4,008,103	5,519,797
<b>Net cash (used) by capital and related financing activities</b>	<b>(18,004,716)</b>	<b>(18,261,848)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	59,186	93,735
Interest on investments	714,215	1,172,922
Investment expense	(3,169)	(3,718)
Purchases of investments		(169,014)
<b>Net cash provided by investing activities</b>	<b>770,232</b>	<b>1,093,925</b>
<b>Net increase in cash</b>	<b>3,256,518</b>	<b>9,135,717</b>
<b>Cash and cash equivalents - beginning of the year</b>	<b>29,508,630</b>	<b>20,372,913</b>
<b>Cash and cash equivalents - end of the year</b>	<b>\$32,765,148</b>	<b>\$29,508,630</b>

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE  
BALANCE SHEETS  
JUNE 30, 2010 AND 2009**

	June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$4,739,666		\$5,770,405	
Accounts receivable, net	6,538,067	\$158,840	5,585,909	\$67,818
Prepaid expenses, deferred charges and other assets		3,424		3,037
Inter-institutional balances	(1,932)		682	
<b>Total current assets</b>	<b>11,275,801</b>	<b>162,264</b>	<b>11,356,996</b>	<b>70,855</b>
<b>Noncurrent assets:</b>				
Restricted cash and cash equivalents	88,523		3,232,411	
Accounts receivable, net		24,000		21,000
Endowment investments		358,772		329,777
Other investments		1,082,954		1,292,543
Capital assets, net	62,908,060		60,791,832	
<b>Total noncurrent assets</b>	<b>62,996,583</b>	<b>1,465,726</b>	<b>64,024,243</b>	<b>1,643,320</b>
<b>Total assets</b>	<b>\$74,272,384</b>	<b>\$1,627,990</b>	<b>\$75,381,239</b>	<b>\$1,714,175</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	\$2,299,853	\$1,258	\$1,382,740	\$67,183
Accrued workers' compensation, current portion	3,605		61,225	
Accrued vacation costs, current portion	626,703		589,083	
Revenue bonds and notes payable, current portion	1,109,619		1,042,746	
Deferred revenue	490,673		510,538	
<b>Total current liabilities</b>	<b>4,530,453</b>	<b>1,258</b>	<b>3,586,332</b>	<b>67,183</b>
<b>Noncurrent liabilities:</b>				
Accrued workers' compensation	19,655		333,775	
Accrued vacation costs	2,288,196		2,150,840	
Revenue bonds and notes payable	11,001,289		11,965,431	
<b>Total noncurrent liabilities</b>	<b>13,309,140</b>		<b>14,450,046</b>	
<b>Total liabilities</b>	<b>17,839,593</b>	<b>1,258</b>	<b>18,036,378</b>	<b>67,183</b>
<b>NET ASSETS</b>				
Unrestricted	5,547,116	253,579	6,328,795	298,270
Invested in capital assets, net	50,797,152		51,001,566	
Restricted:				
Nonexpendable:				
Scholarships and fellowships		120,381		156,237
Research		3,451		4,369
Other		113,917		131,540
Expendable:				
Scholarships and fellowships		352,574		322,373
Research		179,146		175,626
Capital projects	88,523		14,500	
Other		603,684		558,577
<b>Total net assets</b>	<b>56,432,791</b>	<b>1,626,732</b>	<b>57,344,861</b>	<b>1,646,992</b>
<b>Total liabilities and net assets</b>	<b>\$74,272,384</b>	<b>\$1,627,990</b>	<b>\$75,381,239</b>	<b>\$1,714,175</b>

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE  
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS  
JUNE 30, 2010 AND 2009**

	Year ended June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>OPERATING REVENUE:</b>				
Federal grants and contracts	\$12,649,538		\$11,291,640	
State and local grants and contracts	5,224,402		5,344,882	
Nongovernmental grants and contracts	1,157,632		1,393,722	
Sales and services of educational departments	2,069,435		2,320,919	
<b>Total operating revenue</b>	<b>21,101,007</b>		<b>20,351,163</b>	
<b>OPERATING EXPENSES:</b>				
Research	38,904,621		37,880,666	
Operation and maintenance of plant	189,935		176,055	
<b>Total operating expenses</b>	<b>39,094,556</b>		<b>38,056,721</b>	
<b>Operating income (loss)</b>	<b>(17,993,549)</b>		<b>(17,705,558)</b>	
<b>NONOPERATING REVENUE (EXPENSES):</b>				
State appropriations	15,829,606		17,316,865	
Gifts	100	\$260,251		\$509,013
Investment income (loss)	166,979	54,978	240,856	(1,229,632)
Interest on indebtedness	(451,158)		(472,265)	
Other revenues, (expenses), gains and (losses)			131,940	
Other affiliated foundation revenue		(131)		2,048
Other affiliated foundation expense		(335,358)		(921,989)
Transfers (to) from other University System of Maryland institutions	1,198,029		916,276	
<b>Total nonoperating revenue (expenses)</b>	<b>16,743,556</b>	<b>(20,260)</b>	<b>18,133,672</b>	<b>(1,640,560)</b>
<b>Income (loss) before other revenue, (expenses)</b>	<b>(1,249,993)</b>	<b>(20,260)</b>	<b>428,114</b>	<b>(1,640,560)</b>
<b>OTHER REVENUE:</b>				
Capital appropriations	337,923		128,096	
Capital gifts and grants				
<b>Total other revenue</b>	<b>337,923</b>		<b>128,096</b>	
<b>Increase (decrease) in net assets</b>	<b>(912,070)</b>	<b>(20,260)</b>	<b>556,210</b>	<b>(1,640,560)</b>
<b>Net assets - beginning of year</b>	<b>57,344,861</b>	<b>1,646,992</b>	<b>56,788,651</b>	<b>3,287,552</b>
<b>Net assets - end of year</b>	<b>\$56,432,791</b>	<b>\$1,626,732</b>	<b>\$57,344,861</b>	<b>\$1,646,992</b>

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE**  
**STATEMENTS OF CASH FLOWS**  
**JUNE 30, 2010 AND 2009**

