

UNIVERSITY SYSTEM OF MARYLAND

Financial Statements and Supplemental Data
Together with Report of Independent Public Accountants

For the Years Ended June 30, 2011 and 2010

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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 years ended June 30, 2011 and 2010, which collectively comprise the System's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the System's management. Our responsibility is to express opinions on these financial statements based on our audits. We audited the component unit financial statements of UMBC Research Park Corporation, Inc. and the Bowie State University Foundation, Inc. We did not audit the financial statements of the other component units, which represent 99 percent, 99 percent, and 97 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.

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

In our opinion, based on our audits 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, 2011 and 2010, and the respective changes in their financial position and their cash flows, as applicable, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.



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Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming opinions on the basic financial statements of the System taken as a whole. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing principles applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Hunt Valley, Maryland
October 28, 2011

SB & Company, LLC

UNIVERSITY SYSTEM OF MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED JUNE 30, 2011 AND 2010

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, 2011 and 2010.

Financial Highlights

- Unrestricted net assets increased by \$216,486,546 for the year ended June 30, 2011 compared to an increase of \$18,951,882 for the year ended June 30, 2010.
- State appropriations for the System increased by 12.8% for the year ended June 30, 2011 to \$1,044,674,552. For the year ended June 30, 2010, State appropriations decreased by 10.2% from the amount received in the year ended June 30, 2009.
- Tuition and fees, after deducting Scholarship Allowances, increased by \$42,105,694 or 4.0%. During the year ended June 30, 2010, net Tuition and fees, increased by \$65,295,796, or 6.7%.
- Investment income on Endowment assets amounted to \$31,624,217, or a return of 17.8%, for the year ended June 30, 2011. For the year ended June 30, 2010, investment income on Endowment assets was \$22,652,600, representing a return of 13.4%.

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 Revenues, 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 Revenues, 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).

UNIVERSITY SYSTEM OF MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED JUNE 30, 2011 AND 2010

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 18 legally-separate and distinct entities for which the System is financially accountable, which are considered component units. Of the 18 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, 2011, the System's financial health remains strong, with assets exceeding liabilities by \$4,671,599,419, shown on the Balance Sheet as total net assets. This compares with total net assets of \$4,205,331,706 as of June 30, 2010. As suggested earlier, when viewed over time, net assets may be useful as an indicator of financial health.

For the year ended June 30, 2011, total net assets increased by \$466,267,713. Net assets invested in capital assets, net of related debt, increased by \$241,260,428, while unrestricted net assets increased \$216,486,546, and restricted net asset categories increased by \$8,520,739.

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 \$216,486,546 increase in unrestricted net assets for the year ended June 30, 2011 is attributable to continuing institutional efforts to limit expenditures, the effects of a third year of a state-wide furlough plan requiring System employees to take unpaid leave, 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.

As of June 30, 2010, the System's assets exceeded liabilities by \$4,205,331,706. This compares with total net assets of \$3,925,233,508 as of June 30, 2009.

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.

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 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 \$113,268,679, and planned spending on acquisitions of buildings and renovations using cash balances.

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MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED JUNE 30, 2011 AND 2010

The table below presents summary-level information of the System's assets, liabilities, and net assets as of June 30, 2011, 2010 and 2009.

Condensed Balance Sheet June 30, 2011, 2010 and 2009

	2011	2010	2009
Current and other assets	\$2,108,263,552	\$1,921,376,964	\$1,864,752,849
Capital assets, net	4,329,368,105	3,985,648,258	3,670,605,826
Total assets	\$6,437,631,657	\$5,907,025,222	\$5,535,358,675
Debt and obligations under capital lease agreements	\$1,129,222,003	\$1,082,886,292	\$1,028,523,582
Other liabilities	636,810,235	618,807,224	581,601,585
Total liabilities	1,766,032,238	1,701,693,516	1,610,125,167
Net assets:			
Invested in capital assets, net of related debt	3,284,964,891	3,043,704,463	2,791,037,963
Restricted	252,394,792	243,874,053	235,394,237
Unrestricted	1,134,239,736	917,753,190	898,801,308
Total net assets	4,671,599,419	4,205,331,706	3,925,233,508
Net assets and liabilities	\$6,437,631,657	\$5,907,025,222	\$5,535,358,675

The table below presents summary-level information on revenues, expenses, and other changes in the System's net assets for the years ended June 30, 2011, 2010 and 2009.

Condensed Statement of Revenues, Expenses and Changes in Net Assets Years ended June 30, 2011, 2010 and 2009

	2011	2010	2009
Operating revenues	\$3,020,337,759	\$2,862,478,437	\$2,699,475,176
Operating expenses	3,998,175,888	3,864,725,692	3,789,619,283
Operating loss	(977,838,129)	(1,002,247,255)	(1,090,144,107)
State appropriations	1,044,674,552	925,884,473	1,030,646,420
Other nonoperating	201,250,448	163,404,937	59,064,245
Total nonoperating	1,245,925,000	1,089,289,410	1,089,710,665
Income (loss) before other revenues	268,086,871	87,042,155	(433,442)
Other revenues	198,180,842	193,056,043	184,383,806
Increase in net assets	466,267,713	280,098,198	183,950,364
Net assets, beginning of year	4,205,331,706	3,925,233,508	3,741,283,144
Net assets, end of year	\$4,671,599,419	\$4,205,331,706	\$3,925,233,508

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

UNIVERSITY SYSTEM OF MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED JUNE 30, 2011 AND 2010

For the years ended June 30, 2011, 2010 and 2009, operating revenues, which under the definitions used by the Governmental Accounting Standards Board (GASB) excludes state appropriations, are detailed below:

	2011		2010		2009	
	\$	%	\$	%	\$	%
Tuition and fees	\$1,085,994,512	36.0%	\$1,043,888,818	36.5%	\$978,593,022	36.2%
Contracts and grants	1,142,425,581	37.8	1,071,680,161	37.4	986,249,638	36.5
Sales and services of educational departments	243,851,740	8.1	230,911,671	8.1	225,933,669	8.4
Auxiliary enterprises	490,116,309	16.2	460,594,877	16.1	455,462,962	16.9
Other operating	57,949,617	1.9	55,402,910	1.9	53,235,885	2.0
Total	\$3,020,337,759	100.0%	\$2,862,478,437	100.0%	\$2,699,475,176	100.0%

Tuition and fees reflect increases in resident undergraduate student rates for the year ended June 30, 2011, and non-resident rates and other student charges enacted for years ended 2011 and 2010 for graduate and non-resident undergraduate students. There was also a modest increase in enrollment in both years, most notably at 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, 2011, 2010 and 2009, operating expenses are detailed below:

	2011		2010		2009	
	\$	%	\$	%	\$	%
Instruction	\$1,034,072,780	25.9%	\$1,010,752,199	26.2%	\$990,476,197	26.1%
Research	945,626,792	23.7	905,621,907	23.4	869,719,538	23.0
Public service	148,391,096	3.7	143,672,967	3.7	139,414,385	3.7
Academic support	349,062,701	8.7	333,020,865	8.6	338,282,723	8.9
Student services	178,781,303	4.5	172,607,349	4.5	169,092,865	4.5
Institutional support	354,617,377	8.9	346,773,057	9.0	334,740,258	8.8
Operation and maintenance of plant	309,762,858	7.7	300,325,515	7.8	307,014,037	8.1
Scholarships and fellowships	91,965,556	2.3	93,482,854	2.4	81,691,427	2.2
Auxiliary enterprises	444,579,270	11.1	420,758,945	10.8	429,082,134	11.3
Hospital	141,316,155	3.5	137,710,034	3.6	130,105,719	3.4
Total	\$3,998,175,888	100.0%	\$3,864,725,692	100.0%	\$3,789,619,283	100.0%

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, 2011, increases in employee payments account for the largest component of the overall increase in operating expenses of \$133,450,196 over the year ended June 30, 2010, with the largest increase associated with instruction activities.

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 million over the year ended June 30, 2009, with the largest increase associated with research activities.

UNIVERSITY SYSTEM OF MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED JUNE 30, 2011 AND 2010

For the year ended June 30, 2009, increases in employee costs represent the largest component of the overall increase in operating expenses over the year ended June 30, 2008.

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	2011	2010	2009
State of Maryland debt proceeds or cash balances	\$176,161,090	\$180,916,057	\$177,717,059
System debt proceeds	180,139,550	152,170,852	118,378,403
System cash balances or donations	211,893,224	198,840,205	160,751,103
Total	\$568,193,864	\$531,927,114	\$456,846,565

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

Project	Institution	Cost
Year ended June 30, 2011		
Pharmacy Hall Addition and Renovation	University of Maryland Baltimore	\$85,789,000
Oakland Hall Residence	University of Maryland College Park	81,000,000
Perdue School of Business	Salisbury University	50,553,000
Seagull Square	Salisbury University	41,000,000
Year ended June 30, 2010		
Physical Education Complex	Coppin State University	128,000,000
Byrd Stadium renovation	University of Maryland College Park	50,000,000
Year ended June 30, 2009		
College of Liberal Arts	Towson University	73,000,000
Health and Human Sciences Building	Coppin State University	73,000,000

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

UNIVERSITY SYSTEM OF MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED JUNE 30, 2011 AND 2010

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, 2010 and 2011, and since, as follows:

Revenue Bond Issuance	Date	Purpose	Total Par Value Issued	Present Value of Future Debt Service Savings
2009 Refunding Series C	7/6/2009	Refinancing	\$31,275,000	\$1,813,416
2009 Refunding Series D	10/7/2009	Refinancing Construction and facilities	56,045,000	4,014,543
2010 Series A and B	4/8/2010	renewal	120,000,000	
2010 Refunding Series C	9/8/2010	Refinancing Construction and facilities	50,990,000	3,331,544
2010 Series D and E	12/9/2010	renewal	115,000,000	
2011 Series A and B	10/20/2011	Refinancing, construction and facilities renewal	153,075,000	1,357,495

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 15% more students anticipated by the fall 2020. Preliminary fall 2011 enrollment suggests an increase of more than 3,200 students over fall 2010 levels. During the past five years, the System has held tuition increases at low levels, with a four-year period of no tuition increases for resident tuition rates, significantly improving the System's institutions relative affordability as compared with their regional peers. Improving access through moderating tuition increases and improving financial aid will enhance prospects for attaining the enrollment levels projected, an important element of the strategic plan.

UNIVERSITY SYSTEM OF MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED JUNE 30, 2011 AND 2010

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 ongoing economic recovery. The impact of the recession, while technically ending in 2009, continues to impact State government receipts, and these impacts are expected to extend beyond fiscal year 2012 and into the next.

As a region with a significant federal government employee population, the potential for significant reductions in federal spending in all likelihood will have serious implications for state tax revenues, both from income as well as sales taxes. 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, 2011 AND 2010**

	June 30,	
	2011	2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$1,425,961,600	\$1,200,641,191
Accounts receivable, net	298,570,893	300,268,536
Notes receivable, current portion, net	7,396,651	8,092,058
Inventories	11,703,659	10,683,614
Prepaid expenses and deferred charges	8,207,076	7,571,825
Total current assets	1,751,839,879	1,527,257,224
Noncurrent assets:		
Restricted cash and cash equivalents	57,128,548	62,864,257
Endowment investments	198,654,868	177,625,899
Restricted investments	37,288,646	90,651,337
Other investments	3,403,621	3,403,621
Notes receivable, net	59,947,990	59,574,626
Capital assets, net	4,329,368,105	3,985,648,258
Total noncurrent assets	4,685,791,778	4,379,767,998
Total assets	\$6,437,631,657	\$5,907,025,222
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$244,534,993	\$235,735,786
Accrued workers' compensation, current portion	4,269,201	4,539,278
Accrued vacation costs, current portion	86,433,730	86,041,307
Revenue bonds and notes payable, current portion	80,507,466	78,055,983
Obligations under capital lease agreements, current portion	277,430	259,644
Deferred revenue	189,593,140	179,408,193
Total current liabilities	605,615,960	584,040,191
Noncurrent liabilities:		
Accrued workers' compensation	23,274,034	24,746,390
Accrued vacation costs	88,705,137	88,336,270
Revenue bonds and notes payable	1,034,671,448	1,001,020,612
Obligations under capital lease agreements	13,765,659	3,550,053
Total noncurrent liabilities	1,160,416,278	1,117,653,325
Total liabilities	1,766,032,238	1,701,693,516
NET ASSETS		
Unrestricted	1,134,239,736	917,753,190
Invested in capital assets, net	3,284,964,891	3,043,704,463
Restricted:		
Nonexpendable:		
Scholarships and fellowships	12,461,624	11,941,347
Research	3,644,107	3,644,107
Other	15,379,368	14,628,198
Expendable:		
Scholarships and fellowships	39,836,177	36,929,066
Research	70,977,710	66,758,423
Loans	72,375,648	73,363,889
Capital projects	8,760,678	11,108,933
Other	28,959,480	25,500,090
Total net assets	4,671,599,419	4,205,331,706
Total liabilities and net assets	\$6,437,631,657	\$5,907,025,222

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND
COMBINING BALANCE SHEET, COMPONENT UNITS
JUNE 30, 2011**

	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
ASSETS					
Current assets					
Cash	\$606,000	\$20,526,533		\$29,864,432	\$50,996,965
Accounts receivable, net	10,077,000	37,154,679	\$8,670,462	13,042,472	68,944,613
Other assets	177,000	349,920		1,047,762	1,574,682
Total current assets	10,860,000	58,031,132	8,670,462	43,954,666	121,516,260
Investments					
Endowment investments	215,627,000	222,887,336	102,885,936	158,871,995	700,272,267
Other investments	284,564,000	30,120,643	52,130,230	23,564,342	390,379,215
Total investments	500,191,000	253,007,979	155,016,166	182,436,337	1,090,651,482
Other assets					
Accounts receivable, net	5,724,000	35,591,098	13,822,231	703,779	55,841,108
Capital assets, net	10,100,000	19,783,435		5,950,338	35,833,773
Other assets	438,000	807,481	4,046,700	8,449,601	13,741,782
Total other assets	16,262,000	56,182,014	17,868,931	15,103,718	105,416,663
Total assets	\$527,313,000	\$367,221,125	\$181,555,559	\$241,494,721	\$1,317,584,405
LIABILITIES					
Current liabilities					
Accounts payable & accrued expenses	\$1,159,000	\$542,872	\$2,520,097	\$2,992,601	\$7,214,570
Long-term debt, current				2,964,855	2,964,855
Deferred income	473,000	1,321,060		7,093,212	8,887,272
Total current liabilities	1,632,000	1,863,932	2,520,097	13,050,668	19,066,697
Other liabilities					
Other payables	43,843,189	3,236,982	950,508	4,099,285	52,129,964
Due to primary government	198,552,811				198,552,811
Long-term debt, noncurrent				427,265	427,265
Total other liabilities	242,396,000	3,236,982	950,508	4,526,550	251,110,040
Total liabilities	244,028,000	5,100,914	3,470,605	17,577,218	270,176,737
NET ASSETS					
Unrestricted	62,039,000	13,516,544	16,475,392	30,028,849	122,059,785
Temporarily restricted:					
Scholarships & fellowships	20,914,000	37,743,771	7,076,118	12,074,090	77,807,979
Research	11,145,000	7,803,016	8,656,148	604,998	28,209,162
Other	33,467,000	109,653,251	42,835,879	79,707,076	265,663,206
Permanently restricted:					
Scholarships & fellowships	73,754,000	59,656,000	24,633,862	50,338,344	208,382,206
Research	2,084,000	1,173,000	1,294,731	220,636	4,772,367
Other	79,882,000	132,574,629	77,112,824	50,943,510	340,512,963
Total net assets	283,285,000	362,120,211	178,084,954	223,917,503	1,047,407,668
Total liabilities & net assets	\$527,313,000	\$367,221,125	\$181,555,559	\$241,494,721	\$1,317,584,405

See accompanying notes.

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

	Major Component Units				Total
	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.	Total Nonmajor Component Units	
ASSETS					
Current assets					
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
Total current assets	14,454,000	46,749,456	9,252,189	41,591,379	112,047,024
Investments					
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
Total investments	440,504,000	231,955,563	129,040,802	155,870,980	957,371,345
Other assets					
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
Other assets	438,000	778,138	4,537,307	7,607,663	13,361,108
Total other assets	17,857,000	44,212,727	16,962,127	19,719,305	98,751,159
Total assets	\$472,815,000	\$322,917,746	\$155,255,118	\$217,181,664	\$1,168,169,528
LIABILITIES					
Current liabilities					
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
Total current liabilities	2,978,000	2,453,568	3,887,470	11,840,967	21,160,005
Other liabilities					
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
Total other liabilities	214,298,000	2,714,875	1,622,161	7,702,757	226,337,793
Total liabilities	217,276,000	5,168,443	5,509,631	19,543,724	247,497,798
NET ASSETS					
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
Total net assets	255,539,000	317,749,303	149,745,487	197,637,940	920,671,730
Total liabilities & net assets	\$472,815,000	\$322,917,746	\$155,255,118	\$217,181,664	\$1,168,169,528

See accompanying notes.