	<b>Year ended June 30,</b>	
	<b>2010</b>	<b>2009</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Research contracts and grants	\$21,722,934	\$17,486,759
Payments to employees	(23,624,665)	(23,123,018)
Payments to suppliers and contractors	(15,475,608)	(12,446,311)
Other receipts	2,069,435	2,452,859
<b>Net cash (used) by operating activities</b>	<b>(15,307,904)</b>	<b>(15,629,711)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State appropriations	15,829,606	17,316,865
<b>Net cash provided by noncapital financing activities</b>	<b>15,829,606</b>	<b>17,316,865</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds of capital debt	552,745	2,531,805
Capital appropriations	337,923	128,096
Capital grants and gifts received	100	
Proceeds from sales of capital assets		1,509,476
Purchases of capital assets	(4,961,487)	(573,037)
Principal paid on debt and capital leases	(1,810,772)	(2,049,187)
Interest paid on debt and capital leases	(502,620)	(507,313)
Transfers (to) from other University System of Maryland institutions	1,520,803	1,166,870
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(4,863,308)</b>	<b>2,206,710</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	166,979	240,856
<b>Net cash provided by investing activities</b>	<b>166,979</b>	<b>240,856</b>
<b>Net increase in cash</b>	<b>(4,174,627)</b>	<b>4,134,720</b>
<b>Cash and cash equivalents - beginning of the year</b>	<b>9,002,816</b>	<b>4,868,096</b>
<b>Cash and cash equivalents - end of the year</b>	<b>\$4,828,189</b>	<b>\$9,002,816</b>

**UNIVERSITY OF MARYLAND BIOTECHNOLOGY INSTITUTE**  
**BALANCE SHEETS**  
**JUNE 30, 2010 AND 2009**

	June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents			\$9,073,541	
Accounts receivable, net			4,285,630	\$32,108
Prepaid expenses, deferred charges and other assets				1,136
Inter-Institutional balances			(6,480)	
<b>Total current assets</b>			<b>13,352,691</b>	<b>33,244</b>
<b>Noncurrent assets:</b>				
Restricted cash and cash equivalents				
Endowment investments				67,025
Other investments				2,567,101
Capital assets, net			93,658,330	
<b>Total noncurrent assets</b>			<b>93,658,330</b>	<b>2,634,126</b>
<b>Total assets</b>			<b>\$107,011,021</b>	<b>\$2,667,370</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities			\$2,094,052	\$94,736
Accrued vacation costs, current portion			1,281,913	
Revenue bonds and notes payable, current portion			47,039	
Obligations under capital lease obligations, current portion			242,999	
Deferred revenue			2,443,431	
<b>Total current liabilities</b>			<b>6,109,434</b>	<b>94,736</b>
<b>Noncurrent liabilities:</b>				
Accrued vacation costs			1,580,309	
Revenue bonds and notes payable			921,203	
Obligations under capital lease agreements			3,809,696	
<b>Total noncurrent liabilities</b>			<b>6,311,208</b>	
<b>Total liabilities</b>			<b>12,420,642</b>	<b>94,736</b>
<b>NET ASSETS</b>				
Unrestricted			5,952,986	409,328
Invested in capital assets, net			88,637,393	
Restricted:				
Nonexpendable:				
Scholarships and fellowships				31,608
Research				884
Other				26,611
Expendable:				
Scholarships and fellowships				642,015
Research				349,764
Capital projects				
Other				1,112,424
<b>Total net assets</b>			<b>94,590,379</b>	<b>2,572,634</b>
<b>Total liabilities and net assets</b>			<b>\$107,011,021</b>	<b>\$2,667,370</b>

**UNIVERSITY OF MARYLAND BIOTECHNOLOGY INSTITUTE**  
**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
**JUNE 30, 2010 AND 2009**

	Year ended June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>OPERATING REVENUE:</b>				
Federal grants and contracts	\$11,027,335		\$16,715,036	
State and local grants and contracts	2,838,595		3,007,150	
Nongovernmental grants and contracts	2,414,553		2,077,770	
Sales and services of educational departments	775,437		1,244,836	
Other operating revenue	538,566			
<b>Total operating revenue</b>	<b>17,594,486</b>		<b>23,044,792</b>	
<b>OPERATING EXPENSES:</b>				
Research	33,688,249		51,803,411	
<b>Total operating expenses</b>	<b>33,688,249</b>		<b>51,803,411</b>	
<b>Operating income (loss)</b>	<b>(16,093,763)</b>		<b>(28,758,619)</b>	
<b>NONOPERATING REVENUE (EXPENSES):</b>				
State appropriations	18,162,923		19,877,902	
Gifts		\$46,231		\$63,528
Investment income (loss)	257,614	2,125	476,906	(2,211,278)
Interest on indebtedness	(316,436)		(319,972)	
Other revenues (expenses), gains and (losses)	518,587		909,124	
Other affiliated foundation revenue		34,836		922,304
Other affiliated foundation expense		(2,655,826)		(234,073)
Transfers (to) from other University System of Maryland institutions	(98,276,320)		589,936	
<b>Total nonoperating revenue (expenses)</b>	<b>(79,653,632)</b>	<b>(2,572,634)</b>	<b>21,533,896</b>	<b>(1,459,519)</b>
<b>Income (loss) before other revenue (expenses)</b>	<b>(95,747,395)</b>	<b>(2,572,634)</b>	<b>(7,224,723)</b>	<b>(1,459,519)</b>
<b>OTHER REVENUE:</b>				
Capital appropriations	1,157,016		2,780,018	
<b>Total other revenue</b>	<b>1,157,016</b>		<b>2,780,018</b>	
<b>Increase (decrease) in net assets</b>	<b>(94,590,379)</b>	<b>(2,572,634)</b>	<b>(4,444,705)</b>	<b>(1,459,519)</b>
<b>Net assets - beginning of year</b>	<b>94,590,379</b>	<b>2,572,634</b>	<b>99,035,084</b>	<b>4,032,153</b>
<b>Net assets - end of year</b>			<b>\$94,590,379</b>	<b>\$2,572,634</b>