UNIVERSITY SYSTEM OF MARYLAND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2011 AND 2010

	Year ended June 30,		
	2011	2010	
OPERATING REVENUES:			
Tuition and fees	\$1,313,969,897		\$1,251,002,922
Less: scholarship allowances	<u>(227,975,385)</u>	\$1,085,994,512	<u>(207,114,104)</u>
Federal grants and contracts		775,558,941	702,530,711
State and local grants and contracts		173,516,912	172,364,304
Nongovernmental grants and contracts		193,349,728	196,785,146
Sales and services of educational departments		243,851,740	230,911,671
Auxiliary enterprises:			
Residential facilities	123,889,715		118,873,435
Less: scholarship allowances	<u>(11,765,972)</u>	112,123,743	<u>(12,185,240)</u>
Dining facilities	106,840,424		103,710,655
Less: scholarship allowances	<u>(6,779,483)</u>	100,060,941	<u>(7,356,036)</u>
Intercollegiate athletics	88,081,729		81,739,427
Less: scholarship allowances	<u>(4,258,407)</u>	83,823,322	<u>(5,582,258)</u>
Bookstore	28,789,626		30,575,819
Less: scholarship allowances	<u>(1,448,970)</u>	27,340,656	<u>(80,945)</u>
Parking facilities	38,301,062		
Less: scholarship allowances	<u>(12,337)</u>	38,288,725	
Other auxiliary enterprises revenues	128,558,817		113,323,374
Less: scholarship allowances	<u>(79,895)</u>	128,478,922	<u>(65,401)</u>
Other operating revenues	<u>57,949,617</u>		<u>55,402,910</u>
Total operating revenues	<u>3,020,337,759</u>		<u>2,862,478,437</u>
OPERATING EXPENSES:			
Instruction	1,034,072,780		1,010,752,199
Research	945,626,792		905,621,907
Public service	148,391,096		143,672,967
Academic support	349,062,701		333,020,865
Student services	178,781,303		172,607,349
Institutional support	354,617,377		346,773,057
Operation and maintenance of plant	309,762,858		300,325,515
Scholarships and fellowships	91,965,556		93,482,854
Auxiliary enterprises:			
Residential facilities	104,077,902		98,468,748
Dining facilities	96,682,626		91,647,627
Intercollegiate athletics	87,718,648		79,375,034
Bookstore	27,046,286		28,427,315
Parking facilities	22,512,617		24,227,284
Other auxiliary enterprises expenses	106,541,191		98,612,937
Hospital	<u>141,316,155</u>		<u>137,710,034</u>
Total operating expenses	<u>3,998,175,888</u>		<u>3,864,725,692</u>
Operating loss	<u>(977,838,129)</u>		<u>(1,002,247,255)</u>
NONOPERATING REVENUES (EXPENSES):			
State appropriations	1,044,674,552		925,884,473
Pell grants	127,264,443		101,210,965
Gifts	33,261,476		38,132,353
Investment income (loss)	65,871,485		54,173,545
Less: Investment expense	<u>(870,781)</u>	65,000,704	<u>(409,244)</u>
Interest on indebtedness		(42,012,540)	(38,443,496)
Other revenues, (expenses), gains and (losses)	<u>17,736,365</u>		<u>8,740,814</u>
Total net nonoperating revenues	<u>1,245,925,000</u>		<u>1,089,289,410</u>
Income before other revenues	<u>268,086,871</u>		<u>87,042,155</u>
OTHER REVENUES:			
Capital appropriations	176,161,090		180,916,057
Capital gifts and grants	20,748,305		12,067,165
Additions to permanent endowments	<u>1,271,447</u>		<u>72,821</u>
Total other revenues	<u>198,180,842</u>		<u>193,056,043</u>
Increase in net assets	466,267,713		280,098,198
Net assets - beginning of year	<u>4,205,331,706</u>		<u>3,925,233,508</u>
Net assets - end of year	<u>\$4,671,599,419</u>		<u>\$4,205,331,706</u>

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF ACTIVITIES, COMPONENT UNITS
YEAR ENDED JUNE 30, 2011**

	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.	Total Nonmajor Component Units	Total
CHANGES IN UNRESTRICTED NET ASSETS					
Revenues					
Contributions & grants	\$1,960,000	\$100,000	\$8,715,980	\$9,415,607	\$20,191,587
Investment income	8,494,000	10,160,651	906,962	11,405,981	30,967,594
Other income	5,693,000	2,201,878	471,379	6,441,068	14,807,325
Assets released from restrictions	20,084,000	31,151,547	13,034,949	13,280,549	77,551,045
Total revenues	36,231,000	43,614,076	23,129,270	40,543,205	143,517,551
Expenses					
Program	18,748,000	32,983,931	18,394,599	26,842,423	96,968,953
General & administrative	4,697,921	2,010,938	1,385,290	4,682,289	12,776,438
Fundraising	3,348,000	314,380	472,329	907,903	5,042,612
Other expense		1,182,615		1,584,596	2,767,211
Total expenses	26,793,921	36,491,864	20,252,218	34,017,211	117,555,214
Transfer per Board resolution	(14,079)		14,079		-
Change in unrestricted net assets	9,423,000	7,122,212	2,891,131	6,525,994	25,962,337
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS					
Contributions & grants	8,460,000	37,133,530	6,188,307	9,211,960	60,993,797
Investment income	15,625,242	25,372,711	16,137,202	20,169,656	77,304,811
Other income (loss)		(621,241)		1,810,044	1,188,803
Assets released from restrictions	(20,084,000)	(30,309,289)	(13,034,949)	(12,667,811)	(76,096,049)
Transfer per Board resolution	(22,242)		22,242		-
Change in temporarily restricted net assets	3,979,000	31,575,711	9,312,802	18,523,849	63,391,362
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS					
Contributions & grants	3,765,000	6,286,496	14,599,111	1,495,298	26,145,905
Investment income (loss)	12,091,423	(7,353)		324,739	12,408,809
Other income	24,000	236,100		22,421	282,521
Assets released from restrictions		(842,258)		(612,738)	(1,454,996)
Transfer per Board resolution	(1,536,423)		1,536,423		-
Change in permanently restricted net assets	14,344,000	5,672,985	16,135,534	1,229,720	37,382,239
Total change in net assets	27,746,000	44,370,908	28,339,467	26,279,563	126,735,938
Net assets beginning of year	255,539,000	317,749,303	149,745,487	197,637,940	920,671,730
Net assets end of year	\$283,285,000	\$362,120,211	\$178,084,954	\$223,917,503	\$1,047,407,668

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
CHANGES IN UNRESTRICTED NET ASSETS					
Revenues					
Contributions & grants	\$2,671,000		\$4,281,518	\$11,694,255	\$18,646,773
Investment income	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
Total revenues	45,218,000	52,928,843	22,639,313	43,415,882	164,202,038
Expenses					
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
Total expenses	35,843,532	39,683,326	19,028,779	33,338,514	127,894,151
Transfer per Board resolution	(17,468)		17,468		
Change in unrestricted net assets	9,357,000	13,245,517	3,628,002	10,077,368	36,307,887
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS					
Contributions & grants	8,926,000	36,067,521	9,114,614	25,579,864	79,687,999
Investment income	18,516,434	8,346,400	8,358,597	8,596,215	43,817,646
Other income (loss)		(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		
Change in temporarily restricted net assets	851,000	18,847,224	3,993,413	19,233,909	42,925,546
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS					
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		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		
Change in permanently restricted net assets	(2,469,000)	(1,981,545)	5,792,842	5,018,946	6,361,243
Total change in net assets	7,739,000	30,111,196	13,414,257	34,330,223	85,594,676
Net assets beginning of year	247,800,000	287,638,107	136,331,230	163,307,717	835,077,054
Net assets end of year	\$255,539,000	\$317,749,303	\$149,745,487	\$197,637,940	\$920,671,730

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010**

	Year ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$1,095,691,927	\$1,044,334,458
Research contracts and grants	1,133,919,317	1,070,975,370
Payments to employees	(2,593,766,965)	(2,528,282,614)
Payments to suppliers and contractors	(1,174,870,053)	(1,101,201,472)
Loans issued to students	(10,799,454)	(8,636,390)
Collections of loans to students	10,550,388	10,396,123
Auxiliary enterprises:		
Residential facilities	110,224,704	106,541,257
Dining facilities	98,535,875	99,815,151
Intercollegiate athletics	91,158,145	76,211,508
Bookstore	27,347,642	30,434,130
Parking facilities	38,481,395	37,493,773
Other	131,054,951	113,470,822
Other receipts	357,469,830	330,572,838
Net cash provided (used) by operating activities	(685,002,298)	(717,875,046)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	1,044,674,552	925,884,473
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes	1,271,447	72,821
Pell grants	127,264,443	101,210,965
Net cash provided by noncapital financing activities	1,173,210,442	1,027,168,259
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	170,086,804	221,951,003
Capital appropriations	176,161,090	180,916,057
Capital grants and gifts received	13,832,401	11,136,197
Proceeds from sales of capital assets	365,743	3,109,355
Purchases of capital assets	(550,663,114)	(528,757,554)
Principal paid on debt and capital leases	(128,602,528)	(163,300,451)
Interest paid on debt and capital leases	(47,138,264)	(40,852,361)
Net cash provided (used) by capital and related financing activities	(365,957,868)	(315,797,754)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	101,478,952	11,675,822
Interest on investments	35,114,214	31,990,941
Investment expense	(870,781)	(409,244)
Purchases of investments	(38,387,961)	(93,585,770)
Net cash provided (used) by investing activities	97,334,424	(50,328,251)
Net increase (decrease) in cash	219,584,700	(56,832,792)
Cash and cash equivalents - beginning of the year	1,263,505,448	1,320,338,240
Cash and cash equivalents - end of the year	<u>\$1,483,090,148</u>	<u>\$1,263,505,448</u>
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Capital lease agreement	\$10,493,036	
Gifts and transfer of capital assets	10,595,816	\$3,891,421
Changes in unrealized appreciation on investments	30,745,165	22,183,743
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating loss	(\$977,838,129)	(\$1,002,247,255)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	220,314,699	213,785,176
Gifts and Other revenues, (expenses), gains, and (losses)	50,997,841	46,873,167
Changes in assets and liabilities:		
Accounts receivables, net	1,697,643	(11,270,139)
Inventories	(1,020,045)	266,597
Prepaid expenses and deferred charges	(635,251)	(820,170)
Notes receivable	322,043	2,486,033
Accounts payable and accrued liabilities	11,955,097	23,354,056
Deferred revenue	10,184,947	5,531,558
Accrued vacation	761,290	2,759,263
Accrued workers' compensation	(1,742,433)	1,406,668
Net cash used by operating activities	(\$685,002,298)	(\$717,875,046)

See accompanying notes.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2011 AND 2010

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, one research entity 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, eighteen 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 eighteen 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, 2011 AND 2010

The following affiliated foundations are considered nonmajor component units:

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.
Harry R. Hughes Center for Agro-Ecology, 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. and University Properties, Inc.
Salisbury University Foundation, Inc.
The Ward Foundation, Inc.
The Maryland 4-H Foundation, Inc.
University Research Corporation International, Inc.
The Maryland Center @ Bowie State University, Inc.
University of Maryland, Baltimore County Research Park Corporation, Inc.

During the years ended June 30, 2011 and 2010, the foundations distributed approximately \$80,931,000 and \$77,910,000 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, 2011 AND 2010

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.

Reclassifications – Certain amounts for the year ended June 30, 2010 have been reclassified to conform with the presentation for the year ended June 30, 2011.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2011 AND 2010

Pending change in accounting principles – 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 November 2010, *GASB Statement #60, Accounting and Financial Reporting for Service Concession Arrangements*, was issued. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The requirements of this accounting standard are effective for periods beginning after December 15, 2011.

In November 2010, *GASB Statement #61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, was issued. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of this accounting standard are effective for periods beginning after June 15, 2012.

In December 2010, *GASB Statement #62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, was issued. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA Pronouncements that does not conflict with or contradict GASB pronouncements. The requirements of this accounting standard are effective for periods beginning after December 15, 2011.

In June 2011, *GASB Statement #63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, was issued. This Statement provides financial guidance for deferred outflows of resources and deferred inflows of resources. The provisions of this Statement are effective for financial periods beginning after December 15, 2011.

In June 2011, *GASB Statement #64, Derivative Instruments: Application of Hedge Accounting Termination Provisions- an amendment of GASB Statement No. 53*, was issued. The provisions of this Statement clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. The provisions of this statement are effective for financial periods beginning after June 15, 2011.

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, 2012, in accordance with *GASB Statements #57 and #64*, and its financial statements for the year ended June 30, 2013, taking into account the requirements of *GASB Statement # 60, #61, #62 and #63*.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2011 AND 2010

1. CASH AND INVESTMENTS

Cash and cash equivalents

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

	<u>2011</u>	<u>2010</u>
Cash and short-term investments on deposit with the State Treasurer	\$1,399,269,099	\$1,165,468,311
Demand and time deposits	26,692,501	35,172,880
Total	<u>\$1,425,961,600</u>	<u>\$1,200,641,191</u>

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

As of June 30, 2011 and 2010, the carrying amount of the System's demand and time deposits was \$26,692,501 and \$35,172,880, as compared to bank balances of \$34,000,695 and \$38,232,057, respectively. The difference is primarily caused by items in-transit. Of the bank balances, \$32,231,326 and \$32,956,286 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 \$1,769,369 and \$5,275,771 was uninsured and uncollateralized as of June 30, 2011 and 2010, respectively.

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.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2011 AND 2010

- Corporate obligations rated AAA by Standard & Poor's and Aaa by Moody's.

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

	<u>2011</u>	<u>2010</u>
Money market accounts – endowment fund uninvested cash	\$47,280	\$47,280
Money market accounts – unspent proceeds of debt	57,081,268	62,816,977
Total	<u>\$57,128,548</u>	<u>\$62,864,257</u>

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

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., (USMF) in exchange for an equivalent proportionate interest in the long-term investment portfolio managed by the University System of Maryland Foundation, Inc.

In June 2011, the System entered into a new agreement with the USMF. Beginning with fiscal year 2012, the per annum fee to be paid to the USMF for investment management services is to be 0.37% of the beginning of the year market value of managed funds. 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.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2011 AND 2010

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.

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, 2011 and 2010, the System had the following investments, which individually represent 5% or more of total investments:

	2011		2010	
	Fair value	Portion of total	Fair value	Portion of total
Federal Home Loan Mortgage Corporation	\$11,748,513	5%	\$51,932,041	19%
Federal National Mortgage Association			38,719,296	14%

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2011 AND 2010

Endowment investments

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

	<u>2011</u>	<u>2010</u>
Corporate debt	\$17,625	\$17,625
Corporate equities	62,685	401,311
Certificate of deposit	21,747	
Assets invested with University System of Maryland Foundation, Inc.	<u>198,552,811</u>	<u>177,206,963</u>
Total	<u>\$198,654,868</u>	<u>\$177,625,899</u>

As of June 30, the balances of the fund groups making up the Endowment are as follows:

	<u>2011</u>	<u>2010</u>
Pure endowments	\$130,790,768	\$118,464,709
Funds functioning as endowments	65,138,333	56,864,248
Term endowments	<u>2,725,767</u>	<u>2,296,942</u>
Total	<u>\$198,654,868</u>	<u>\$177,625,899</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 pure endowment funds totaled \$99,305,669 and \$88,251,057 as of June 30, 2011 and 2010, respectively. Reinvestments of net appreciation are considered to be subject to donor spending restrictions, and accordingly, are reflected as a component of restricted, expendable net assets.

The Maryland Uniform Prudent 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 a 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

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2011 AND 2010

carrying value of other investments is assessed on an annual basis by reference to the reported value of the university's partnership interest.

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, 2011, restricted investments consisted of :

	Fair value	Investment maturities - less than 1 year
U.S. government and agency obligations	\$13,898,298	\$13,898,298
Commercial Paper	23,390,348	23,390,348
Total	<u>\$37,288,646</u>	<u>\$37,288,646</u>

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, 2011 and 2010, investment income attributed to unrestricted funds and restricted funds was:

	<u>2011</u>	<u>2010</u>
Unrestricted funds	\$42,390,942	\$38,640,844
Restricted funds	23,480,543	15,532,701
Total investment income	<u>\$65,871,485</u>	<u>\$54,173,545</u>

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, 2011 AND 2010

As of June 30, 2011 and 2010, major component unit investments, recorded at fair value, were:

University System of Maryland Foundation, Inc.

	<u>2011</u>	<u>2010</u>
Money market funds and short-term investments	\$40,256,000	\$25,895,000
Corporate and foreign bonds	68,089,000	89,715,000
Equities	67,557,000	4,982,000
U.S. Treasury notes and bonds	12,545,000	5,208,000
U.S. Agencies	4,125,000	3,290,000
Collateral mortgage obligations and asset and mortgage-backed securities	22,837,000	10,527,000
Absolute return	162,501,000	179,564,000
Long and short equity hedge funds	238,962,000	225,305,000
Private capital	112,841,000	95,318,000
Real estate and energy and natural resources	168,463,000	145,383,000
Total	<u>898,176,000</u>	<u>785,187,000</u>
Due to other foundations	<u>(397,985,000)</u>	<u>(344,683,000)</u>
Total Investments	500,191,000	440,504,000
Due to primary government	<u>(198,552,811)</u>	<u>(177,206,963)</u>
Total USMF Investments	<u>\$301,638,189</u>	<u>\$263,297,037</u>

University of Maryland College Park Foundation, Inc.

	<u>2011</u>	<u>2010</u>
Cash equivalents and short-term securities	\$30,488,224	\$37,351,545
Commonfund Multistrategy Equity Fund	5,412,503	4,265,529
Bonds	801,000	1,311,000
Investments in special strategies - USMF	218,675,463	191,049,366
Total	<u>255,377,190</u>	<u>233,977,440</u>
Due to other foundations	<u>(2,369,211)</u>	<u>(2,021,877)</u>
Total Investments	<u>\$253,007,979</u>	<u>\$231,955,563</u>

University of Maryland Baltimore Foundation, Inc.