**UNIVERSITY OF MARYLAND BIOTECHNOLOGY INSTITUTE**  
**STATEMENTS OF CASH FLOWS**  
**JUNE 30, 2010 AND 2009**

	<b>Year ended June 30,</b>	
	<b>2010</b>	<b>2009</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Research contracts and grants	\$18,122,682	\$22,649,614
Payments to employees	(22,056,981)	(26,732,878)
Payments to suppliers and contractors	(13,361,192)	(20,075,849)
Other receipts	1,832,590	2,153,960
	<u>(15,462,901)</u>	<u>(22,005,153)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State appropriations	18,162,923	19,877,902
	<u>18,162,923</u>	<u>19,877,902</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from capital debt		2,780,018
Capital appropriations	1,157,016	2,780,018
Purchases of capital assets	(2,684,709)	(2,374,807)
Principal paid on debt and capital leases	(284,476)	(253,624)
Interest paid on debt and capital leases	(318,307)	(320,717)
Transfers (to) from other University System of Maryland institutions	(9,900,701)	1,101,703
	<u>(12,031,177)</u>	<u>932,573</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on investments	257,614	476,906
	<u>257,614</u>	<u>476,906</u>
<b>Net cash provided by investing activities</b>	<u>257,614</u>	<u>476,906</u>
<b>Net increase (decrease) in cash</b>	(9,073,541)	(717,772)
<b>Cash and cash equivalents - beginning of the year</b>	<u>9,073,541</u>	<u>9,791,313</u>
<b>Cash and cash equivalents - end of the year</b>	<u><u>\$9,073,541</u></u>	<u><u>\$9,073,541</u></u>

**UNIVERSITY SYSTEM OF MARYLAND OFFICE  
BALANCE SHEETS  
JUNE 30, 2010 AND 2009**

	June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$88,098,242	\$910,484	\$56,679,191	\$995,689
Accounts receivable, net	987,531	978,801	382,703	4,828,653
Prepaid expenses, deferred charges and other assets		92,044		115,697
Inter-institutional balances	8,706,052		6,702,325	
<b>Total current assets</b>	<b>97,791,825</b>	<b>1,981,329</b>	<b>63,764,219</b>	<b>5,940,039</b>
<b>Noncurrent assets:</b>				
Restricted cash and cash equivalents	52,209,868		133,579,922	
Accounts receivable, net		911,726		938,289
Endowment investments	8,629,438	21,441,372	8,247,974	4,514,192
Other investments		211,880,855		195,446,541
Restricted investments	90,651,337			
Other assets		288,036		1,333,653
Capital assets, net	90,803,223	3,377,596	91,332,926	2,672,307
<b>Total noncurrent assets</b>	<b>242,293,866</b>	<b>237,899,585</b>	<b>233,160,822</b>	<b>204,904,982</b>
<b>Total assets</b>	<b>\$340,085,691</b>	<b>\$239,880,914</b>	<b>\$296,925,041</b>	<b>\$210,845,021</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	\$7,729,891	\$1,173,988	\$1,218,430	\$1,037,878
Accrued workers' compensation, current portion	18,724		12,245	
Accrued vacation costs, current portion	715,348		486,227	
Revenue bonds and notes payable, current portion	8,398,304		6,467,011	
<b>Total current liabilities</b>	<b>16,862,267</b>	<b>1,173,988</b>	<b>8,183,913</b>	<b>1,037,878</b>
<b>Noncurrent liabilities:</b>				
Accrued workers' compensation	102,075		66,755	
Accrued vacation costs	1,134,707		1,101,986	
Endowments invested on behalf of primary government		177,206,963		163,698,314
Other payables		37,091,037		26,375,686
Revenue bonds and notes payable	165,234,028		140,573,481	
<b>Total noncurrent liabilities</b>	<b>166,470,810</b>	<b>214,298,000</b>	<b>141,742,222</b>	<b>190,074,000</b>
<b>Total liabilities</b>	<b>183,333,077</b>	<b>215,471,988</b>	<b>149,926,135</b>	<b>191,111,878</b>
<b>NET ASSETS</b>				
Unrestricted	94,708,112	3,052,035	67,033,510	3,335,480
Invested in capital assets, net	53,453,792		70,867,797	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	347,604	6,717,899	347,579	2,403,741
Research		192,573		67,212
Other	471,330	6,357,154	471,330	2,023,777
Expendable:				
Scholarships and fellowships	284,253	2,511,935	294,635	3,631,712
Research		1,276,339		1,978,527
Capital projects	6,578,288		7,004,560	
Other	909,235	4,300,991	979,495	6,292,694
<b>Total net assets</b>	<b>156,752,614</b>	<b>24,408,926</b>	<b>146,998,906</b>	<b>19,733,143</b>
<b>Total liabilities and net assets</b>	<b>\$340,085,691</b>	<b>\$239,880,914</b>	<b>\$296,925,041</b>	<b>\$210,845,021</b>

**UNIVERSITY SYSTEM OF MARYLAND OFFICE**  
**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
**JUNE 30, 2010 AND 2009**

	Year ended June 30,			
	2010		2009	
	Institution	Component Units	Institution	Component Units
<b>OPERATING REVENUE:</b>				
Federal grants and contracts	\$2,302,692		\$1,688,963	
State and local grants and contracts	\$383,389			
Other operating revenue	174,680			
<b>Total operating revenue</b>	<b>2,860,761</b>		<b>1,688,963</b>	
<b>OPERATING EXPENSES:</b>				
Academic support	4,832,983		4,491,958	
Institutional support	13,240,064		12,930,903	
<b>Total operating expenses</b>	<b>18,073,047</b>		<b>17,422,861</b>	
<b>Operating income (loss)</b>	<b>(15,212,286)</b>		<b>(15,733,898)</b>	
<b>NONOPERATING REVENUE (EXPENSES):</b>				
State appropriations	17,093,094		19,016,660	
Gifts		\$2,434,702		\$2,433,948
Investment income (loss)	\$2,017,110	2,353,304	\$811,260	(4,490,133)
Less: Investment expense	(19,719)		(100,158)	
Interest on indebtedness	1,997,391		711,102	
Other revenues (expenses), gains and (losses)	(3,747,583)		(3,338,993)	
Other revenues (expenses), gains and (losses)	(1,884,909)		(1,483,142)	
Other affiliated foundation revenue		3,059,653		2,504,435
Other affiliated foundation expense		(3,171,876)		(5,813,147)
Transfers (to) from other University System of Maryland institutions	11,487,633		(345,692)	
<b>Total nonoperating revenue (expenses)</b>	<b>24,945,626</b>	<b>4,675,783</b>	<b>14,559,935</b>	<b>(5,364,897)</b>
<b>Income (loss) before other revenue (expenses)</b>	<b>9,733,340</b>	<b>4,675,783</b>	<b>(1,173,963)</b>	<b>(5,364,897)</b>
<b>OTHER REVENUE:</b>				
Capital appropriations	20,343		57,460	
Additions to permanent endowments	25			
<b>Total other revenue</b>	<b>20,368</b>		<b>57,460</b>	
<b>Increase (decrease) in net assets</b>	<b>9,753,708</b>	<b>4,675,783</b>	<b>(1,116,503)</b>	<b>(5,364,897)</b>
<b>Net assets - beginning of year</b>	<b>146,998,906</b>	<b>19,733,143</b>	<b>148,115,409</b>	<b>25,098,040</b>
<b>Net assets - end of year</b>	<b>\$156,752,614</b>	<b>\$24,408,926</b>	<b>\$146,998,906</b>	<b>\$19,733,143</b>