	<u>2011</u>	<u>2010</u>
Cash equivalents and short term securities	\$12,869,636	\$7,738,222
Commonfund	1,640,523	1,305,564
Investments in special strategies - USMF	140,506,007	119,997,016
Total Investments	<u>\$155,016,166</u>	<u>\$129,040,802</u>

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2011 AND 2010

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

Accounts receivable as of June 30, 2011 and 2010, were comprised of:

	<u>2011</u>	<u>2010</u>
Tuition and fees	\$62,035,282	\$85,747,320
Contracts and grants	229,692,838	225,875,930
Other	31,675,656	4,060,111
Subtotal	323,403,776	315,683,361
Allowance for doubtful accounts	(24,832,883)	(15,414,825)
Accounts receivable, net	<u>\$298,570,893</u>	<u>\$300,268,536</u>

Notes receivable as of June 30, 2011 and 2010, were comprised of:

	<u>2011</u>	<u>2010</u>
Student loans	\$75,765,182	\$76,024,642
Business development loans	5,056,247	5,224,268
Subtotal	80,821,429	81,248,910
Allowance for doubtful notes	(13,476,788)	(13,582,226)
Notes receivable, net	<u>\$67,344,641</u>	<u>\$67,666,684</u>

Accounts payable and accrued liabilities as of June 30, 2011 and 2010, were comprised of:

	<u>2011</u>	<u>2010</u>
Payroll and benefits	\$104,618,019	\$91,619,402
Suppliers and contractors	106,203,692	115,248,512
Accrued interest payable	12,099,642	11,687,915
Other	21,613,640	17,179,957
Accounts payable and accrued liabilities	<u>\$244,534,993</u>	<u>\$235,735,786</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, 2011 AND 2010

As of June 30, 2011 and 2010, contributions receivable are due as follows:

University System of Maryland Foundation, Inc.

Due	Discount rates	2011	2010
Within one year	not applicable	\$7,165,000	\$10,047,000
Two to five years	3.25%	5,029,000	6,720,000
More than five years	3.25%	231,000	383,000
Subtotal		12,425,000	17,150,000
Pledge discount		(670,000)	(956,000)
Net contributions receivable		\$11,755,000	\$16,194,000

University of Maryland, College Park Foundation, Inc.

Due	Discount rates	2011	2010
Within one year	not applicable	\$39,978,252	\$32,569,060
Two to five years	3.37%	34,916,550	40,429,494
More than five years	4.35%	7,459,899	5,045,093
Subtotal		82,354,701	78,043,647
Allowance for doubtful accounts		(5,600,289)	(5,365,123)
Pledge discount		(4,013,376)	(3,938,877)
Net contributions receivable		\$72,741,036	\$68,739,647

University of Maryland, Baltimore Foundation, Inc.

Due	Discount rates	2011	2010
Within one year	not applicable	\$9,229,099	\$9,814,988
Two to five years	2.46%	15,257,254	13,676,552
More than five years	3.28%	567,331	869,908
Subtotal		25,053,684	24,361,448
Allowance for doubtful accounts		(1,072,214)	(972,479)
Pledge discount		(1,526,713)	(1,735,535)
Net contributions receivable		\$22,454,757	\$21,653,434

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

3. CHANGES IN NET CAPITAL ASSETS

Changes in net capital assets for the years ended June 30, 2011 and 2010:

	June 30, 2009			June 30, 2010			June 30, 2011
	Balance	Additions	Decreases	Balance	Additions	Decreases	Balance
Capital assets being depreciated:							
Infrastructure & Land Improvements	\$275,622,695	\$20,359,074	\$801,427	\$295,180,342	\$24,189,547	\$488,113	\$318,881,776
Buildings & Improvements	4,175,720,158	460,663,922	1,755,661	4,634,628,419	305,810,587	3,296,026	4,937,142,980
Contents	999,315,102	77,110,746	20,327,998	1,056,097,850	103,767,840	23,621,197	1,136,244,493
Buildings recorded under capital lease agreements	4,136,104			4,136,104	10,493,036		14,629,140
Total capital assets being depreciated	5,454,794,059	558,133,742	22,885,086	5,990,042,715	444,261,010	27,405,336	6,406,898,389
Less accumulated depreciation for:							
Infrastructure & Land Improvements	128,001,642	12,258,619	639,808	139,620,453	12,223,548	143,180	151,700,821
Buildings & Improvements	1,557,020,098	127,433,897	935,155	1,683,518,840	133,699,247	685,683	1,816,532,404
Contents	685,684,456	73,954,785	19,234,435	740,404,806	74,913,614	23,302,915	792,015,505
Buildings recorded under capital lease agreements	2,619,625	137,875		2,757,500	137,875		2,895,375
Total accumulated depreciation	2,373,325,821	213,785,176	20,809,398	2,566,301,599	220,974,284	24,131,778	2,763,144,105
Total capital assets being depreciated, net	3,081,468,238	344,348,566	2,075,688	3,423,741,116	223,286,726	3,273,558	3,643,754,284
Capital assets not being depreciated:							
Land	120,210,989	7,741,232	264,110	127,688,111	8,607,264		136,295,375
Contents	15,118,849	2,356,353	759,708	16,715,494	6,015,640	226,175	22,504,959
Construction in progress	453,807,750	350,994,923	387,299,136	417,503,537	403,678,111	294,368,161	526,813,487
Total capital assets not being depreciated	589,137,588	361,092,508	388,322,954	561,907,142	418,301,015	294,594,336	685,613,821
Capital assets, net	\$3,670,605,826	\$705,441,074	\$390,398,642	\$3,985,648,258	\$641,587,741	\$297,867,894	\$4,329,368,105

Total interest expense incurred on revenue bonds, long-term debt and obligations under capital lease agreements during the years ended June 30, 2011 and 2010, was \$42,241,481 and \$39,674,346, respectively. Interest expense of \$228,941 and \$1,230,850 associated with projects not yet completed was capitalized and recorded as construction in progress during the years ended June 30, 2011 and 2010, respectively. The remaining \$42,012,540 and \$38,443,496 is reported as Interest on indebtedness for the years ended June 30, 2011 and 2010, respectively.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2011 AND 2010

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 \$1,400,000,000.

Revenue bonds and notes payable consisted of the following as of June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Revenue Bonds, net	\$1,018,231,012	\$976,752,709
Revolving Loan Program Bonds	50,000,000	50,000,000
Certificates of Participation	4,600,000	6,300,000
Other	42,347,902	46,023,886
	<u>Revenue bonds and notes payable, net</u>	<u>\$1,115,178,914</u>
		<u>\$1,079,076,595</u>

Auxiliary Facility and Tuition Revenue Bonds

As of June 30, 2011, Auxiliary Facility and Tuition Revenue Bonds (Revenue Bonds) consisted of the following:

	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>Principal Outstanding</u>
2001 Series A	4.4%	2012	\$3,690,000
2001 Series B	4.0%	2012-2013	18,020,000
2002 Series A	4.0% - 5.25%	2012-2019	41,200,000
2003 Series A & B	4.0% - 5.0%	2012-2024	66,575,000
2004 Series A & B	4.5% - 6.0%	2012-2024	32,955,000
2005 Series A	3.0% - 5.0%	2012-2025	132,020,000
2006 Series A	4.0% - 5.0%	2011-2026	69,425,000
2007 Refunding Series A	4.0% - 5.0%	2012-2023	75,445,000
2008 Series A	4.0% - 5.0%	2012-2028	81,565,000
2008 Refunding Series B	3.0% - 4.5%	2011-2016	16,045,000
2009 Series A & B	4.0% - 6.0%	2012-2029	92,485,000
2009 Refunding Series C	2.5% - 4.0%	2011-2019	27,185,000
2009 Refunding Series D	2.0% - 4.0%	2011-2022	55,795,000
2010 Series A & B	2.5% - 5.4%	2012-2030	115,770,000
2010 Series C	2.0% - 4.0%	2012-2023	49,890,000
2010 Series D & E	3.0% - 5.85%	2012-2030	115,000,000
			993,065,000
			<u>Unamortized discounts, premiums and refunding adjustments</u>
			25,166,012
			<u>Revenue bonds, net</u>
			<u>\$1,018,231,012</u>

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.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2011 AND 2010

Revenue Bonds issued during the years ended June 30, 2011 and 2010, 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)
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	3,899,582	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				
2010 Refunding Series C	9/8/2010	50,990,000	5,314,847	49,045,000	3,733,928	4,400,943	3,331,544
2010 Series D & E	12/9/2010	115,000,000	3,182,892		1,631,265		1,357,494

The System has issued series of revenue bonds that qualify for participation in the Build America Bonds program, a provision of the American Recovery and Reinvestment Act of 2009. The provisions of the Build America Bonds provide that the Federal government will reimburse issuers of Build America Bonds an amount equal to 35% of the interest payments made to bondholders. The 2009 Series B, the 2010 Series B, and 2010 Series E bonds have been issued to comply with the requirements of the Build America Bonds program, has been receiving the interest payment reimbursements from the Federal government, and the System expects that these bonds will continue to qualify under the program in the future. The interest amounts reflected in the future principal and interest payments schedule on the following page reflect the System's obligations to bondholders, and have not been reduced for any expectation of interest reimbursement from the Federal government under the Build America Bonds program.

As of June 30, 2011, previously issued debt removed from the System's financial statements through advance refunding transactions still outstanding was \$121,640,000.

As of June 30, 2011 and 2010, cash and cash equivalents and investments restricted by the terms of the Indenture of Trust totaled \$71,288,568 and \$123,927,852, 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.

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010**

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.

Future principal and interest payments are as follows:

Year ending June 30,	<u>Auxiliary Facility and Tuition Revenue Bonds</u>		<u>Notes Payable and Other Long-term Debt</u>		Total Payments
	Principal	Interest	Principal	Interest	
2012	\$74,505,000	\$45,268,966	\$6,002,466	\$4,906,857	\$130,683,289
2013	68,930,000	42,344,728	6,977,393	3,772,275	122,024,396
2014	63,960,000	39,606,455	6,051,378	3,571,989	113,189,822
2015	66,790,000	36,731,548	4,001,948	3,421,641	110,945,137
2016	70,300,000	33,580,416	3,498,009	3,312,426	110,690,851
2017 – 2021	331,730,000	120,634,630	12,817,338	15,392,166	480,574,134
2022 – 2026	216,070,000	55,642,170	57,599,370	2,203,741	331,515,281
2027 – 2031	100,780,000	12,075,799	-	-	112,855,799
Total	<u>\$993,065,000</u>	<u>\$385,884,712</u>	<u>\$96,947,902</u>	<u>\$36,581,095</u>	<u>\$1,512,478,709</u>

As of June 30, 2011 and 2010, cash and cash equivalents in the amount of \$20,036,604 and \$20,376,029, 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, 2011 AND 2010

5. LEASES

Obligations under capital lease agreements

The System leases two facilities for the use of the University of Maryland College Park and Towson University under agreements recorded as capital lease obligations. The obligations are recorded at the present value of future minimum lease payments using a discount rate of 6.8% and 3.2%, for the University of Maryland College Park and the Towson University leases, respectively,

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

<u>Year ending June 30,</u>	<u>Total</u>
2012	\$511,986
2013	1,571,163
2014	1,602,938
2015	1,635,667
2016	1,669,377
2017 – 2021	8,633,026
2022	<u>1,381,986</u>
Total future lease payments	17,006,143
Less: Interest component	<u>(2,963,054)</u>
Obligations under capital lease agreements	<u><u>\$14,043,089</u></u>

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>
2012	\$14,918,539
2013	11,128,312
2014	9,618,812
2015	8,655,275
2016	7,528,921
2017 – 2021	20,945,106
2022 – 2026	<u>8,451,285</u>
Total	<u><u>\$81,246,250</u></u>

Operating lease expenditures for the years ended June 30, 2011 and 2010, were \$20,022,077 and \$20,187,682, respectively.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2011 AND 2010

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.

6. 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 is administered in accordance with the State Personnel and Pensions Article of the Annotated Code of Maryland, is managed by a Board of Trustees, and 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, 2011 AND 2010

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, 2011, 2010, and 2009 of \$74,127,461, \$64,738,657, and \$56,298,536, 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, 2011 were \$128,347,080 which consisted of \$64,707,130 from the System and \$63,639,950 from employees. 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.

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, 2011 and 2010 was approximately \$207,000 and \$213,000, respectively.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2011 AND 2010

7. 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, 2011 and 2010. The amounts contributed for the years ended June 30, 2011 and 2010, were \$44,741,945 and \$44,894,177, respectively.

8. CONSTRUCTION COMMITMENTS

The estimated costs to complete construction in progress as of June 30, 2011 is \$363,717,000, of which \$97,540,000 is to be funded from Revenue Bond proceeds, \$205,892,000 is to be derived from State appropriations and grants, and \$60,285,000 to be provided from System funds.

9. 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, 2011, the institution had entered into open contracts for the purchase of \$10,541,000 of natural gas to be delivered monthly through June 2012. Future purchase commitments for electricity to be supplied through June 2013 totaled \$11,111,000 as of June 30, 2011. 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, 2011 AND 2010

10. CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for the years ended June 30, 2011 and 2010, were as follows:

	June 30, 2009			June 30, 2010			June 30, 2011	Due Within
	Balance	Additions	Reductions	Balance	Additions	Reductions	Balance	One Year
Accrued vacation costs	\$171,618,314	\$81,391,284	\$78,632,021	\$174,377,577	\$82,501,119	\$81,739,829	\$175,138,867	\$86,433,730
Accrued workers' compensation	27,879,000	6,370,798	4,964,130	29,285,668	3,713,469	5,455,902	27,543,235	4,269,201
Revenue bonds and notes payable, net	1,024,470,887	219,798,720	165,193,012	1,079,076,595	170,086,804	133,984,485	1,115,178,914	80,507,466
Obligations under capital lease agreements	4,052,695		242,998	3,809,697	10,493,036	259,644	14,043,089	277,430
Total long-term liabilities	\$1,228,020,896	\$307,560,802	\$249,032,161	\$1,286,549,537	\$266,794,428	\$221,439,860	\$1,331,904,105	\$171,847,827

11. 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, 2011 and 2010, by grouping of object classification were as follows:

	2011				2010			
	Employee Costs	Payments to Suppliers, Contractors and Others	Depreciation	Total	Employee Costs	Payments to Suppliers, Contractors and Others	Depreciation	Total
Instruction	\$887,839,018	\$111,132,896	\$35,100,866	\$1,034,072,780	\$858,139,955	\$116,145,943	\$36,466,301	\$1,010,752,199
Research	559,284,405	364,671,421	21,670,966	945,626,792	550,483,445	329,927,163	25,211,299	905,621,907
Public service	87,491,573	57,890,179	3,009,344	148,391,096	85,420,258	55,216,837	3,035,872	143,672,967
Academic support	232,991,234	86,322,420	29,749,047	349,062,701	228,595,141	76,845,443	27,580,281	333,020,865
Student services	112,943,843	62,318,627	3,518,833	178,781,303	111,243,096	57,786,839	3,577,414	172,607,349
Institutional support	289,385,761	45,752,312	19,479,304	354,617,377	284,075,464	46,233,599	16,463,994	346,773,057
Operation and maintenance of plant	113,120,691	146,790,532	49,851,635	309,762,858	112,639,589	142,008,716	45,677,210	300,325,515
Scholarships and fellowships	5,681,539	86,284,017		91,965,556	6,468,003	86,886,594	128,257	93,482,854
Auxiliary enterprises:								
Residential facilities	38,776,434	44,278,142	21,023,326	104,077,902	38,257,229	43,513,917	16,697,602	98,468,748
Dining facilities	29,655,485	62,644,648	4,382,493	96,682,626	28,685,371	58,764,951	4,197,305	91,647,627
Intercollegiate athletics	45,519,886	34,830,809	7,367,953	87,718,648	43,106,837	29,962,482	6,305,715	79,375,034
Bookstores	4,447,714	22,462,799	135,773	27,046,286	4,602,804	23,689,027	135,484	28,427,315
Parking facilities	9,460,913	8,753,471	4,298,233	22,512,617	9,527,325	10,492,885	4,207,074	24,227,284
Other auxiliary enterprises	46,128,929	39,699,076	20,713,186	106,541,191	42,385,520	32,145,940	24,081,477	98,612,937
Hospital	139,904,935	1,397,480	13,740	141,316,155	134,465,633	3,224,510	19,891	137,710,034
Total	\$2,602,632,360	\$1,175,228,829	\$220,314,699	\$3,998,175,888	\$2,538,095,670	\$1,112,844,846	\$213,785,176	\$3,864,725,692

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2011 AND 2010

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, 2011 and 2010. Settlement amounts have not exceeded insurance coverage levels for the years ended June 30, 2011, 2010, or 2009.

As of June 30, 2011 and 2010, the System has recorded \$27,543,235 and \$29,285,668 in liabilities associated with workers' compensation, respectively.