**UNIVERSITY SYSTEM OF MARYLAND OFFICE  
STATEMENTS OF CASH FLOWS  
JUNE 30, 2010 AND 2009**

	Year ended June 30,	
	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Research contracts and grants	\$2,574,238	\$1,537,084
Payments to employees	(12,771,561)	(12,186,678)
Payments to suppliers and contractors	(1,467,479)	(2,896,855)
Other receipts (payments)	2,082,087	(1,483,119)
	<u>(9,582,715)</u>	<u>(15,029,568)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State appropriations	17,093,094	19,016,660
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes	25	
	<u>17,093,119</u>	<u>19,016,660</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds of capital debt	121,117,568	104,033,943
Capital appropriations	20,343	57,460
Capital grants and gifts received		
Purchases of capital assets	(2,584,533)	(10,112,992)
Principal paid on debt and capital leases	(1,169,046)	(2,133,730)
Interest paid on debt and capital leases	(2,293,238)	(3,284,340)
Transfers (to) from other University System of Maryland institutions	(83,524,106)	(100,480,309)
	<u>31,566,988</u>	<u>(11,919,968)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	583,789	74,550,872
Interest on investments	1,058,897	3,465,136
Investment expense	(19,719)	(100,158)
Purchases of investments	(90,651,362)	
	<u>(89,028,395)</u>	<u>77,915,850</u>
<b>Net cash provided (used) by investing activities</b>	<u>(89,028,395)</u>	<u>77,915,850</u>
<b>Net increase (decrease) in cash</b>	(49,951,003)	69,982,974
<b>Cash and cash equivalents - beginning of the year</b>	190,259,113	120,276,139
<b>Cash and cash equivalents - end of the year</b>	<u><u>\$140,308,110</u></u>	<u><u>\$190,259,113</u></u>

**UNIVERSITY SYSTEM OF MARYLAND  
COMBINING BALANCE SHEETS, NON-MAJOR COMPONENT UNITS  
JUNE 30, 2010**

	Medical Alumni Association of the University of Maryland, Inc.	M Club Foundation University of Maryland, Inc.	The Robert H. Smith School of Business Foundation, Inc.	Bowie State University Foundation, Inc.	Towson University Foundation, Inc.	Frostburg State University Foundation, Inc.	Coppin State University Development Foundation, Inc.	University of Baltimore Foundation, Inc.	Salisbury University Foundation, Inc.	Maryland 4-H Foundation, Inc.	University Research Corporation International	The Maryland Center at Bowie State University, Inc.	University of Maryland Baltimore County Research Park	Total Nonmajor Component Units
<b>ASSETS</b>														
<b>Current assets</b>														
Cash	\$392,910	\$18,959	\$932,898	\$417,735	\$1,995,510	\$403,359	\$2,174,252	\$14,079,641	\$905,081	\$309,103	\$2,323,540	\$89,225	\$1,039,618	\$25,081,831
Accounts receivable, net	52,995		230,211	1,470,874	198,695	657,551	894,867	8,083,013	2,233,252	4,970	1,766,434	33,966	48,116	15,674,944
Other assets	115,158	41,250	15,818	10,706	367,413	148,942	6,131	11,108	64,057	3,692	50,329			834,604
<b>Total current assets</b>	<b>561,063</b>	<b>60,209</b>	<b>1,178,927</b>	<b>1,899,315</b>	<b>2,561,618</b>	<b>1,209,852</b>	<b>3,075,250</b>	<b>22,173,762</b>	<b>3,202,390</b>	<b>317,765</b>	<b>4,140,303</b>	<b>123,191</b>	<b>1,087,734</b>	<b>41,591,379</b>
<b>Investments</b>														
Endowment investments	4,045,692	2,061,877		4,889,426	32,837,853	12,248,471	6,906,363	35,631,278	34,594,754	2,175,573				135,391,287
Other investments		223,549	5,457,780		6,723,855	650,056							7,424,453	20,479,693
<b>Total investments</b>	<b>4,045,692</b>	<b>2,285,426</b>	<b>5,457,780</b>	<b>4,889,426</b>	<b>39,561,708</b>	<b>12,898,527</b>	<b>6,906,363</b>	<b>35,631,278</b>	<b>34,594,754</b>	<b>2,175,573</b>			<b>7,424,453</b>	<b>155,870,980</b>
<b>Other assets</b>														
Accounts receivable, net					753,357				2,122,298					2,875,655
Capital assets, net	12,503				1,128,381	1,454		1,537,537	3,515,612	110,684	12,375	6,736	2,910,705	9,235,987
Assets held for sale														-
Other assets		13,900			1,200,000		145,443		6,248,320					7,607,663
<b>Total other assets</b>	<b>12,503</b>	<b>13,900</b>			<b>3,081,738</b>	<b>1,454</b>	<b>145,443</b>	<b>1,537,537</b>	<b>11,886,230</b>	<b>110,684</b>	<b>12,375</b>	<b>6,736</b>	<b>2,910,705</b>	<b>19,719,305</b>
<b>Total assets</b>	<b>\$4,619,258</b>	<b>\$2,359,535</b>	<b>\$6,636,707</b>	<b>\$6,788,741</b>	<b>\$45,205,064</b>	<b>\$14,109,833</b>	<b>\$10,127,056</b>	<b>\$59,342,577</b>	<b>\$49,683,374</b>	<b>\$2,604,022</b>	<b>\$4,152,678</b>	<b>\$129,927</b>	<b>\$11,422,892</b>	<b>\$217,181,664</b>
<b>LIABILITIES</b>														
<b>Current liabilities</b>														
Accounts payable & accrued expenses	\$362,917	\$786	\$423,771	\$22,377	\$330,055	\$13,479	\$96,012	\$424,300	\$97,110	\$94,070	\$1,283,743	\$20,548	\$6,170	\$3,175,338
Long-term debt, current					1,000,000						8,853	45,022	1,053,875	
Deferred income	1,365		4,070			152,578	59,972	297,148	149,136		1,137,190	100,034	5,710,261	7,611,754
<b>Total current liabilities</b>	<b>364,282</b>	<b>786</b>	<b>427,841</b>	<b>22,377</b>	<b>1,330,055</b>	<b>166,057</b>	<b>155,984</b>	<b>721,448</b>	<b>246,246</b>	<b>94,070</b>	<b>2,420,933</b>	<b>129,435</b>	<b>5,761,453</b>	<b>11,840,967</b>
<b>Other liabilities</b>														
Other payables							100,980		2,667,760			5,994	1,408,970	4,183,704
Long-term debt, noncurrent									3,045,431				473,622	3,519,053
<b>Total other liabilities</b>							<b>100,980</b>		<b>5,713,191</b>			<b>5,994</b>	<b>1,882,592</b>	<b>7,702,757</b>
<b>Total liabilities</b>	<b>364,282</b>	<b>786</b>	<b>427,841</b>	<b>22,377</b>	<b>1,330,055</b>	<b>166,057</b>	<b>256,964</b>	<b>721,448</b>	<b>5,959,437</b>	<b>94,070</b>	<b>2,420,933</b>	<b>135,429</b>	<b>7,644,045</b>	<b>19,543,724</b>
<b>NET ASSETS</b>														
Unrestricted	517,265	2,358,749	6,208,866	214,960	768,598	130,935	429,333	4,629,462	2,208,382	524,624	1,731,745	(5,502)	3,719,347	23,436,764
Temporarily restricted														-
Scholarships & fellowships					3,790,748			1,044,279	2,633,592					7,468,619
Research					5,905				444,744					450,649
Other	3,737,711		2,599,424	6,331,040	13,812,841	2,202,896	21,703,528	15,363,847		132,260			59,500	65,943,047
Permanently restricted														-
Scholarships & fellowships					19,754,521			13,692,760	11,387,310					44,834,591
Research					10,003				200,000					210,003
Other			3,951,980	13,214,194			7,237,863	17,551,100	11,486,062	1,853,068				55,294,267
<b>Total net assets</b>	<b>4,254,976</b>	<b>2,358,749</b>	<b>6,208,866</b>	<b>6,766,364</b>	<b>43,875,009</b>	<b>13,943,776</b>	<b>9,870,092</b>	<b>58,621,129</b>	<b>43,723,937</b>	<b>2,509,952</b>	<b>1,731,745</b>	<b>(5,502)</b>	<b>3,778,847</b>	<b>197,637,940</b>
<b>Total liabilities &amp; net assets</b>	<b>\$4,619,258</b>	<b>\$2,359,535</b>	<b>\$6,636,707</b>	<b>\$6,788,741</b>	<b>\$45,205,064</b>	<b>\$14,109,833</b>	<b>\$10,127,056</b>	<b>\$59,342,577</b>	<b>\$49,683,374</b>	<b>\$2,604,022</b>	<b>\$4,152,678</b>	<b>\$129,927</b>	<b>\$11,422,892</b>	<b>\$217,181,664</b>