13. SUBSEQUENT EVENTS

Sale of Revenue Bonds

On October 6, 2011, the System issued \$115,000,000 of 2011 Series A and \$38,075,000 of 2011 Refunding Series B University System of Maryland Auxiliary Facility and Tuition Revenue Bonds. The 2011 Series A bonds consist of serial bonds maturing through the year ended June 30, 2031 with stated interest rates from 3% to 5%, and were sold at an aggregate premium of \$11,216,461. The 2011 Series B bonds consist of serial bonds maturing through the year ended June 30, 2024 with stated interest rates between 3% to 5%, and were sold at an aggregate premium of \$3,641,916. The proceeds of the 2011 Series B bonds are to be used to advance refund \$4,905,000 of 2002 Series A bonds, \$24,865,000 of the 2003 Series A bonds, \$6,280,000 of the 2004 Series A bonds, and \$2,700,000 of the 2005 Series A bonds. The 2011 Series B bonds advance refunding will reduce future debt service by \$1,631,266 and result in an economic gain of \$1,357,495.

SUPPLEMENTAL INFORMATION

UNIVERSITY OF MARYLAND, BALTIMORE
BALANCE SHEET
JUNE 30, 2011 AND 2010

	June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	\$184,563,390	\$400,523	\$160,013,764	\$392,910
Accounts receivable, net	117,673,897	8,716,926	95,066,360	9,457,925
Notes receivable, current portion	2,146,954		2,389,295	
Prepaid expenses, deferred charges and other assets	337,083	120,935	329,956	139,158
Inter-institutional balances	1,457,010		321,612	
Total current assets	306,178,334	9,238,384	258,120,987	9,989,993
Noncurrent assets:				
Restricted cash and cash equivalents	1,108,165		909,937	
Accounts receivable, net		14,090,971		12,647,202
Endowment investments	77,345,666	120,602,056	68,764,320	94,511,984
Other investments		131,115,301		119,256,191
Notes receivable, net	26,642,295		26,997,311	
Other assets		4,059,268		4,549,875
Capital assets, net	685,960,298	2,803	693,946,675	12,503
Total noncurrent assets	791,056,424	269,870,399	790,618,243	230,977,755
Total assets	\$1,097,234,758	\$279,108,783	\$1,048,739,230	\$240,967,748
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$44,312,333	\$2,840,247	\$44,885,126	\$4,263,911
Accrued workers' compensation, current portion	947,815		1,134,863	
Accrued vacation costs, current portion	32,847,222		32,458,771	
Revenue bonds and notes payable, current portion	9,122,433		10,006,324	
Deferred revenue	43,612,435	9,690	42,069,025	1,365
Total current liabilities	130,842,238	2,849,937	130,554,109	4,265,276
Noncurrent liabilities:				
Accrued workers' compensation	5,167,123		6,186,831	
Accrued vacation costs	32,041,477		32,297,609	
Endowments invested on behalf of primary government		77,345,666		68,691,987
Other payables		950,508		1,622,161
Revenue bonds and notes payable	135,949,495		136,377,142	
Total noncurrent liabilities	173,158,095	78,296,174	174,861,582	70,314,148
Total liabilities	304,000,333	81,146,111	305,415,691	74,579,424
NET ASSETS				
Unrestricted	157,746,562	19,522,790	105,469,751	16,219,548
Invested in capital assets, net	540,888,370		547,563,209	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	6,067,560	28,766,186	5,577,033	27,290,761
Research	144,440	1,411,494	144,440	1,057,734
Other	10,294,734	81,588,490	10,294,734	66,245,016
Expendable:				
Scholarships and fellowships	26,957,650	8,011,077	25,718,792	4,937,307
Research	5,049,808	9,154,384	4,878,722	8,740,605
Loans	28,281,532		28,487,715	
Capital projects	1,108,165		909,937	
Other	16,695,604	49,508,251	14,279,206	41,897,353
Total net assets	793,234,425	197,962,672	743,323,539	166,388,324
Total liabilities and net assets	\$1,097,234,758	\$279,108,783	\$1,048,739,230	\$240,967,748

UNIVERSITY OF MARYLAND, BALTIMORE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2011 AND 2010

	Year ended June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES:				
Tuition and fees	\$110,384,344		\$103,718,416	
Less: scholarship allowances	<u>(17,781,273)</u>	\$92,603,071	<u>(19,204,075)</u>	\$84,514,341
Federal grants and contracts		305,929,820		271,734,025
State and local grants and contracts		59,575,622		52,515,973
Nongovernmental grants and contracts		95,057,926		100,415,289
Sales and services of educational departments		201,423,823		189,445,424
Auxiliary enterprises:				
Residential facilities		753,997		754,828
Parking facilities		12,269,807		11,537,976
Other auxiliary enterprises revenues		<u>14,550,656</u>		<u>11,637,558</u>
Total operating revenues		<u>782,164,722</u>		<u>722,555,414</u>
OPERATING EXPENSES:				
Instruction		166,894,339		164,872,758
Research		418,683,979		386,657,510
Public service		3,531,484		4,284,769
Academic support		48,498,727		50,825,223
Student services		4,407,033		4,414,998
Institutional support		59,261,171		61,518,694
Operation and maintenance of plant		86,108,559		78,083,475
Scholarships and fellowships		2,071,020		2,601,405
Auxiliary enterprises:				
Residential facilities		621,712		743,646
Parking facilities		7,722,947		8,446,743
Other auxiliary enterprises expenses		13,800,596		12,490,661
Hospital		<u>141,316,155</u>		<u>137,710,034</u>
Total operating expenses		<u>952,917,722</u>		<u>912,649,916</u>
Operating income (loss)		<u>(170,753,000)</u>		<u>(190,094,502)</u>
NONOPERATING REVENUES (EXPENSES):				
State appropriations		182,151,364		157,042,420
Pell grants		694,707		737,685
Gifts		12,083,903	\$32,376,064	13,500,188
Investment income	16,846,438		21,172,662	13,097,035
Less: Investment expense	<u>(338,004)</u>	16,508,434	<u>(159,944)</u>	12,937,091
Interest on indebtedness		(5,859,228)		(6,102,068)
Other revenues (expenses), gains and (losses)		5,214,611		363,548
Other affiliated foundation revenues			774,367	603,768
Other affiliated foundation expenses			(22,748,745)	(22,070,001)
Transfers (to) from other University System of Maryland institutions		<u>(80,721)</u>		<u>31,586,267</u>
Total nonoperating revenues (expenses)		<u>210,713,070</u>	<u>31,574,348</u>	<u>210,065,131</u>
Income before other revenues (expenses)		<u>39,960,070</u>	<u>31,574,348</u>	<u>19,970,629</u>
OTHER REVENUES:				
Capital appropriations		9,369,919		45,933,429
Capital gifts and grants		90,370		664,061
Additions to permanent endowments		<u>490,527</u>		<u>10,558</u>
Total other revenues		<u>9,950,816</u>		<u>46,608,048</u>
Increase in net assets		49,910,886	31,574,348	66,578,677
Net assets - beginning of year		<u>743,323,539</u>	<u>166,388,324</u>	<u>676,744,862</u>
Net assets - end of year		<u>\$793,234,425</u>	<u>\$197,962,672</u>	<u>\$743,323,539</u>
				<u>\$166,388,324</u>

**UNIVERSITY OF MARYLAND, BALTIMORE
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010**

	Year ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	\$89,037,460	\$87,474,647
Research contracts and grants	454,264,292	428,395,192
Payments to employees	(627,957,412)	(609,973,616)
Payments to suppliers and contractors	(268,470,452)	(242,403,573)
Loans issued to students	(4,155,439)	(4,038,866)
Collections of loans to students	4,150,943	3,427,775
Auxiliary enterprises:		
Residential facilities	753,997	754,828
Parking facilities	12,269,807	11,537,976
Other	14,537,725	11,617,416
Other receipts	204,300,855	190,743,373
	<u>(121,268,224)</u>	<u>(122,464,848)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	182,151,364	157,042,420
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes	490,527	10,558
Pell grants	694,707	737,685
	<u>183,336,598</u>	<u>157,790,663</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds of capital debt	12,314,207	8,553,919
Capital appropriations	9,369,919	45,933,429
Capital grants and gifts received	90,367	300,000
Proceeds from sales of capital assets	222,418	298,866
Purchases of capital assets	(46,471,942)	(80,283,857)
Principal paid on debt and capital leases	(19,952,667)	(16,897,984)
Interest paid on debt and capital leases	(6,823,882)	(6,619,993)
Transfers (to) from other University System of Maryland institutions	6,003,972	14,430,882
	<u>(45,247,608)</u>	<u>(34,284,738)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	3,913,323	4,204,285
Interest on investments	4,891,539	4,408,311
Investment expense	(338,004)	(159,944)
Purchases of investments	(539,770)	(229,638)
	<u>7,927,088</u>	<u>8,223,014</u>
Net cash provided by investing activities	<u>7,927,088</u>	<u>8,223,014</u>
Net increase in cash	<u>24,747,854</u>	<u>9,264,091</u>
Cash and cash equivalents - beginning of the year	<u>160,923,701</u>	<u>151,659,610</u>
Cash and cash equivalents - end of the year	<u>\$185,671,555</u>	<u>\$160,923,701</u>

UNIVERSITY OF MARYLAND, COLLEGE PARK
BALANCE SHEET
JUNE 30, 2011 AND 2010

	June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	\$503,534,831	\$23,509,700	\$465,806,866	\$19,639,679
Accounts receivable, net	82,542,884	40,821,440	79,804,520	36,147,341
Notes receivable, current portion	1,536,758		1,385,228	
Inventories	2,912,470		2,969,945	
Prepaid expenses, deferred charges and other assets	1,846,848	811,827	1,038,252	619,024
Inter-institutional balances	341,640		(120,299)	
Total current assets	592,715,431	65,142,967	550,884,512	56,406,044
Noncurrent assets:				
Restricted cash and cash equivalents	3,896,557		7,319,146	
Accounts receivable, net		37,143,139		40,174,046
Endowment investments	100,519,319	316,947,128	90,444,898	272,705,302
Other investments	3,403,621	164,353,442	3,403,621	165,517,087
Notes receivable, net	9,597,303		8,928,946	
Other assets		946,703		919,008
Capital assets, net	1,477,511,088	23,397,232	1,393,606,079	8,638,332
Total noncurrent assets	1,594,927,888	542,787,644	1,503,702,690	487,953,775
Total assets	\$2,187,643,319	\$607,930,611	\$2,054,587,202	\$544,359,819
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$83,805,741	\$2,536,991	\$82,825,469	\$3,152,890
Accrued workers' compensation, current portion	1,835,978		1,754,712	
Accrued vacation costs, current portion	22,869,517		24,431,670	
Revenue bonds and notes payable, current portion	34,706,604		30,461,129	
Deferred revenue	65,036,173	2,270,829	65,698,240	3,362,694
Current portion of obligations under capital lease obligations	277,430		259,644	
Total current liabilities	208,531,443	4,807,820	205,430,864	6,515,584
Noncurrent liabilities:				
Accrued workers' compensation	10,009,039		9,566,012	
Accrued vacation costs	30,808,668		29,655,522	
Endowments invested on behalf of primary government		100,479,949		90,405,771
Other payables		3,236,982		2,714,875
Revenue bonds and notes payable	298,937,326		313,630,341	
Obligations under capital lease agreements	3,272,623		3,550,053	
Total noncurrent liabilities	343,027,656	103,716,931	356,401,928	93,120,646
Total liabilities	551,559,099	108,524,751	561,832,792	99,636,230
NET ASSETS				
Unrestricted	386,193,195	62,294,611	339,593,599	47,836,765
Invested in capital assets, net	1,141,528,969		1,050,364,508	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	5,207,042	88,863,118	5,177,292	83,255,337
Research	3,499,667	1,998,279	3,499,667	5,304,152
Other	3,623,179	166,143,260	3,622,009	159,114,578
Expendable:				
Scholarships and fellowships	10,754,446	45,591,457	9,636,477	37,770,372
Research	64,517,311	11,985,021	61,663,507	8,477,649
Loans	11,279,545		11,155,531	
Capital projects	1,960,912		1,242,681	
Other	7,519,954	122,530,114	6,799,139	102,964,736
Total net assets	1,636,084,220	499,405,860	1,492,754,410	444,723,589
Total liabilities and net assets	\$2,187,643,319	\$607,930,611	\$2,054,587,202	\$544,359,819

UNIVERSITY OF MARYLAND, COLLEGE PARK
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2011 AND 2010

	Year ended June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES:				
Tuition and fees	\$443,973,524		\$422,194,424	
Less: scholarship allowances	<u>(67,729,981)</u>	\$376,243,543	<u>(61,501,359)</u>	\$360,693,065
Federal grants and contracts		347,217,675		308,227,353
State and local grants and contracts		54,308,774		54,238,537
Nongovernmental grants and contracts		67,383,989		67,006,468
Sales and services of educational departments		25,658,611		23,180,113
Auxiliary enterprises:				
Residential facilities	49,126,288		47,700,232	
Less: scholarship allowances	<u>(5,698,629)</u>	43,427,659	<u>(5,281,167)</u>	42,419,065
Dining facilities	44,238,571		42,705,010	
Less: scholarship allowances	<u>(2,777,220)</u>	41,461,351	<u>(2,708,343)</u>	39,996,667
Intercollegiate athletics		47,025,493		42,594,819
Parking facilities		12,577,066		13,104,738
Other auxiliary enterprises revenues		46,568,261		40,910,806
Other operating revenues		<u>33,897,360</u>		<u>28,894,264</u>
Total operating revenues		<u>1,095,769,782</u>		<u>1,021,265,895</u>
OPERATING EXPENSES:				
Instruction		391,856,414		386,293,320
Research		384,539,113		356,931,939
Public service		88,616,350		82,146,581
Academic support		135,135,408		122,259,790
Student services		43,533,686		43,910,458
Institutional support		88,240,611		82,674,388
Operation and maintenance of plant		98,913,012		102,968,447
Scholarships and fellowships		29,310,156		39,785,624
Auxiliary enterprises:				
Residential facilities		52,969,792		50,595,615
Dining facilities		43,785,770		41,021,632
Intercollegiate athletics		49,733,289		43,365,105
Parking facilities		8,387,747		8,865,680
Other auxiliary enterprises expenses		<u>44,276,324</u>		<u>43,867,095</u>
Total operating expenses		<u>1,459,297,672</u>		<u>1,404,685,674</u>
Operating income (loss)		<u>(363,527,890)</u>		<u>(383,419,779)</u>
NONOPERATING REVENUES (EXPENSES):				
State appropriations		407,234,194		352,724,815
Pell grants		22,805,121		19,685,697
Gifts		18,375,935	\$53,898,769	19,517,972
Investment income	30,367,349		53,529,612	\$54,522,888
Less: Investment expense	<u>(444,302)</u>	29,923,047	<u>(212,537)</u>	38,008,710
Interest on indebtedness		(13,045,793)		26,440,955
Other revenues (expenses), gains and (losses)		135,304		(13,604,559)
Other affiliated foundation revenues			4,555,023	(55,364)
Other affiliated foundation expenses			(57,301,133)	4,678,775
Transfers (to) from other University System of Maryland institutions		<u>(2,871,660)</u>		(65,114,954)
Total nonoperating revenues (expenses)		<u>462,556,148</u>	<u>54,682,271</u>	<u>464,695,991</u>
Income before other revenues (expenses)		<u>99,028,258</u>	<u>54,682,271</u>	<u>81,276,212</u>
OTHER REVENUES:				
Capital appropriations		26,364,679		12,949,893
Capital gifts and grants		17,905,953		9,976,426
Additions to permanent endowments		<u>30,920</u>		<u>37,238</u>
Total other revenues		<u>44,301,552</u>		<u>22,963,557</u>
Increase in net assets		<u>143,329,810</u>	<u>54,682,271</u>	<u>104,239,769</u>
Net assets - beginning of year		<u>1,492,754,410</u>	<u>444,723,589</u>	<u>1,388,514,641</u>
Net assets - end of year		<u>\$1,636,084,220</u>	<u>\$499,405,860</u>	<u>\$1,492,754,410</u>

**UNIVERSITY OF MARYLAND, COLLEGE PARK
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010**

	Year ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	\$365,916,110	\$358,439,023
Research contracts and grants	468,287,165	421,831,668
Payments to employees	(979,455,413)	(937,067,246)
Payments to suppliers and contractors	(408,053,964)	(385,426,898)
Loans issued to students	(2,214,861)	(1,855,378)
Collections of loans to students	1,394,974	1,998,600
Auxiliary enterprises:		
Residential facilities	43,531,119	42,419,065
Dining facilities	41,529,666	43,513,091
Intercollegiate athletics	50,718,402	42,594,819
Parking facilities	12,577,066	13,104,738
Other	49,173,010	40,910,806
Other receipts	84,226,514	78,337,529
Net cash provided (used) by operating activities	(272,370,212)	(281,200,183)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	407,234,194	352,724,815
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes	30,920	37,238
Pell grants	22,805,121	19,685,697
Net cash provided by noncapital financing activities	430,070,235	372,447,750
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds of capital debt	22,613,594	48,618,701
Capital appropriations	26,364,679	12,949,893
Capital grants and gifts received	11,659,897	9,976,426
Proceeds from sales of capital assets	63,903	2,200,000
Purchases of capital assets	(154,810,840)	(157,286,926)
Principal paid on debt and capital leases	(46,837,670)	(71,729,908)
Interest paid on debt and capital leases	(14,425,926)	(14,089,061)
Transfers (to) from other University System of Maryland institutions	12,129,090	30,463,850
Net cash provided (used) by capital and related financing activities	(143,243,273)	(138,897,025)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	5,701,794	6,492,982
Interest on investments	14,703,049	15,111,580
Investment expense	(444,302)	(212,537)
Purchases of investments	(111,915)	(374,704)
Net cash provided by investing activities	19,848,626	21,017,321
Net increase (decrease) in cash	34,305,376	(26,632,137)
Cash and cash equivalents - beginning of the year	473,126,012	499,758,149
Cash and cash equivalents - end of the year	\$507,431,388	\$473,126,012