**UNIVERSITY SYSTEM OF MARYLAND**  
**COMBINING BALANCE SHEETS, NON-MAJOR COMPONENT UNITS**  
**JUNE 30, 2009**

	Medical Alumni Association of the University of Maryland, Inc.	M Club Foundation University of Maryland, Inc.	The Robert H. Smith School of Business Foundation, Inc.	Bowie State University Foundation, Inc.	Towson University Foundation, Inc.	Frostburg State University Foundation, Inc.	Coppin State University Development Foundation, Inc.	University of Baltimore Foundation, Inc.	Salisbury University Foundation, Inc.	Maryland 4-H Foundation, Inc.	University Research Corporation International	The Maryland Center at Bowie State University, Inc.	University of Maryland Baltimore County Research Park	Total Nonmajor Component Units
<b>ASSETS</b>														
<b>Current assets</b>														
Cash	\$587,610	\$26,706	\$3,258,292	\$867,072	\$7,807,114	\$541,386	\$1,510,183	\$7,263,776	\$338,270	\$219,927	\$2,144,927	\$13,499	\$922,296	\$25,501,058
Accounts receivable, net	444,946		379,680	1,422,358	1,668,734	931,182	479,888	1,317,840	221,184	8,175	1,062,911	4,764	89,931	8,031,593
Other assets	111,920	41,250	6,502	11,763	174,172	113,613	5,768	34,779		4,074	49,407		21,360	574,608
<b>Total current assets</b>	<b>1,144,476</b>	<b>67,956</b>	<b>3,644,474</b>	<b>2,301,193</b>	<b>9,650,020</b>	<b>1,586,181</b>	<b>1,995,839</b>	<b>8,616,395</b>	<b>559,454</b>	<b>232,176</b>	<b>3,257,245</b>	<b>18,263</b>	<b>1,033,587</b>	<b>34,107,259</b>
<b>Investments</b>														
Endowment investments	3,514,665	1,819,340		3,712,128	27,723,137		6,354,467	32,864,779	28,277,337	1,688,501				105,954,354
Other investments		213,677	2,916,891			11,489,842							7,095,268	21,715,678
<b>Total investments</b>	<b>3,514,665</b>	<b>2,033,017</b>	<b>2,916,891</b>	<b>3,712,128</b>	<b>27,723,137</b>	<b>11,489,842</b>	<b>6,354,467</b>	<b>32,864,779</b>	<b>28,277,337</b>	<b>1,688,501</b>			<b>7,095,268</b>	<b>127,670,032</b>
<b>Other assets</b>														
Accounts receivable, net								2,509,525	332,778					2,842,303
Capital assets, net	10,839				1,013,246		617,539	1,634,215	8,404,641	118,788		9,944	2,979,710	14,788,922
Assets held for sale														-
Other assets		15,312			1,200,000		216,092		6,772,989					8,204,393
<b>Total other assets</b>	<b>10,839</b>	<b>15,312</b>			<b>2,213,246</b>		<b>833,631</b>	<b>4,143,740</b>	<b>15,510,408</b>	<b>118,788</b>		<b>9,944</b>	<b>2,979,710</b>	<b>25,835,618</b>
<b>Total assets</b>	<b>\$4,669,980</b>	<b>\$2,116,285</b>	<b>\$6,561,365</b>	<b>\$6,013,321</b>	<b>\$39,586,403</b>	<b>\$13,076,023</b>	<b>\$9,183,937</b>	<b>\$45,624,914</b>	<b>\$44,347,199</b>	<b>\$2,039,465</b>	<b>\$3,257,245</b>	<b>\$28,207</b>	<b>\$11,108,565</b>	<b>\$187,612,909</b>
<b>LIABILITIES</b>														
<b>Current liabilities</b>														
Accounts payable & accrued expenses	\$390,871		\$501,827	\$134,307	\$297,441	\$71,285	\$84,630	\$468,474	\$503,797	\$66,306	\$274,337	\$14,361	\$78,251	\$2,885,887
Long-term debt, current									8,009,122			8,853	58,691	8,076,666
Deferred income	9,795		31,613			137,666		260,340			1,290,509		5,782,256	7,512,179
<b>Total current liabilities</b>	<b>400,666</b>		<b>533,440</b>	<b>134,307</b>	<b>297,441</b>	<b>208,951</b>	<b>84,630</b>	<b>728,814</b>	<b>8,512,919</b>	<b>66,306</b>	<b>1,564,846</b>	<b>23,214</b>	<b>5,919,198</b>	<b>18,474,732</b>
<b>Other liabilities</b>														
Other payables					1,000,000		83,842		2,559,122			7,771	1,661,081	5,311,816
Long-term debt, noncurrent													518,644	518,644
<b>Total other liabilities</b>					<b>1,000,000</b>		<b>83,842</b>		<b>2,559,122</b>			<b>7,771</b>	<b>2,179,725</b>	<b>5,830,460</b>
<b>Total liabilities</b>	<b>400,666</b>		<b>533,440</b>	<b>134,307</b>	<b>1,297,441</b>	<b>208,951</b>	<b>168,472</b>	<b>728,814</b>	<b>11,072,041</b>	<b>66,306</b>	<b>1,564,846</b>	<b>30,985</b>	<b>8,098,923</b>	<b>24,305,192</b>
<b>NET ASSETS</b>														
Unrestricted	471,250	2,116,285	5,840,840	216,309	(2,247,727)	23,247	855,648	1,769,022	(788,697)	398,519	1,692,399	(2,778)	3,009,642	13,353,959
Temporarily restricted														-
Scholarships & fellowships					2,412,284			1,554,710	1,385,054					5,332,048
Research					9,278				34,105					43,383
Other	3,798,064		187,085	1,310,039	6,856,454	12,843,825	1,768,850	11,620,543	7,747,261	385,300				46,517,421
Permanently restricted														-
Scholarships & fellowships					16,567,097			15,560,364	12,128,356					44,255,817
Research					12,503				551,111					563,614
Other				4,352,666	14,679,073		6,390,967	14,391,461	12,237,968	1,189,340				53,241,475
<b>Total net assets</b>	<b>4,269,314</b>	<b>2,116,285</b>	<b>6,027,925</b>	<b>5,879,014</b>	<b>38,288,962</b>	<b>12,867,072</b>	<b>9,015,465</b>	<b>44,896,100</b>	<b>33,275,158</b>	<b>1,973,159</b>	<b>1,692,399</b>	<b>(2,778)</b>	<b>3,009,642</b>	<b>163,307,717</b>
<b>Total liabilities &amp; net assets</b>	<b>\$4,669,980</b>	<b>\$2,116,285</b>	<b>\$6,561,365</b>	<b>\$6,013,321</b>	<b>\$39,586,403</b>	<b>\$13,076,023</b>	<b>\$9,183,937</b>	<b>\$45,624,914</b>	<b>\$44,347,199</b>	<b>\$2,039,465</b>	<b>\$3,257,245</b>	<b>\$28,207</b>	<b>\$11,108,565</b>	<b>\$187,612,909</b>

**UNIVERSITY SYSTEM OF MARYLAND**  
**COMBINING STATEMENTS OF ACTIVITIES, NON-MAJOR COMPONENT UNITS**  
**JUNE 30, 2010**