**BOWIE STATE UNIVERSITY
BALANCE SHEET
JUNE 30, 2011 AND 2010**

	June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	\$42,655,213	\$517,935	\$34,059,902	\$506,960
Accounts receivable, net	2,195,196	1,168,119	2,413,665	1,504,840
Notes receivable, current portion	89,214		74,593	
Prepaid expenses, deferred charges and other assets	8,122	10,901		10,706
Inter-institutional balances	(302,527)		(83,266)	
Total current assets	44,645,218	1,696,955	36,464,894	2,022,506
Noncurrent assets:				
Restricted cash and cash equivalents	137,845			
Endowment investments		5,603,224		4,889,426
Notes receivable, net	773,412		813,118	
Capital assets, net	136,572,640	3,750	100,020,913	6,736
Total noncurrent assets	137,483,897	5,606,974	100,834,031	4,896,162
Total assets	\$182,129,115	\$7,303,929	\$137,298,925	\$6,918,668
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$8,035,437	\$42,477	\$6,656,447	\$42,925
Accrued workers' compensation, current portion	131,085		100,129	
Accrued vacation costs, current portion	1,284,843		921,198	
Revenue bonds and notes payable, current portion	697,248	8,500	738,257	8,853
Deferred revenue	3,520,133	60,957	2,801,800	100,034
Total current liabilities	13,668,746	111,934	11,217,831	151,812
Noncurrent liabilities:				
Accrued workers' compensation	714,623		545,868	
Accrued vacation costs	970,374		1,395,926	
Other payables		3,789		5,994
Revenue bonds and notes payable	15,142,632		13,310,550	
Total noncurrent liabilities	16,827,629	3,789	15,252,344	5,994
Total liabilities	30,496,375	115,723	26,470,175	157,806
NET ASSETS				
Unrestricted	29,678,137	417,524	23,644,308	209,458
Invested in capital assets, net	120,732,760		85,972,106	
Restricted:				
Nonexpendable:				
Other		4,089,121		3,951,980
Expendable:				
Loans	1,083,998		1,212,336	
Capital projects	137,845			
Other		2,681,561		2,599,424
Total net assets	151,632,740	7,188,206	110,828,750	6,760,862
Total liabilities and net assets	\$182,129,115	\$7,303,929	\$137,298,925	\$6,918,668

BOWIE STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2011 AND 2010

	Year ended June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES:				
Tuition and fees	\$32,511,893		\$32,750,159	
Less: scholarship allowances	(11,366,550)	\$21,145,343	(7,886,173)	\$24,863,986
Federal grants and contracts		7,878,545		7,072,040
State and local grants and contracts		1,106,048		1,194,810
Nongovernmental grants and contracts		200,984		305,124
Sales and services of educational departments		70,015		261,996
Auxiliary enterprises:				
Residential facilities	4,325,909		3,771,105	
Less: scholarship allowances	(267,681)	4,058,228	(406,796)	3,364,309
Dining facilities	3,534,257		3,116,463	
Less: scholarship allowances	(673,098)	2,861,159	(919,531)	2,196,932
Intercollegiate athletics	3,192,945		3,126,119	
Less: scholarship allowances	(614,135)	2,578,810	(492,845)	2,633,274
Parking facilities		321,737		361,314
Other auxiliary enterprises revenues		3,955,764		3,526,337
Other operating revenues				24,037
Total operating revenues		44,176,633		45,804,159
OPERATING EXPENSES:				
Instruction		26,602,745		27,541,722
Research		1,654,639		1,722,161
Public service		910,391		774,750
Academic support		9,202,687		10,146,172
Student services		5,617,539		5,868,624
Institutional support		14,468,209		13,760,294
Operation and maintenance of plant		8,120,368		7,338,319
Scholarships and fellowships		1,417,657		3,315,873
Auxiliary enterprises:				
Residential facilities		3,519,538		3,855,899
Dining facilities		3,405,240		3,115,194
Intercollegiate athletics		3,090,149		3,035,209
Other auxiliary enterprises expenses		2,144,191		2,877,347
Total operating expenses		80,153,353		83,351,564
Operating income (loss)		(35,976,720)		(37,547,405)
NONOPERATING REVENUES (EXPENSES):				
State appropriations		34,630,834		31,058,536
Pell grants		9,505,019		8,162,757
Gifts		303,653	\$869,525	749,081
Investment income		950,666	776,287	765,904
Interest on indebtedness		(618,053)		(416,353)
Other affiliated foundation revenues			204,232	100,010
Other affiliated foundation expenses			(1,422,700)	(1,019,437)
Transfers (to) from other University System of Maryland institutions		(639,689)		(920,021)
Total nonoperating revenues (expenses)		44,132,430	427,344	39,399,904
Income before other revenues (expenses)		8,155,710	427,344	1,852,499
OTHER REVENUE:				
Capital appropriations		32,648,280		10,832,397
Total other revenue		32,648,280		10,832,397
Increase in net assets		40,803,990	427,344	12,684,896
Net assets - beginning of year		110,828,750	6,760,862	98,143,854
Net assets - end of year		\$151,632,740	\$7,188,206	\$110,828,750

**BOWIE STATE UNIVERSITY
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010**

	Year ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	\$21,402,003	\$25,124,640
Research contracts and grants	9,653,574	8,425,626
Payments to employees	(49,653,927)	(51,011,003)
Payments to suppliers and contractors	(25,268,011)	(27,581,379)
Loans issued to students	(41,054)	(44,907)
Collections of loans to students	89,214	76,550
Auxiliary enterprises:		
Residential facilities	4,058,228	3,364,309
Dining facilities	2,861,159	2,196,932
Intercollegiate athletics	2,578,810	2,633,274
Parking facilities	321,737	361,314
Other	3,955,764	3,526,337
Other receipts	594,045	1,311,040
Net cash provided (used) by operating activities	<u>(29,448,458)</u>	<u>(31,617,267)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	34,630,834	31,058,536
Pell grants	9,505,019	8,162,757
Net cash provided by noncapital financing activities	<u>44,135,853</u>	<u>39,221,293</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds of capital debt	1,611,165	455,386
Capital appropriations	32,648,280	10,832,397
Purchases of capital assets	(40,319,720)	(20,857,240)
Principal paid on debt and capital leases	(1,754,881)	(1,718,519)
Interest paid on debt and capital leases	(682,311)	(425,251)
Transfers (to) from other University System of Maryland institutions	1,592,562	8,000,373
Net cash provided (used) by capital and related financing activities	<u>(6,904,905)</u>	<u>(3,712,854)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	950,666	765,904
Net cash provided by investing activities	<u>950,666</u>	<u>765,904</u>
Net increase in cash	8,733,156	4,657,076
Cash and cash equivalents - beginning of the year	<u>34,059,902</u>	<u>29,402,826</u>
Cash and cash equivalents - end of the year	<u>\$42,793,058</u>	<u>\$34,059,902</u>

**TOWSON UNIVERSITY
BALANCE SHEET
JUNE 30, 2011 AND 2010**

	June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	\$186,261,120	\$4,134,570	\$148,951,025	\$1,995,510
Accounts receivable, net	11,305,427	222,285	15,638,162	198,695
Notes receivable, current portion	1,379,764		1,419,017	
Inventories	2,806,751		2,767,017	
Prepaid expenses, deferred charges and other assets	2,975,733	156,201	2,318,437	367,413
Inter-institutional balances	317,879		76,340	
Total current assets	205,046,674	4,513,056	171,169,998	2,561,618
Noncurrent assets:				
Restricted cash and cash equivalents	47,227		134,030	
Accounts receivable, net		513,761		753,357
Endowment investments	4,374,404	38,684,855	3,932,111	32,837,853
Other investments		12,164,325		10,605,394
Notes receivable, net	11,605,539		11,609,491	
Other assets		1,200,000		1,200,000
Capital assets, net	494,201,187	3,369	397,284,659	1,128,381
Total noncurrent assets	510,228,357	52,566,310	412,960,291	46,524,985
Total assets	\$715,275,031	\$57,079,366	\$584,130,289	\$49,086,603
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$23,624,141	\$296,140	\$22,450,943	\$330,055
Accrued workers' compensation, current portion	286,876		345,446	
Accrued vacation costs, current portion	4,544,582		6,423,525	
Revenue bonds and notes payable, current portion	7,625,769	1,000,000	5,805,552	1,000,000
Deferred revenue	8,781,546		8,592,285	
Total current liabilities	44,862,914	1,296,140	43,617,751	1,330,055
Noncurrent liabilities:				
Accrued workers' compensation	1,563,936		1,883,236	
Accrued vacation costs	5,908,685		4,189,810	
Endowments invested on behalf of primary government		4,311,727		3,881,539
Revenue bonds and notes payable	154,103,779		98,827,585	
Obligations under capital lease agreements	10,493,036			
Total noncurrent liabilities	172,069,436	4,311,727	104,900,631	3,881,539
Total liabilities	216,932,350	5,607,867	148,518,382	5,211,594
NET ASSETS				
Unrestricted	158,042,130	2,324,593	125,498,911	768,598
Invested in capital assets, net	321,978,603		292,651,522	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	238,038	20,338,057	238,038	19,754,521
Research		10,003		10,003
Other		13,308,964		13,214,194
Expendable:				
Scholarships and fellowships	16,386	5,538,523	550	3,790,748
Research	1,192,205	3,542		5,905
Loans	14,311,971		14,821,053	
Capital projects			86,751	
Other	2,563,348	9,947,817	2,315,082	6,331,040
Total net assets	498,342,681	51,471,499	435,611,907	43,875,009
Total liabilities and net assets	\$715,275,031	\$57,079,366	\$584,130,289	\$49,086,603

TOWSON UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2011 AND 2010

	Year ended June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES:				
Tuition and fees	\$158,291,117		\$149,426,529	
Less: scholarship allowances	<u>(35,902,754)</u>	\$122,388,363	<u>(34,868,318)</u>	\$114,558,211
Federal grants and contracts		2,747,314		3,123,545
State and local grants and contracts		7,338,230		6,871,032
Nongovernmental grants and contracts		1,738,290		1,658,252
Sales and services of educational departments		4,009,395		4,903,411
Auxiliary enterprises:				
Residential facilities	18,875,858		17,642,163	
Less: scholarship allowances	<u>(866,683)</u>	18,009,175	<u>(1,300,085)</u>	16,342,078
Dining facilities	18,461,564		17,827,155	
Less: scholarship allowances	<u>(466,926)</u>	17,994,638	<u>(668,933)</u>	17,158,222
Intercollegiate athletics	15,413,926		15,371,388	
Less: scholarship allowances	<u>(2,410,822)</u>	13,003,104	<u>(3,728,870)</u>	11,642,518
Bookstore	9,306,681		9,905,749	
Less: scholarship allowances	<u>(1,415,880)</u>	7,890,801	<u>(51,633)</u>	9,854,116
Parking facilities	6,503,378		6,261,367	
Less: scholarship allowances	<u>(12,337)</u>	6,491,041		6,261,367
Other auxiliary enterprises revenues		27,460,940		24,055,926
Other operating revenues		10,032		
Total operating revenues	<u>229,081,323</u>		<u>216,428,678</u>	
OPERATING EXPENSES:				
Instruction		99,188,354		95,198,529
Research		3,777,263		3,490,956
Public service		15,264,701		15,733,406
Academic support		35,154,414		34,840,510
Student services		15,831,661		15,253,614
Institutional support		33,377,361		33,505,849
Operation and maintenance of plant		23,163,641		25,876,001
Scholarships and fellowships		9,918,598		6,654,289
Auxiliary enterprises:				
Residential facilities		13,678,254		11,107,193
Dining facilities		15,260,281		14,352,889
Intercollegiate athletics		13,460,126		14,588,716
Bookstore		8,994,691		10,016,147
Parking facilities		3,864,241		3,683,740
Other auxiliary enterprises expenses		14,866,948		12,570,883
Total operating expenses		<u>305,800,534</u>		<u>296,872,722</u>
Operating income (loss)		<u>(76,719,211)</u>		<u>(80,444,044)</u>
NONOPERATING REVENUES (EXPENSES):				
State appropriations		88,781,205		77,438,516
Pell grants		16,687,965		13,892,993
Gifts		1,190,127	\$3,503,362	1,159,871
Investment income (loss)	5,087,890		8,349,017	4,646,708
Less: Investment expense	<u>(19,071)</u>	5,068,819	<u>(9,003)</u>	4,442,153
Interest on indebtedness		(5,362,893)		(3,537,823)
Other revenues (expenses), gains and (losses)		10,655,341		9,286,502
Other affiliated foundation revenues			1,721,370	1,594,276
Other affiliated foundation expenses			(5,977,259)	(5,697,091)
Transfers (to) from other University System of Maryland institutions		(5,895,081)		(4,736,822)
Total nonoperating revenues (expenses)		<u>111,125,483</u>	<u>7,596,490</u>	<u>97,945,390</u>
Income before other revenues (expenses)		<u>34,406,272</u>	<u>7,596,490</u>	<u>17,501,346</u>
OTHER REVENUES:				
Capital appropriations		28,306,260		49,828,325
Capital gifts and grants		18,242		430,824
Total other revenue		<u>28,324,502</u>		<u>50,259,149</u>
Increase in net assets		<u>62,730,774</u>	<u>7,596,490</u>	<u>67,760,495</u>
Net assets - beginning of year		<u>435,611,907</u>	<u>43,875,009</u>	<u>367,851,412</u>
Net assets - end of year		<u>\$498,342,681</u>	<u>\$51,471,499</u>	<u>\$435,611,907</u>

**TOWSON UNIVERSITY
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010**

	Year ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	\$123,037,108	\$113,363,818
Research contracts and grants	11,288,889	13,118,693
Payments to employees	(190,128,445)	(190,919,536)
Payments to suppliers and contractors	(95,408,294)	(86,269,811)
Loans issued to students	(2,056,337)	(987,937)
Collections of loans to students	2,099,542	1,973,855
Auxiliary enterprises:		
Residential facilities	18,063,434	16,204,806
Dining facilities	17,925,654	17,076,478
Intercollegiate athletics	12,959,418	11,667,983
Bookstore	8,020,221	9,925,621
Parking facilities	6,665,693	6,116,776
Other	27,355,416	24,280,194
Other receipts	20,347,736	14,166,601
Net cash provided (used) by operating activities	(39,829,965)	(50,282,459)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	88,781,205	77,438,516
Pell grants	16,687,965	13,892,993
Net cash provided by noncapital financing activities	105,469,170	91,331,509
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds of capital debt	24,391,504	11,235,302
Capital appropriations	28,306,260	49,828,325
Purchases of capital assets	(107,347,212)	(85,241,755)
Principal paid on debt and capital leases	(13,618,622)	(18,184,652)
Interest paid on debt and capital leases	(5,554,284)	(4,061,743)
Transfers (to) from other University System of Maryland institutions	40,779,918	11,349,541
Net cash provided (used) by capital and related financing activities	(33,042,436)	(35,074,982)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	242,700	208,113
Interest on investments	4,402,894	3,943,946
Investment expense	(19,071)	(9,003)
Net cash provided by investing activities	4,626,523	4,143,056
Net increase in cash	37,223,292	10,117,124
Cash and cash equivalents - beginning of the year	149,085,055	138,967,931
Cash and cash equivalents - end of the year	\$186,308,347	\$149,085,055

**UNIVERSITY OF MARYLAND EASTERN SHORE
BALANCE SHEET
JUNE 30, 2011 AND 2010**

	June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	\$18,871,870		\$15,147,590	
Accounts receivable, net	5,193,688	\$958,478	6,953,580	\$801,688
Notes receivable, current portion	773,529		1,453,612	
Prepaid expenses, deferred charges and other assets		3,723		7,824
Inter-institutional balances	100,727		79,397	
Total current assets	24,939,814	962,201	23,634,179	809,512
Noncurrent assets:				
Restricted cash and cash equivalents			23,680	
Accounts receivable, net		219,871		418,505
Endowment investments	3,460,793	20,578,153	2,715,644	17,991,817
Other investments		3,847,089		3,093,117
Notes receivable, net	2,926,023		2,324,512	
Capital assets, net	171,135,579		173,582,266	
Total noncurrent assets	177,522,395	24,645,113	178,646,102	21,503,439
Total assets	\$202,462,209	\$25,607,314	\$202,280,281	\$22,312,951
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$6,478,681	\$55,613	\$6,854,895	\$67,515
Accrued workers' compensation, current portion	140,925		144,757	
Accrued vacation costs, current portion	1,322,597		998,819	
Revenue bonds and notes payable, current portion	5,231,898		5,377,861	
Deferred revenue	992,375		791,086	
Total current liabilities	14,166,476	55,613	14,167,418	67,515
Noncurrent liabilities:				
Accrued workers' compensation	768,266		789,158	
Accrued vacation costs	2,841,925		2,735,724	
Endowments invested on behalf of primary government		3,460,792		2,715,643
Revenue bonds and notes payable	47,136,543		50,615,849	
Total noncurrent liabilities	50,746,734	3,460,792	54,140,731	2,715,643
Total liabilities	64,913,210	3,516,405	68,308,149	2,783,158
NET ASSETS				
Unrestricted	9,214,263	2,033,652	7,213,318	1,809,166
Invested in capital assets, net	118,767,138		117,588,556	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	28,009	8,096,268	28,009	7,645,344
Research		228,769		219,159
Other		8,768,962		7,234,795
Expendable:				
Scholarships and fellowships	1,744,320	945,786	1,223,351	813,993
Research		504,006		413,598
Loans	6,749,253		6,697,790	
Capital projects			23,680	
Other	1,046,016	1,513,466	1,197,428	1,393,738
Total net assets	137,548,999	22,090,909	133,972,132	19,529,793
Total liabilities and net assets	\$202,462,209	\$25,607,314	\$202,280,281	\$22,312,951