	Medical Alumni Association of the University of Maryland, Inc.	M Club Foundation, University of Maryland, Inc.	The Robert H. Smith School of Business Foundation, Inc.	Bowie State University Foundation, Inc.	Towson University Foundation, Inc.	Frostburg State University Foundation, Inc.	Coppin State University Development Foundation, Inc.	University of Baltimore Foundation, Inc.	Salisbury University Foundation, Inc.	Maryland 4-H Foundation, Inc.	University Research Corporation International	The Maryland Center at Bowie State University, Inc.	University of Maryland Baltimore County Research Park	Total Nonmajor Component Units
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>														
<b>Revenues</b>														
Contributions & grants	\$1,059,301	\$2,158	\$14,916	\$1,095	\$1,078,997	\$327,316	\$228,069	\$426,164	\$153,109	\$641,461	\$7,194,578	\$567,091		\$11,694,255
Investment income (loss)	87,506	278,980	\$340,577	5,038	2,925,631	209,738	(57,045)	4,058,316	2,085,994	100,348			\$691,897	10,726,980
Other income	338,992	104,156	1,011,409	59,362	860,747	52,523	126,970	43,923	894,376	232,212	4,939	1,228	1,230,836	4,961,673
Assets released from restrictions	675,280		188,555	535,834	3,848,041	2,072,692	3,788,244	1,214,174	3,577,794	132,360				16,032,974
<b>Total revenues</b>	<b>2,161,079</b>	<b>385,294</b>	<b>1,555,457</b>	<b>601,329</b>	<b>8,713,416</b>	<b>2,662,269</b>	<b>4,086,238</b>	<b>5,742,577</b>	<b>6,711,273</b>	<b>1,106,381</b>	<b>7,199,517</b>	<b>568,319</b>	<b>1,922,733</b>	<b>43,415,882</b>
<b>Expenses</b>														
Program	1,669,366	58,835	484,921	380,002	5,070,420	2,592,936	3,788,244	2,362,231	3,464,869	513,539	6,043,554	554,533		26,983,450
General & administrative	225,044	83,995	699,363	68,392	434,965	211,645	261,171	313,181	335,281	117,966	1,016,617	16,510		3,784,130
Fundraising	220,654				191,706			4,024	206,725	144,382	28,154			795,645
Other expense			3,147				459,114				100,000		1,213,028	1,775,289
<b>Total expenses</b>	<b>2,115,064</b>	<b>142,830</b>	<b>1,187,431</b>	<b>448,394</b>	<b>5,697,091</b>	<b>2,804,581</b>	<b>4,512,553</b>	<b>2,882,137</b>	<b>3,944,532</b>	<b>659,659</b>	<b>7,160,171</b>	<b>571,043</b>	<b>1,213,028</b>	<b>33,338,514</b>
<b>Change in unrestricted net assets</b>	<b>46,015</b>	<b>242,464</b>	<b>368,026</b>	<b>152,935</b>	<b>3,016,325</b>	<b>(142,312)</b>	<b>(426,315)</b>	<b>2,860,440</b>	<b>2,766,741</b>	<b>446,722</b>	<b>39,346</b>	<b>(2,724)</b>	<b>709,705</b>	<b>10,077,368</b>
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</b>														
Contributions & grants				634,679	2,303,603	1,533,074	3,626,861	9,915,928	7,505,194	60,525				25,579,864
Investment income (loss)	614,927		1,470	537,011	1,727,309	1,511,248	305,478	1,250,100	2,640,946	7,726				8,596,215
Other income				39,420	729,357	247,386	81,867	139,983	542,906				59,500	1,840,419
Assets released from restrictions	(675,280)		(188,555)	(961,700)	(3,860,591)	(2,072,692)	(3,580,160)	(1,733,457)	(3,577,794)	(132,360)				(16,782,589)
<b>Change in temporarily restricted net assets</b>	<b>(60,353)</b>		<b>(187,085)</b>	<b>249,410</b>	<b>899,678</b>	<b>1,219,016</b>	<b>434,046</b>	<b>9,572,554</b>	<b>7,111,252</b>	<b>(64,109)</b>			<b>59,500</b>	<b>19,233,909</b>
<b>CHANGES IN PERMANENTLY RESTRICTED NET ASSETS</b>														
Contributions & grants				59,139	1,659,554		332,853	772,672	454,290	135,010				3,413,518
Investment income (loss)					(6,232)		722,127	80	116,496	19,170				851,641
Other income					4,172									4,172
Assets released from restrictions				425,866	12,550		(208,084)	519,283						749,615
<b>Change in permanently restricted net assets</b>				<b>485,005</b>	<b>1,670,044</b>		<b>846,896</b>	<b>1,292,035</b>	<b>570,786</b>	<b>154,180</b>				<b>5,018,946</b>
<b>Total change in net assets</b>	<b>(14,338)</b>	<b>242,464</b>	<b>180,941</b>	<b>887,350</b>	<b>5,586,047</b>	<b>1,076,704</b>	<b>854,627</b>	<b>13,725,029</b>	<b>10,448,779</b>	<b>536,793</b>	<b>39,346</b>	<b>(2,724)</b>	<b>769,205</b>	<b>34,330,223</b>
<b>Net assets (deficit) beginning of year</b>	<b>4,269,314</b>	<b>2,116,285</b>	<b>6,027,925</b>	<b>5,879,014</b>	<b>38,288,962</b>	<b>12,867,072</b>	<b>9,015,465</b>	<b>44,896,100</b>	<b>33,275,158</b>	<b>1,973,159</b>	<b>1,692,399</b>	<b>(2,778)</b>	<b>3,009,642</b>	<b>163,307,717</b>
<b>Net assets (deficit) end of year</b>	<b>\$4,254,976</b>	<b>\$2,358,749</b>	<b>\$6,208,866</b>	<b>\$6,766,364</b>	<b>\$43,875,009</b>	<b>\$13,943,776</b>	<b>\$9,870,092</b>	<b>\$58,621,129</b>	<b>\$43,723,937</b>	<b>\$2,509,952</b>	<b>\$1,731,745</b>	<b>(\$5,502)</b>	<b>\$3,778,847</b>	<b>\$197,637,940</b>

**UNIVERSITY SYSTEM OF MARYLAND**  
**COMBINING STATEMENTS OF ACTIVITIES, NON-MAJOR COMPONENT UNITS**  
**JUNE 30, 2009**