UNIVERSITY OF MARYLAND EASTERN SHORE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2011 AND 2010

	Year ended June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES:				
Tuition and fees	\$25,966,144		\$22,845,359	
Less: scholarship allowances	<u>(13,741,695)</u>	\$12,224,449	<u>(12,466,794)</u>	\$10,378,565
Federal grants and contracts		9,913,917		12,617,244
State and local grants and contracts		11,257,204		8,697,110
Nongovernmental grants and contracts		790,019		1,396,988
Sales and services of educational departments		93,816		144,611
Auxiliary enterprises:				
Residential facilities	10,881,105		10,711,487	
Less: scholarship allowances	<u>(822,400)</u>	10,058,705	<u>(1,082,753)</u>	9,628,734
Dining facilities	7,405,092		7,646,115	
Less: scholarship allowances	<u>(986,279)</u>	6,418,813	<u>(1,110,913)</u>	6,535,202
Intercollegiate athletics		2,571,690		2,435,531
Parking facilities		151,581		134,536
Other auxiliary enterprises revenues		5,965,266		5,764,109
Other operating revenues		<u>1,903,429</u>		<u>1,169,098</u>
Total operating revenues		<u>61,348,889</u>		<u>58,901,728</u>
OPERATING EXPENSES:				
Instruction		29,252,945		26,856,500
Research		12,786,517		12,188,158
Public service		489,883		654,022
Academic support		9,687,628		8,861,914
Student services		4,759,420		4,490,223
Institutional support		9,760,784		9,231,538
Operation and maintenance of plant		9,371,529		11,268,622
Scholarships and fellowships		248,501		416,801
Auxiliary enterprises:				
Residential facilities		7,927,289		7,430,192
Dining facilities		5,826,108		5,567,467
Intercollegiate athletics		3,375,240		2,595,539
Other auxiliary enterprises expenses		<u>5,309,813</u>		<u>5,115,681</u>
Total operating expenses		<u>98,795,657</u>		<u>94,676,657</u>
Operating income (loss)		<u>(37,446,768)</u>		<u>(35,774,929)</u>
NONOPERATING REVENUES (EXPENSES):				
State appropriations		31,520,443		28,756,638
Pell grants		9,873,207		9,042,726
Gifts		343,000	\$813,747	2,330,066
Investment income	1,045,444		2,469,572	485,417
Less: Investment expense	<u>(13,343)</u>	1,032,101		<u>(976)</u>
Interest on indebtedness		(2,125,629)		(2,215,645)
Other revenues (expenses), gains and (losses)		72,605		46,356
Other affiliated foundation revenues			24,382	4,184
Other affiliated foundation expenses			(746,585)	(1,181,007)
Transfers (to) from other University System of Maryland institutions		<u>301,038</u>		<u>64,029</u>
Total nonoperating revenues (expenses)		<u>41,016,765</u>	2,561,116	<u>38,508,611</u>
Income before other revenues (expenses)		<u>3,569,997</u>	2,561,116	<u>2,733,682</u>
OTHER REVENUE:				
Capital appropriations		<u>6,870</u>		<u>128,663</u>
Total other revenues (expenses)		<u>6,870</u>		<u>128,663</u>
Increase in net assets		3,576,867	2,561,116	2,862,345
Net assets - beginning of year		<u>133,972,132</u>	<u>19,529,793</u>	<u>131,109,787</u>
Net assets - end of year		<u>\$137,548,999</u>	<u>\$22,090,909</u>	<u>\$133,972,132</u>

**UNIVERSITY OF MARYLAND EASTERN SHORE
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010**

	Year ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	\$14,505,909	\$12,203,322
Research contracts and grants	21,296,817	22,724,640
Payments to employees	(64,288,959)	(61,685,242)
Payments to suppliers and contractors	(29,076,462)	(22,372,745)
Loans issued to students	(1,036,125)	(184,500)
Collections of loans to students	1,114,697	691,375
Auxiliary enterprises:		
Residential facilities	10,058,705	9,628,734
Dining facilities	6,418,813	6,535,202
Intercollegiate athletics	2,571,690	2,435,531
Parking facilities	151,581	134,536
Other	6,309,311	5,630,290
Other receipts (payments)	<u>2,195,763</u>	<u>3,544,419</u>
Net cash provided (used) by operating activities	<u>(29,778,260)</u>	<u>(20,714,438)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	31,520,443	28,756,638
Pell grants	<u>9,873,207</u>	<u>9,042,726</u>
Net cash provided by noncapital financing activities	<u>41,393,650</u>	<u>37,799,364</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds of capital debt	4,422,296	10,487,345
Capital appropriations	6,870	128,663
Purchases of capital assets	(2,688,122)	(10,770,235)
Principal paid on debt and capital leases	(8,427,259)	(14,693,825)
Interest paid on debt and capital leases	(2,658,381)	(2,603,863)
Transfers (to) from other University System of Maryland institutions	<u>1,142,854</u>	<u>2,075,134</u>
Net cash provided (used) by capital and related financing activities	<u>(8,201,742)</u>	<u>(15,376,781)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	69,038	115,290
Interest on investments	574,257	375,187
Investment expense	(13,343)	(976)
Purchases of investments	<u>(343,000)</u>	<u>(2,330,066)</u>
Net cash provided (used) by investing activities	<u>286,952</u>	<u>(1,840,565)</u>
Net increase (decrease) in cash	3,700,600	(132,420)
Cash and cash equivalents - beginning of the year	<u>15,171,270</u>	<u>15,303,690</u>
Cash and cash equivalents - end of the year	<u>\$18,871,870</u>	<u>\$15,171,270</u>

**FROSTBURG STATE UNIVERSITY
BALANCE SHEET
JUNE 30, 2011 AND 2010**

	2011		June 30,		2010	
	Institution	Component Units	Institution	Component Units	Institution	Component Units
ASSETS						
Current assets:						
Cash and cash equivalents	\$27,923,501	\$651,789	\$23,554,777		\$403,359	
Accounts receivable, net	1,956,903	880,513	1,843,897		657,551	
Notes receivable, current portion	102,470		114,508			
Inventories	1,180,475		1,092,954			
Prepaid expenses, deferred charges and other assets	580,733	166,618	580,814		148,942	
Inter-institutional balances	238,717		112,621			
Total current assets	31,982,799	1,698,920	27,299,571		1,209,852	
Noncurrent assets:						
Restricted cash and cash equivalents	286,239		226,018			
Endowment investments	1,058,926	14,455,783	900,533		12,248,471	
Other investments		1,874,069			1,550,589	
Notes receivable, net	922,232		1,030,570			
Capital assets, net	85,917,898	1,295	72,413,640		1,454	
Total noncurrent assets	88,185,295	16,331,147	74,570,761		13,800,514	
Total assets	\$120,168,094	\$18,030,067	\$101,870,332		\$15,010,366	
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	\$6,737,173	\$17,451	\$6,039,157		\$13,479	
Accrued workers' compensation, current portion	115,602		106,063			
Accrued vacation costs, current portion	3,164,513		2,963,281			
Revenue bonds and notes payable, current portion	1,486,050		1,157,941			
Deferred revenue	1,265,427	176,710	1,389,725		152,578	
Total current liabilities	12,768,765	194,161	11,656,167		166,057	
Noncurrent liabilities:						
Accrued workers' compensation	630,220		578,215			
Revenue bonds and notes payable	24,091,541		15,320,048			
Endowments invested on behalf of primary government		1,058,926			900,533	
Total noncurrent liabilities	24,721,761	1,058,926	15,898,263		900,533	
Total liabilities	37,490,526	1,253,087	27,554,430		1,066,590	
NET ASSETS						
Unrestricted	19,719,311	177,888	16,743,802		130,935	
Invested in capital assets, net	60,340,307		55,935,651			
Restricted:						
Nonexpendable:						
Other	750,000					
Expendable:						
Scholarships and fellowships	1,905		3,941			
Research	200,081		197,889			
Loans	1,139,114		1,208,601			
Capital projects	286,239		226,018			
Other	240,611	16,599,092			13,812,841	
Total net assets	82,677,568	16,776,980	74,315,902		13,943,776	
Total liabilities and net assets	\$120,168,094	\$18,030,067	\$101,870,332		\$15,010,366	

FROSTBURG STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2011 AND 2010

	Year ended June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES:				
Tuition and fees	\$32,253,517		\$31,410,037	
Less: scholarship allowances	<u>(7,556,928)</u>	\$24,696,589	<u>(6,511,522)</u>	\$24,898,515
Federal grants and contracts		2,756,915		2,511,388
State and local grants and contracts		1,719,589		1,736,254
Nongovernmental grants and contracts		130,987		135,051
Sales and services of educational departments		1,217,290		1,076,419
Auxiliary enterprises:				
Residential facilities	6,054,555		5,847,028	
Less: scholarship allowances	<u>(262,936)</u>	5,791,619	<u>(194,904)</u>	5,652,124
Dining facilities	7,271,167		7,151,120	
Less: scholarship allowances	<u>(44,395)</u>	7,226,772	<u>(54,455)</u>	7,096,665
Intercollegiate athletics	3,164,627		2,932,432	
Less: scholarship allowances	<u>(159,951)</u>	3,004,676	<u>(128,663)</u>	2,803,769
Bookstore	2,399,315		2,620,960	
Less: scholarship allowances	<u>(12,008)</u>	2,387,307	<u>(16,324)</u>	2,604,636
Other auxiliary enterprises revenues	4,651,950		4,494,801	
Less: scholarship allowances	<u>(79,753)</u>	4,572,197	<u>(65,161)</u>	4,429,640
Other operating revenues		<u>462,942</u>		<u>335,570</u>
Total operating revenue		<u>53,966,883</u>		<u>53,280,031</u>
OPERATING EXPENSES:				
Instruction		29,138,610		28,968,590
Research		629,687		440,928
Public service		3,548,582		3,549,815
Academic support		8,926,061		8,471,214
Student services		4,552,543		4,385,949
Institutional support		11,980,637		11,539,860
Operation and maintenance of plant		8,655,668		9,000,647
Scholarships and fellowships		5,510,034		5,404,827
Auxiliary enterprises:				
Residential facilities		4,571,513		4,450,041
Dining facilities		4,546,383		4,443,620
Intercollegiate athletics		2,982,208		3,032,990
Bookstore		2,424,520		2,036,154
Other auxiliary enterprises expenses		<u>3,798,532</u>		<u>2,386,648</u>
Total operating expenses		<u>91,264,978</u>		<u>88,111,283</u>
Operating income (loss)		<u>(37,298,095)</u>		<u>(34,831,252)</u>
NONOPERATING REVENUES (EXPENSES):				
State appropriations		32,485,294		28,535,825
Pell grants		6,922,005		5,859,870
Gifts		864,858	\$2,268,143	860,710
Investment income	891,544		2,356,048	777,142
Less: Investment expense	<u>(4,425)</u>	887,119	<u>(1,987)</u>	775,155
Interest on indebtedness		(788,455)		(363,634)
Other revenues (expenses), gains and (losses)		(836,454)		51,626
Other affiliated foundation revenues			397,870	299,909
Other affiliated foundation expenses			(2,188,857)	(2,804,581)
Transfers (to) from other University System of Maryland institutions		<u>430,740</u>		<u>591,622</u>
Total nonoperating revenues (expenses)		<u>39,965,107</u>	<u>2,833,204</u>	<u>36,311,174</u>
Income before other revenues (expenses)		<u>2,667,012</u>	<u>2,833,204</u>	<u>1,479,922</u>
OTHER REVENUES:				
Capital appropriations		3,581,062		39
Capital gifts and grants		1,363,592		436,183
Additions to permanent endowments		<u>750,000</u>		
Total other revenues		<u>5,694,654</u>		<u>436,222</u>
Increase in net assets		<u>8,361,666</u>	<u>2,833,204</u>	<u>1,916,144</u>
Net assets - beginning of year		<u>74,315,902</u>	<u>13,943,776</u>	<u>72,399,758</u>
Net assets - end of year		<u>\$82,677,568</u>	<u>\$16,776,980</u>	<u>\$74,315,902</u>

**FROSTBURG STATE UNIVERSITY
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010**

	Year ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	\$24,907,182	\$25,057,300
Research contracts and grants	4,459,338	4,350,936
Payments to employees	(57,179,545)	(56,561,319)
Payments to suppliers and contractors	(28,548,650)	(27,715,987)
Loans issued to students	(110,881)	(107,314)
Collections of loans to students	231,257	60,787
Auxiliary enterprises:		
Residential facilities	5,791,644	5,652,099
Dining facilities	7,229,305	7,142,734
Intercollegiate athletics	3,006,476	2,842,649
Bookstore	2,228,461	2,480,658
Other	4,478,529	4,461,390
Other receipts	1,751,365	2,236,270
Net cash provided (used) by operating activities	(31,755,519)	(30,099,797)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	32,485,294	28,535,825
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes	750,000	
Pell grants	6,922,005	5,859,870
Net cash provided by noncapital financing activities	40,157,299	34,395,695
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds of capital debt	2,547,553	1,703,853
Capital appropriations	3,581,062	39
Capital grants and gifts received	1,200,000	300,000
Purchases of capital assets	(18,186,388)	(7,692,275)
Principal paid on debt and capital leases	(3,132,442)	(2,323,243)
Interest paid on debt and capital leases	(921,319)	(540,892)
Transfers (to) from other University System of Maryland institutions	10,209,973	3,986,655
Net cash provided (used) by capital and related financing activities	(4,701,561)	(4,565,863)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	2,703	2,162
Interest on investments	735,078	669,177
Investment expense	(4,425)	(1,987)
Purchases of investments	(4,630)	
Net cash provided by investing activities	728,726	669,352
Net increase in cash	4,428,945	399,387
Cash and cash equivalents - beginning of the year	23,780,795	23,381,408
Cash and cash equivalents - end of the year	\$28,209,740	\$23,780,795

**COPPIN STATE UNIVERSITY
BALANCE SHEET
JUNE 30, 2011 AND 2010**

	June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	\$79,192	\$1,940,859	\$2,880,863	\$2,174,252
Accounts receivable, net	6,981,749	379,948	7,848,699	894,867
Notes receivable, current portion	94,588		77,942	
Prepaid expenses, deferred charges and other assets	2,747	4,388	19,000	6,131
Inter-institutional balances	(2,949,144)		106,474	
Total current assets	<u>4,209,132</u>	<u>2,325,195</u>	<u>10,932,978</u>	<u>3,075,250</u>
Noncurrent assets:				
Restricted cash and cash equivalents	155,094		122,052	
Endowment investments	815,839	8,092,040	726,960	6,906,363
Notes receivable, net	783,103		645,289	726,960
Other assets		193,211		145,443
Capital assets, net	273,231,002		263,952,227	
Total noncurrent assets	<u>274,985,038</u>	<u>9,101,090</u>	<u>265,446,528</u>	<u>7,778,766</u>
Total assets	<u>\$279,194,170</u>	<u>\$11,426,285</u>	<u>\$276,379,506</u>	<u>\$10,854,016</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$5,482,892	\$77,670	\$4,893,163	\$96,012
Accrued workers' compensation, current portion	196,733		130,583	
Accrued vacation costs, current portion	694,091		568,891	
Revenue bonds and notes payable, current portion	1,662,321		1,857,530	
Deferred revenue	2,302,501	69,582	1,038,231	59,972
Total current liabilities	<u>10,338,538</u>	<u>147,252</u>	<u>8,488,398</u>	<u>155,984</u>
Noncurrent liabilities:				
Accrued workers' compensation	1,072,515		711,891	
Accrued vacation costs	2,243,836		2,465,193	
Endowments invested on behalf of primary government		815,839		726,960
Other payables		75		100,980
Revenue bonds and notes payable	29,424,666		25,303,817	
Total noncurrent liabilities	<u>32,741,017</u>	<u>815,914</u>	<u>28,480,901</u>	<u>827,940</u>
Total liabilities	<u>43,079,555</u>	<u>963,166</u>	<u>36,969,299</u>	<u>983,924</u>
NET ASSETS				
Unrestricted	(8,183,944)	325,326	532,439	429,333
Invested in capital assets, net	242,144,015		236,790,880	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	413,474		413,474	
Other	240,125	6,458,697	240,125	7,237,863
Expendable:				
Loans	1,345,851		1,311,237	
Capital projects	155,094		122,052	
Other		3,679,096		2,202,896
Total net assets	<u>236,114,615</u>	<u>10,463,119</u>	<u>239,410,207</u>	<u>9,870,092</u>
Total liabilities and net assets	<u>\$279,194,170</u>	<u>\$11,426,285</u>	<u>\$276,379,506</u>	<u>\$10,854,016</u>

COPPIN STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2011 AND 2010

	Year ended June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES:				
Tuition and fees	\$15,384,027		\$15,517,378	
Less: scholarship allowances	<u>(11,839,162)</u>	\$3,544,865	<u>(11,528,904)</u>	\$3,988,474
Federal grants and contracts		10,315,823		8,777,416
State and local grants and contracts		1,359,161		1,646,628
Nongovernmental grants and contracts		1,049,863		1,844,762
Sales and services of educational departments				166,513
Auxiliary enterprises:				
Residential facilities		3,267,876		3,070,973
Dining facilities		1,812,498		1,598,234
Intercollegiate athletics	3,083,207		3,053,167	
Less: scholarship allowances	<u>(1,073,111)</u>	2,010,096	<u>(1,231,880)</u>	1,821,287
Parking facilities		1,208,900		1,138,412
Other auxiliary enterprises revenues		3,087,872		1,409,714
Other operating revenues		<u>480,298</u>		<u>1,676,046</u>
Total operating revenues		<u>28,137,252</u>		<u>27,138,459</u>
OPERATING EXPENSES:				
Instruction		27,246,503		26,773,325
Research		145,364		275,973
Public service		590,971		17,625
Academic support		8,219,439		6,802,454
Student services		6,597,892		5,858,237
Institutional support		18,600,120		17,286,406
Operation and maintenance of plant		12,822,874		9,172,047
Scholarships and fellowships		517,233		763,647
Auxiliary enterprises:				
Residential facilities		2,443,208		1,702,018
Dining facilities		2,204,839		1,667,980
Intercollegiate athletics		3,859,265		3,459,864
Parking facilities		527,230		857,162
Other auxiliary enterprises expenses		<u>1,387,389</u>		<u>1,025,821</u>
Total operating expenses		<u>85,162,327</u>		<u>75,662,559</u>
Operating income (loss)		<u>(57,025,075)</u>		<u>(48,524,100)</u>
NONOPERATING REVENUES (EXPENSES):				
State appropriations		37,526,362		35,267,551
Pell grants		9,391,229		8,667,136
Gifts			\$947,099	\$4,187,783
Investment income (loss)	175,542		838,629	970,560
Less: Investment expense	<u>(3,103)</u>	172,439		
Interest on indebtedness		<u>(1,224,313)</u>	164,862	(1,585)
Other revenues (expenses), gains and (losses)		4,143		163,277
Other affiliated foundation revenues				(923,754)
Other affiliated foundation expenses				22,831
Transfers (to) from other University System of Maryland institutions		<u>(2,510,756)</u>		208,837
				<u>(4,512,553)</u>
Total nonoperating revenues (expenses)		<u>43,359,104</u>	593,027	<u>45,822,725</u>
Income (loss) before other revenues (expenses)		<u>(13,665,971)</u>	<u>593,027</u>	<u>(2,701,375)</u>
OTHER REVENUES:				
Capital appropriations		10,370,379		39,080,287
Additions to permanent endowments				<u>25,000</u>
Total other revenues		<u>10,370,379</u>		<u>39,105,287</u>
Increase (decrease) in net assets		<u>(3,295,592)</u>	593,027	<u>36,403,912</u>
Net assets - beginning of year		<u>239,410,207</u>	<u>9,870,092</u>	<u>203,006,295</u>
Net assets - end of year		<u>\$236,114,615</u>	<u>\$10,463,119</u>	<u>\$239,410,207</u>

**COPPIN STATE UNIVERSITY
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010**

	Year ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	\$5,934,696	\$4,494,591
Research contracts and grants	13,989,117	10,671,971
Payments to employees	(50,844,735)	(48,433,896)
Payments to suppliers and contractors	(25,540,521)	(19,641,993)
Loans issued to students	(186,464)	(360,793)
Collections of loans to students	32,004	1,068,203
Auxiliary enterprises:		
Residential facilities	3,267,876	3,070,973
Dining facilities	1,812,498	1,598,234
Intercollegiate athletics	2,010,096	1,821,287
Parking facilities	1,208,900	1,138,412
Other	2,833,488	1,409,714
Other receipts	738,828	1,840,385
Net cash provided (used) by operating activities	<u>(44,744,217)</u>	<u>(41,322,912)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	37,526,362	35,267,551
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes		25,000
Pell grants	9,391,229	8,667,136
Net cash provided by noncapital financing activities	<u>46,917,591</u>	<u>43,959,687</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds of capital debt	2,197,151	2,065,904
Capital appropriations	10,370,379	39,080,287
Purchases of capital assets	(18,642,131)	(51,499,633)
Principal paid on debt and capital leases	(2,989,303)	(4,093,124)
Interest paid on debt and capital leases	(1,324,423)	(1,013,483)
Transfers (to) from other University System of Maryland institutions	5,362,764	11,656,230
Net cash provided (used) by capital and related financing activities	<u>(5,025,563)</u>	<u>(3,803,819)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	39,213	
Interest on investments	47,450	85,688
Investment expense	(3,103)	(1,585)
Net cash provided by investing activities	<u>83,560</u>	<u>84,103</u>
Net increase (decrease) in cash	(2,768,629)	(1,082,941)
Cash and cash equivalents - beginning of the year	<u>3,002,915</u>	<u>4,085,856</u>
Cash and cash equivalents - end of the year	<u>\$234,286</u>	<u>\$3,002,915</u>

**UNIVERSITY OF BALTIMORE
BALANCE SHEET
JUNE 30, 2011 AND 2010**

	June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	\$24,869,299	\$17,833,584	\$19,120,918	\$14,079,641
Accounts receivable, net	3,521,568	6,602,488	5,444,154	8,083,013
Notes receivable, current portion	486,682		421,082	
Prepaid expenses, deferred charges and other assets	79,719	30,966	1,023,284	11,108
Inter-institutional balances	(8,558,163)		(8,907,779)	
Total current assets	<u>20,399,105</u>	<u>24,467,038</u>	<u>17,101,659</u>	<u>22,173,762</u>
Noncurrent assets:				
Restricted cash and cash equivalents	139,712		243,700	
Endowment investments		40,861,367		35,631,278
Notes receivable, net	2,562,752		2,810,703	
Capital assets, net	106,521,189	1,456,952	88,883,674	1,537,537
Total noncurrent assets	<u>109,223,653</u>	<u>42,318,319</u>	<u>91,938,077</u>	<u>37,168,815</u>
Total assets	<u>\$129,622,758</u>	<u>\$66,785,357</u>	<u>\$109,039,736</u>	<u>\$59,342,577</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$6,206,250	\$346,087	\$7,555,325	\$424,300
Accrued workers' compensation, current portion	78,748		102,790	
Accrued vacation costs, current portion	3,218,795		2,403,671	
Revenue bonds and notes payable, current portion	1,751,554		1,560,292	
Deferred revenue	6,912,396	273,618	7,399,414	297,148
Total current liabilities	<u>18,167,743</u>	<u>619,705</u>	<u>19,021,492</u>	<u>721,448</u>
Noncurrent liabilities:				
Accrued workers' compensation	429,302		560,371	
Accrued vacation costs	291,171		332,760	
Revenue bonds and notes payable	26,673,723		28,698,456	
Total noncurrent liabilities	<u>27,394,196</u>		<u>29,591,587</u>	
Total liabilities	<u>45,561,939</u>	<u>619,705</u>	<u>48,613,079</u>	<u>721,448</u>
NET ASSETS				
Unrestricted	2,775,761	8,157,007	(1,673,754)	4,629,462
Invested in capital assets, net	78,095,912		58,624,926	
Restricted:				
Nonexpendable:				
Scholarships and fellowships		18,669,693		13,692,760
Other		13,251,128		17,551,100
Expendable:				
Scholarships and fellowships		1,726,628		1,044,279
Loans	3,049,434		3,231,785	
Capital projects	139,712		243,700	
Other		24,361,196		21,703,528
Total net assets	<u>84,060,819</u>	<u>66,165,652</u>	<u>60,426,657</u>	<u>58,621,129</u>
Total liabilities and net assets	<u>\$129,622,758</u>	<u>\$66,785,357</u>	<u>\$109,039,736</u>	<u>\$59,342,577</u>

UNIVERSITY OF BALTIMORE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2011 AND 2010

	Year ended June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES:				
Tuition and fees	\$63,527,504		\$60,863,661	
Less: scholarship allowances	(14,409,036)	\$49,118,468	(11,305,644)	\$49,558,017
Federal grants and contracts		1,588,055		1,263,122
State and local grants and contracts		6,778,538		5,099,782
Nongovernmental grants and contracts		2,246,827		2,793,778
Sales and services of educational departments		224,591		221,595
Auxiliary enterprises:				
Parking facilities		1,275,896		1,287,145
Other auxiliary enterprises revenues		7,434,180		6,772,611
Other operating revenues		110,666		93,808
Total operating revenues		68,777,221		67,089,858
OPERATING EXPENSES:				
Instruction		34,968,586		35,097,414
Research		6,479,864		4,556,734
Academic support		11,121,451		11,676,259
Student services		8,437,381		8,693,483
Institutional support		20,369,858		18,877,384
Operation and maintenance of plant		5,849,602		5,078,917
Scholarships and fellowships		4,188,926		4,580,702
Auxiliary enterprises:				
Parking facilities		311,051		1,033,105
Other auxiliary enterprises expenses		5,449,986		4,845,048
Total operating expenses		97,176,705		94,439,046
Operating income (loss)		(28,399,484)		(27,349,188)
NONOPERATING REVENUES (EXPENSES):				
State appropriations		29,720,042		26,351,923
Pell grants		6,644,033		4,695,913
Gifts			\$2,304,743	\$11,114,764
Investment income		153,264	7,540,817	5,308,496
Interest on indebtedness		(959,144)		(970,140)
Other affiliated foundation revenues			188,941	183,906
Other affiliated foundation expenses			(2,489,978)	(2,882,137)
Transfers (to) from other University System of Maryland institutions		(3,041,192)		(3,020,206)
Total nonoperating revenues (expenses)		32,517,003	7,544,523	13,725,029
Income before other revenues (expenses)		4,117,519	7,544,523	13,725,029
OTHER REVENUE:				
Capital appropriations		19,516,643		4,110,165
Total other revenue		19,516,643		4,110,165
Increase in net assets		23,634,162	7,544,523	13,725,029
Net assets - beginning of year		60,426,657	58,621,129	44,896,100
Net assets - end of year		\$84,060,819	\$66,165,652	\$60,426,657

**UNIVERSITY OF BALTIMORE
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010**

	Year ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	\$49,131,825	\$50,150,996
Research contracts and grants	10,351,216	8,453,727
Payments to employees	(69,104,256)	(65,452,946)
Payments to suppliers and contractors	(24,539,942)	(24,820,590)
Loans issued to students	(554,891)	(471,993)
Collections of loans to students	744,911	583,371
Auxiliary enterprises:		
Parking facilities	1,275,896	1,287,145
Other	7,434,180	6,911,056
Other receipts	2,245,156	540,407
Net cash provided (used) by operating activities	(23,015,905)	(22,818,827)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	29,720,042	26,351,923
Pell grants	6,644,033	4,695,913
Net cash provided by noncapital financing activities	36,364,075	31,047,836
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds of capital debt	5,478,391	1,330,665
Capital appropriations	19,516,643	4,110,165
Purchases of capital assets	(21,020,484)	(10,541,882)
Principal paid on debt and capital leases	(7,673,930)	(2,605,094)
Interest paid on debt and capital leases	(1,264,507)	(1,031,035)
Transfers (to) from other University System of Maryland institutions	(2,893,155)	(3,662,250)
Net cash provided (used) by capital and related financing activities	(7,857,042)	(12,399,431)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	153,265	360,053
Net cash provided by investing activities	153,265	360,053
Net increase (decrease) in cash	5,644,393	(3,810,369)
Cash and cash equivalents - beginning of the year	19,364,618	23,174,987
Cash and cash equivalents - end of the year	\$25,009,011	\$19,364,618

**SALISBURY UNIVERSITY
BALANCE SHEET
JUNE 30, 2011 AND 2010**

	June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	\$65,461,141	\$780,258	\$57,652,164	\$905,081
Accounts receivable, net	1,133,918	2,604,772	1,550,611	2,233,252
Notes receivable, current portion	146,542		128,314	
Inventories	1,104,637		1,022,007	
Prepaid expenses, deferred charges and other assets		152,071		64,057
Inter-institutional balances	296,565		(2,783)	
Total current assets	68,142,803	3,537,101	60,350,313	3,202,390
Noncurrent assets:				
Restricted cash and cash equivalents	44,329		39,119	
Accounts receivable, net		190,018		2,122,298
Endowment investments		40,642,619		34,594,754
Notes receivable, net	1,035,130		1,265,188	
Other assets		7,044,138		6,248,320
Capital assets, net	301,741,366	1,403,029	241,112,892	3,515,612
Total noncurrent assets	302,820,825	49,279,804	242,417,199	46,480,984
Total assets	\$370,963,628	\$52,816,905	\$302,767,512	\$49,683,374
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$8,235,686	\$174,919	\$8,674,819	\$97,110
Accrued workers' compensation, current portion	167,920		179,506	
Accrued vacation costs, current portion	1,765,360		1,829,953	
Revenue bonds and notes payable, current portion	5,487,654	1,909,998	4,235,005	
Deferred revenue	2,550,657	220,286	2,054,707	149,136
Total current liabilities	18,207,277	2,305,203	16,973,990	246,246
Noncurrent liabilities:				
Accrued workers' compensation	915,436		978,600	
Accrued vacation costs	1,587,416		1,584,292	
Other payables		3,005,967		2,667,760
Revenue bonds and notes payable	86,754,905		54,493,441	3,045,431
Total noncurrent liabilities	89,257,757	3,005,967	57,056,333	5,713,191
Total liabilities	107,465,034	5,311,170	74,030,323	5,959,437
NET ASSETS				
Unrestricted	52,698,250	1,733,201	44,953,648	2,208,382
Invested in capital assets, net	209,498,806		182,384,446	
Restricted:				
Nonexpendable:				
Scholarships and fellowships		11,330,594		11,387,310
Research		210,633		200,000
Other		11,900,819		11,486,062
Expendable:				
Scholarships and fellowships		4,808,939		2,633,592
Research	18,305	601,456	18,305	444,744
Loans	1,238,904		1,341,671	
Capital projects	44,329		39,119	
Other		16,920,093		15,363,847
Total net assets	263,498,594	47,505,735	228,737,189	43,723,937
Total liabilities and net assets	\$370,963,628	\$52,816,905	\$302,767,512	\$49,683,374

SALISBURY UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2011 AND 2010

	Year ended June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES:				
Tuition and fees	\$53,382,779		\$51,247,236	
Less: scholarship allowances	<u>(10,857,320)</u>	\$42,525,459	<u>(9,539,460)</u>	\$41,707,776
Federal grants and contracts		1,496,803		1,320,307
State and local grants and contracts		2,413,851		2,687,930
Nongovernmental grants and contracts		1,252,305		732,615
Sales and services of educational departments		122,561		98,440
Auxiliary enterprises:				
Residential facilities	16,199,196		15,608,866	
Less: scholarship allowances	<u>(659,169)</u>	15,540,027	<u>(628,137)</u>	14,980,729
Dining facilities	12,000,674		11,975,097	
Less: scholarship allowances	<u>(9,580)</u>	11,991,094	<u>(6,118)</u>	11,968,979
Intercollegiate athletics	5,009,040		4,216,115	
Less: scholarship allowances	<u>(388)</u>	5,008,652		4,216,115
Bookstore		4,999,340		5,432,231
Parking facilities		647,217		673,640
Other auxiliary enterprises revenues	1,473,899		1,577,651	
Less: scholarship allowances	<u>(142)</u>	1,473,757	<u>(240)</u>	1,577,411
Other operating revenues		206,259		
Total operating revenues	<u>87,677,125</u>		<u>85,396,173</u>	
OPERATING EXPENSES:				
Instruction		41,786,592		41,965,237
Research		845,190		785,816
Public service		4,438,078		3,951,042
Academic support		7,992,362		8,027,110
Student services		5,486,613		5,208,884
Institutional support		12,828,384		13,294,843
Operation and maintenance of plant		13,975,142		14,113,835
Scholarships and fellowships		445,115		612,499
Auxiliary enterprises:				
Residential facilities		7,634,149		6,754,197
Dining facilities		10,579,591		10,679,764
Intercollegiate athletics		3,808,953		3,547,709
Bookstores		4,442,724		4,860,567
Parking facilities		585,326		700,682
Other auxiliary enterprises expenses		<u>2,511,301</u>		<u>1,764,014</u>
Total operating expenses		<u>117,359,520</u>		<u>116,266,199</u>
Operating income (loss)		<u>(29,682,395)</u>		<u>(30,870,026)</u>
NONOPERATING REVENUES (EXPENSES):				
State appropriations		38,589,594		33,747,270
Pell grants		6,941,518		5,839,594
Gifts			\$3,229,437	\$8,112,593
Investment income		1,520,144	8,344,351	1,431,008
Interest on indebtedness		(3,167,689)		(1,563,403)
Other revenues (expenses), gains and (losses)		(293,231)		(12,397)
Other affiliated foundation revenues			2,232,499	1,437,282
Other affiliated foundation expenses			(10,024,489)	(3,944,532)
Transfers (to) from other University System of Maryland institutions		<u>(1,361,089)</u>		<u>(1,728,098)</u>
Total nonoperating revenues (expenses)		<u>42,229,247</u>	<u>3,781,798</u>	<u>37,713,974</u>
Income (loss) before other revenues (expenses)		<u>12,546,852</u>	<u>3,781,798</u>	<u>10,448,779</u>
OTHER REVENUES:				
Capital appropriations		21,332,416		14,442,785
Capital gifts and grants		<u>882,137</u>		<u>193,104</u>
Total other revenues		<u>22,214,553</u>		<u>14,635,889</u>
Increase in net assets		34,761,405	3,781,798	21,479,837
Net assets, beginning of year		<u>228,737,189</u>	<u>43,723,937</u>	<u>207,257,352</u>
Net assets, end of year		<u>\$263,498,594</u>	<u>\$47,505,735</u>	<u>\$228,737,189</u>