	Medical Alumni Association of the University of Maryland, Inc.	M Club Foundation, University of Maryland, Inc.	The Robert H. Smith School of Business Foundation, Inc.	Bowie State University Foundation, Inc.	Towson University Foundation, Inc.	Frostburg State University Foundation, Inc.	Coppin State University Development Foundation, Inc.	University of Baltimore Foundation, Inc.	Salisbury University Foundation, Inc.	Maryland 4-H Foundation, Inc.	University Research Corporation International	The Maryland Center at Bowie State University, Inc.	University of Maryland Baltimore County Research Park	Total Nonmajor Component Units
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>														
<b>Revenues</b>														
Contributions & grants	\$829,349	\$1,262	\$4,964	\$867	\$685,125	\$362,446	\$880,137	\$521,030	\$140,803	\$362,612	\$5,120,084	\$399,376		\$9,308,055
Investment income (loss)	(234,566)	(684,498)	(\$488,265)	3,034	(4,625,926)	(107,642)	276	(6,375,508)	(2,993,228)				(\$150,985)	(15,657,308)
Other income	396,196	44,198	1,387,591	97,743	811,824	319,516	160,622	79,027	338,043	261,983	19,913		1,183,468	5,100,124
Assets released from restrictions	74,903		729	532,214	4,310,324	2,148,690	3,981,428	1,292,494	3,854,346					16,195,128
<b>Total revenues</b>	<b>1,065,882</b>	<b>(639,038)</b>	<b>905,019</b>	<b>633,858</b>	<b>1,181,347</b>	<b>2,723,010</b>	<b>5,022,463</b>	<b>(4,482,957)</b>	<b>1,339,964</b>	<b>624,595</b>	<b>5,139,997</b>	<b>399,376</b>	<b>1,032,483</b>	<b>14,945,999</b>
<b>Expenses</b>														
Program	910,057	65,977	495,403	560,417	5,124,292	2,516,401	3,869,725	4,004,208	4,117,522	605,402	4,018,621	385,677		26,673,702
General & administrative	237,934	30,709	254,789	84,494	464,343	199,689	215,950	877,866	374,229	105,192	924,759	12,261		3,782,215
Fundraising	249,161	2,087			237,767		107,197	253,607	135,117	60,992				1,045,928
Other expense			5,990				170,995				(261,709)		953,757	869,033
<b>Total expenses</b>	<b>1,397,152</b>	<b>98,773</b>	<b>756,182</b>	<b>644,911</b>	<b>5,826,402</b>	<b>2,716,090</b>	<b>4,363,867</b>	<b>5,135,681</b>	<b>4,626,868</b>	<b>771,586</b>	<b>4,681,671</b>	<b>397,938</b>	<b>953,757</b>	<b>32,370,878</b>
<b>Change in unrestricted net assets</b>	<b>(331,270)</b>	<b>(737,811)</b>	<b>148,837</b>	<b>(11,053)</b>	<b>(4,645,055)</b>	<b>6,920</b>	<b>658,596</b>	<b>(9,618,638)</b>	<b>(3,286,904)</b>	<b>(146,991)</b>	<b>458,326</b>	<b>1,438</b>	<b>78,726</b>	<b>(17,424,879)</b>
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</b>														
Contributions & grants	10,956			894,437	3,479,012	2,835,467	3,941,158	2,639,466	2,392,998	111,684				16,305,178
Investment income (loss)	(1,367,496)		(8,836)	24,272	(2,509,330)	(3,878,626)	82,257	(4,714,969)	(87,662)	14,331				(12,446,059)
Other income				101,905	691,827	201,740	161,760	290,356	1,144,133					2,591,721
Assets released from restrictions	(74,903)		(729)	(330,758)	(4,322,110)	(2,148,690)	(3,313,384)	3,940,287	(2,641,854)					(8,892,141)
<b>Change in temporarily restricted net assets</b>	<b>(1,431,443)</b>		<b>(9,565)</b>	<b>689,856</b>	<b>(2,660,601)</b>	<b>(2,990,109)</b>	<b>871,791</b>	<b>2,155,140</b>	<b>807,615</b>	<b>126,015</b>				<b>(2,441,301)</b>
<b>CHANGES IN PERMANENTLY RESTRICTED NET ASSETS</b>														
Contributions & grants				803,149	3,154,566		225,799	267,336	1,188,718	135,886				5,775,454
Investment income (loss)				(1,324,169)	380		(2,227,727)		(3,820,265)	(591,802)				(7,963,583)
Other income					113,613				2,125					115,738
Assets released from restrictions				(201,456)	11,786		(668,044)	(5,232,781)	(1,212,492)					(7,302,987)
<b>Change in permanently restricted net assets</b>				<b>(722,476)</b>	<b>3,280,345</b>		<b>(2,669,972)</b>	<b>(4,965,445)</b>	<b>(3,841,914)</b>	<b>(455,916)</b>				<b>(9,375,378)</b>
<b>Total change in net assets</b>	<b>(1,762,713)</b>	<b>(737,811)</b>	<b>139,272</b>	<b>(43,673)</b>	<b>(4,025,311)</b>	<b>(2,983,189)</b>	<b>(1,139,585)</b>	<b>(12,428,943)</b>	<b>(6,321,203)</b>	<b>(476,892)</b>	<b>458,326</b>	<b>1,438</b>	<b>78,726</b>	<b>(29,241,558)</b>
<b>Net assets (deficit) beginning of year</b>	<b>6,032,027</b>	<b>2,854,096</b>	<b>5,888,653</b>	<b>5,922,687</b>	<b>42,314,273</b>	<b>15,850,261</b>	<b>10,155,050</b>	<b>57,325,043</b>	<b>39,596,361</b>	<b>2,450,051</b>	<b>1,234,073</b>	<b>(4,216)</b>	<b>2,930,916</b>	<b>192,549,275</b>
<b>Net assets (deficit) end of year</b>	<b>\$4,269,314</b>	<b>\$2,116,285</b>	<b>\$6,027,925</b>	<b>\$5,879,014</b>	<b>\$38,288,962</b>	<b>\$12,867,072</b>	<b>\$9,015,465</b>	<b>\$44,896,100</b>	<b>\$33,275,158</b>	<b>\$1,973,159</b>	<b>\$1,692,399</b>	<b>(\$2,778)</b>	<b>\$3,009,642</b>	<b>\$163,307,717</b>

## UNIVERSITY SYSTEM OF MARYLAND

### NOTES TO SUPPLEMENTAL DATA YEARS ENDED JUNE 30, 2010 AND 2009

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#### ACCOUNTING AND REPORTING PRACTICES

##### **Supplemental data reporting units**

University System of Maryland Office (System Office), composed of the offices of the Chancellor and Vice Chancellors and their respective staffs, provides central executive and administrative services and supports and coordinates the efforts of the entire System. The expenses incurred in connection with these activities have not been allocated to the other units of the System and accordingly have been included in the financial records of the System Office.

##### **Facilities maintenance expenses**

Certain expenses for facilities management for the System Office and the University of Maryland University College are included in the financial records of University of Maryland, College Park.

##### **System-wide financing arrangements**

The System constructs, acquires, and renovates plant facilities using the proceeds of Revenue Bonds and other financing arrangements. The proceeds of System-wide financing arrangements are used in accordance with Board authorizations, which specify the projects for which the funds are to be used. Unexpended proceeds and a proportionate share of the outstanding debt obligation are reported on the financial records of the System Office.

Institutions are obligated to provide a proportionate share of the principal and interest payments attributable to auxiliary enterprises projects financed using the proceeds of System-wide financing arrangements. Currently, each instructional institution, with the exception of the University of Maryland University College, provides a portion of the debt service attributable to academic facilities. To the extent that an instructional institution provides (or receives) resources for debt service for academic facilities (and the proportionate share of the outstanding debt obligation) recorded on another System institution or unit, such amounts are reported as a Transfer To / (From) Other University System of Maryland Institutions on the Statement of Revenues, Expenses, and Changes in Net Assets.