SALISBURY UNIVERSITY
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010

	Year ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	\$43,460,661	\$41,777,277
Research contracts and grants	5,167,701	4,839,671
Payments to employees	(82,152,940)	(81,152,935)
Payments to suppliers and contractors	(26,750,335)	(26,583,169)
Loans issued to students	(74,500)	(78,878)
Collections of loans to students	286,330	132,724
Auxiliary enterprises:		
Residential facilities	15,517,993	14,985,117
Dining facilities	11,935,344	11,961,894
Intercollegiate athletics	5,006,384	4,216,838
Bookstore	4,999,340	5,432,313
Parking facilities	647,217	673,640
Other	1,487,364	1,567,403
Other receipts (payments)	(57,231)	294,302
Net cash provided (used) by operating activities	(20,526,672)	(21,933,803)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	38,589,594	33,747,270
Pell grants	6,941,518	5,839,594
Net cash provided by noncapital financing activities	45,531,112	39,586,864
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds of capital debt	11,984,356	1,687,727
Capital appropriations	21,332,416	14,442,785
Capital grants and gifts received	882,137	193,104
Purchases of capital assets	(69,919,967)	(52,846,293)
Principal paid on debt and capital leases	(5,590,699)	(5,757,993)
Interest paid on debt and capital leases	(3,108,212)	(1,570,231)
Transfers (to) from other University System of Maryland institutions	25,709,572	27,002,041
Net cash provided (used) by capital and related financing activities	(18,710,397)	(16,848,860)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	1,520,144	1,431,008
Net cash provided by investing activities	1,520,144	1,431,008
Net increase in cash	7,814,187	2,235,209
Cash and cash equivalents - beginning of the year	57,691,283	55,456,074
Cash and cash equivalents - end of the year	\$65,505,470	\$57,691,283

**UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE
BALANCE SHEET
JUNE 30, 2011 AND 2010**

	June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	\$200,229,434	\$1,500	\$148,943,341	\$1,500
Accounts receivable, net	32,523,688	977,379	43,509,303	1,090,736
Notes receivable, current portion	193,272		231,389	
Inventories	2,951,711		2,134,557	
Prepaid expenses, deferred charges and other assets	2,013,378		1,786,355	4,901
Inter-institutional balances	645,987		452,194	
Total current assets	238,557,470	978,879	197,057,139	1,097,137
Noncurrent assets:				
Restricted cash and cash equivalents			455,109	
Accounts receivable, net		744,345		205,239
Endowment investments	151,607	10,113,845	137,353	8,161,516
Other investments		6,200,447		6,037,518
Notes receivable, net	1,243,144		1,245,977	
Other assets		10,420		10,426
Capital assets, net	158,403,499	3,339,887	146,044,724	3,339,887
Total noncurrent assets	159,798,250	20,408,944	147,883,163	17,754,586
Total assets	\$398,355,720	\$21,387,823	\$344,940,302	\$18,851,723
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$20,023,848		\$18,199,294	\$18,629
Accrued workers' compensation, current portion	154,520		218,002	
Accrued vacation costs, current portion	5,980,236		5,655,000	
Revenue bonds and notes payable, current portion			2,998	
Deferred revenue	42,072,978		37,180,473	
Total current liabilities	68,231,582		61,255,767	18,629
Noncurrent liabilities:				
Accrued workers' compensation	842,386		1,188,461	
Accrued vacation costs	5,158,631		4,884,793	
Endowments invested on behalf of primary government		151,601		137,347
Revenue bonds and notes payable			23,146	
Total noncurrent liabilities	6,001,017	151,601	6,096,400	137,347
Total liabilities	74,232,599	151,601	67,352,167	155,976
NET ASSETS				
Unrestricted	164,031,192	5,389,753	129,427,750	4,745,718
Invested in capital assets, net	158,403,499		146,018,580	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	29,423	2,451,173	29,423	2,306,090
Research		69,261		66,106
Other		2,654,834		2,182,255
Expendable:				
Scholarships and fellowships	66,896	3,405,938	61,702	2,917,580
Research		1,815,013		1,482,452
Loans	1,592,111		1,595,571	
Capital projects			455,109	
Other		5,450,250		4,995,546
Total net assets	324,123,121	21,236,222	277,588,135	18,695,747
Total liabilities and net assets	\$398,355,720	\$21,387,823	\$344,940,302	\$18,851,723

UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2011 AND 2010

	Year ended June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES:				
Tuition and fees	\$282,958,171		\$265,260,479	
Less: scholarship allowances	(19,026,330)	\$263,931,841	(13,752,370)	\$251,508,109
Federal grants and contracts		2,333,813		1,635,695
State and local grants and contracts		1,862,096		1,557,703
Nongovernmental grants and contracts		2,248,602		2,230,093
Sales and services of educational departments		2,257,432		1,709,152
Auxiliary enterprises:				
Bookstore		5,972,589		6,368,194
Parking facilities		331,542		393,722
Other auxiliary enterprises revenues		5,810		2,417
Other operating revenues		16,803,288		15,916,045
Total operating revenues		295,747,013		281,321,130
OPERATING EXPENSES:				
Instruction		88,405,728		82,414,796
Research		111,049		325,115
Public service		14,172,181		14,197,024
Academic support		47,316,453		44,197,473
Student services		66,555,358		61,807,174
Institutional support		46,737,119		42,611,661
Operation and maintenance of plant		17,266,232		18,355,107
Scholarships and fellowships		22,362,998		14,798,772
Auxiliary enterprises:				
Bookstore		5,382,222		5,487,277
Parking facilities		1,114,075		640,172
Total operating expenses		309,423,415		284,834,571
Operating income (loss)		(13,676,402)		(3,513,441)
NONOPERATING REVENUES (EXPENSES):				
State appropriations		31,190,196		26,458,498
Pell grants		26,248,686		15,153,632
Gifts			\$2,070,611	\$1,295,646
Investment income	3,131,232		2,653,841	1,406,789
Less: Investment expense	(675)	3,130,557	2,659,963	2,659,639
Interest on indebtedness		(741)	(324)	(792,848)
Other revenues (expenses), gains and (losses)		(71,246)		(207,997)
Other affiliated foundation revenues			7,494	
Other affiliated foundation expenses			(2,191,471)	(6,177,025)
Transfers (to) from other University System of Maryland institutions		(286,064)		60,161
Total nonoperating revenues (expenses)		60,211,388	2,540,475	43,331,085
Increase (decrease) in net assets		46,534,986	2,540,475	39,817,644
Net assets - beginning of period		277,588,135	18,695,747	237,770,491
Net assets - end of period		\$324,123,121	\$21,236,222	\$277,588,135

**UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010**

	Year ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	\$280,386,709	\$249,588,795
Research contracts and grants	6,238,705	10,948,654
Payments to employees	(178,764,837)	(169,226,607)
Payments to suppliers and contractors	(117,283,882)	(104,659,851)
Loans issued to students	(131,581)	(118,316)
Collections of loans to students	172,531	142,981
Auxiliary enterprises:		
Bookstore	5,972,589	6,368,194
Parking facilities	331,542	393,722
Other	5,810	2,417
Other receipts	18,307,664	17,202,432
Net cash provided by operating activities	15,235,250	10,642,421
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	31,190,196	26,458,498
Pell grants	26,248,686	15,153,632
Net cash provided by noncapital financing activities	57,438,882	41,612,130
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds of capital debt		1,324,320
Proceeds from sales of capital assets	79,422	610,489
Purchases of capital assets	(24,531,887)	(28,191,649)
Principal paid on debt and capital leases	(2,176)	(2,048,953)
Interest paid on debt and capital leases	(1,025)	(1,099,435)
Transfers (to) from other University System of Maryland institutions	(503,785)	(17,406,555)
Net cash provided (used) by capital and related financing activities	(24,959,451)	(46,811,783)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	9,533	10,015
Interest on investments	3,107,445	2,642,382
Investment expense	(675)	(324)
Net cash provided by investing activities	3,116,303	2,652,073
Net increase in cash	50,830,984	8,094,841
Cash and cash equivalents - beginning of the year	149,398,450	141,303,609
Cash and cash equivalents - end of the year	\$200,229,434	\$149,398,450

UNIVERSITY OF MARYLAND, BALTIMORE COUNTY
BALANCE SHEET
JUNE 30, 2011 AND 2010

	June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	\$54,432,718	\$637,920	\$31,672,073	\$1,040,018
Accounts receivable, net	25,187,437	4,568,507	32,669,987	6,261,879
Notes receivable, current portion	446,878		397,078	
Inventories	747,615		697,134	
Prepaid expenses, deferred charges and other assets	362,713	54,135	475,727	53,470
Inter-institutional balances	(548,387)		(738,631)	
Total current assets	80,628,974	5,260,562	65,173,368	7,355,367
Noncurrent assets:				
Restricted cash and cash equivalents	1,267,629		1,093,075	
Accounts receivable, net		2,831,705		3,664,935
Endowment investments	1,610,974	58,309,864	1,374,642	47,500,238
Other investments		17,997,223		16,675,953
Notes receivable, net	1,857,057		1,903,521	
Capital assets, net	287,842,297	2,965,454	261,089,226	2,910,705
Total noncurrent assets	292,577,957	82,104,246	265,460,464	70,751,831
Total assets	\$373,206,931	\$87,364,808	\$330,633,832	\$78,107,198
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$20,487,998	\$449,629	\$16,671,404	\$461,298
Accrued workers' compensation, current portion	188,850		300,098	
Accrued vacation costs, current portion	7,610,006		6,044,477	
Revenue bonds and notes payable, current portion	7,395,114	46,357	7,345,171	45,022
Deferred revenue	11,871,515	5,805,600	9,902,534	5,839,833
Total current liabilities	47,553,483	6,301,586	40,263,684	6,346,153
Noncurrent liabilities:				
Accrued workers' compensation	1,029,537		1,636,017	
Accrued vacation costs	3,598,344		5,371,738	
Endowments invested on behalf of primary government		1,610,971		1,374,639
Other payables		1,089,454		1,408,970
Revenue bonds and notes payable	93,018,528	427,265	88,184,920	473,622
Total noncurrent liabilities	97,646,409	3,127,690	95,192,675	3,257,231
Total liabilities	145,199,892	9,429,276	135,456,359	9,603,384
NET ASSETS				
Unrestricted	36,859,300	15,952,794	26,094,190	13,738,377
Invested in capital assets, net	187,428,655		165,559,135	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	130,474	22,767,233	130,474	21,488,412
Research		643,313		615,979
Other		24,658,895		20,334,502
Expendable:				
Scholarships and fellowships		4,433,333		3,809,247
Research		2,362,508		1,935,517
Loans	2,303,935		2,300,599	
Capital projects	1,267,629		1,093,075	
Other	17,046	7,117,456		6,581,780
Total net assets	228,007,039	77,935,532	195,177,473	68,503,814
Total liabilities and net assets	\$373,206,931	\$87,364,808	\$330,633,832	\$78,107,198

UNIVERSITY OF MARYLAND, BALTIMORE COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2011 AND 2010

	Year ended June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES:				
Tuition and fees	\$95,336,877		\$95,769,244	
Less: scholarship allowances	(17,764,356)	\$77,572,521	(18,549,485)	\$77,219,759
Federal grants and contracts		61,625,549		58,269,011
State and local grants and contracts		20,862,550		27,672,159
Nongovernmental grants and contracts		19,763,169		14,694,541
Sales and services of educational departments		6,729,479		6,859,125
Auxiliary enterprises:				
Residential facilities	14,404,931		13,764,896	
Less: scholarship allowances	(3,188,474)	11,216,457	(3,291,398)	10,473,498
Dining facilities	12,116,601		11,691,461	
Less: scholarship allowances	(1,821,985)	10,294,616	(1,887,743)	9,803,718
Intercollegiate athletics		8,620,801		8,009,856
Bookstore	6,111,701		6,248,685	
Less: scholarship allowances	(21,082)	6,090,619	(12,988)	6,235,697
Parking facilities		3,013,938		2,749,197
Other auxiliary enterprises revenues		13,404,219		13,173,301
Other operating revenues		3,879,573		6,580,796
Total operating revenues		243,073,491		241,740,658
OPERATING EXPENSES:				
Instruction		98,731,964		94,770,008
Research		71,472,906		65,653,747
Public service		16,828,475		18,363,933
Academic support		21,906,973		22,079,763
Student services		13,002,177		12,715,705
Institutional support		25,633,316		29,232,076
Operation and maintenance of plant		25,264,201		18,880,163
Scholarships and fellowships		15,975,318		14,548,415
Auxiliary enterprises:				
Residential facilities		10,712,447		11,829,947
Dining facilities		11,074,414		10,799,081
Intercollegiate athletics		7,409,418		5,749,902
Bookstore		5,802,129		6,027,170
Other auxiliary enterprises expenses		12,996,111		11,669,739
Total operating expenses		336,809,849		322,319,649
Operating income (loss)		(93,736,358)		(80,578,991)
NONOPERATING REVENUES (EXPENSES):				
State appropriations		93,388,937		77,416,858
Peil grants		11,550,953		9,472,962
Gifts		100,000	\$3,710,444	14,365
Investment income	1,226,502		9,192,477	880,470
Less: Investment expense	(6,718)	1,219,784	(3,169)	877,301
Interest on indebtedness		(2,212,531)		(2,748,687)
Other revenues (expenses), gains and (losses)		(208,461)		(77,374)
Other affiliated foundation revenues			2,095,753	2,226,858
Other affiliated foundation expenses			(5,566,956)	(6,327,773)
Transfers (to) from other University System of Maryland institutions		(2,264,098)		1,081,567
Total nonoperating revenues (expenses)		101,574,584	9,431,718	86,036,992
Income before other revenues, (expenses)		7,838,226	9,431,718	5,458,001
OTHER REVENUES:				
Capital appropriations		24,503,329		2,094,792
Capital gifts and grants		488,011		366,567
Total other revenues		24,991,340		2,461,359
Increase in net assets		32,829,566	9,431,718	7,919,360
Net assets - beginning of year		195,177,473	68,503,814	187,258,113
Net assets - end of year		\$228,007,039	\$77,935,532	\$195,177,473
				\$68,503,814

**UNIVERSITY OF MARYLAND, BALTIMORE COUNTY
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010**

	Year ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	\$77,972,264	\$76,660,049
Research contracts and grants	101,658,939	94,794,738
Payments to employees	(205,500,236)	(198,345,061)
Payments to suppliers and contractors	(107,880,197)	(103,421,197)
Loans issued to students	(237,321)	(387,508)
Collections of loans to students	233,985	239,902
Auxiliary enterprises:		
Residential facilities	9,181,708	10,459,469
Dining facilities	8,823,436	9,790,586
Intercollegiate athletics	12,306,869	7,999,127
Bookstore	6,127,031	6,227,344
Parking facilities	3,031,956	2,745,514
Other	13,484,354	13,155,656
Other receipts	16,935,243	13,682,563
Net cash provided (used) by operating activities	(63,861,969)	(66,398,818)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	93,388,937	77,416,858
Pell grants	11,550,953	9,472,962
Net cash provided by noncapital financing activities	104,939,890	86,889,820
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds of capital debt	13,419,755	12,817,568
Capital appropriations	24,503,329	2,094,792
Capital grants and gifts received		366,567
Purchases of capital assets	(43,846,181)	(13,315,080)
Principal paid on debt and capital leases	(12,788,843)	(19,982,862)
Interest paid on debt and capital leases	(2,709,517)	(3,993,804)
Transfers (to) from other University System of Maryland institutions	2,295,283	4,008,103
Net cash provided (used) by capital and related financing activities	(19,126,174)	(18,004,716)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	95,727	59,186
Interest on investments	994,443	714,215
Investment expense	(6,718)	(3,169)
Purchases of investments	(100,000)	
Net cash provided by investing activities	983,452	770,232
Net increase in cash	22,935,199	3,256,518
Cash and cash equivalents - beginning of the year	32,765,148	29,508,630
Cash and cash equivalents - end of the year	\$55,700,347	\$32,765,148

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
BALANCE SHEET
JUNE 30, 2011 AND 2010**

	June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	\$7,714,155		\$4,739,666	
Accounts receivable, net	7,361,462	\$101,067	6,538,067	\$158,840
Prepaid expenses, deferred charges and other assets		905		3,424
Inter-institutional balances	(2,083)		(1,932)	
Total current assets	15,073,534	101,972	11,275,801	162,264
Noncurrent assets:				
Restricted cash and cash equivalents			88,523	
Accounts receivable, net		37,479		24,000
Endowment investments		956,699		358,772
Other investments		1,107,070		1,082,954
Capital assets, net	60,861,604		62,908,060	
Total noncurrent assets	60,861,604	2,101,248	62,996,583	1,465,726
Total assets	\$75,935,138	\$2,203,220	\$74,272,384	\$1,627,990
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$2,754,442		\$2,299,853	\$1,258
Accrued workers' compensation, current portion	10,517		3,605	
Accrued vacation costs, current portion	594,127		626,703	
Revenue bonds and notes payable, current portion	1,107,324		1,109,619	
Deferred revenue	675,004		490,673	
Total current liabilities	5,141,414		4,530,453	1,258
Noncurrent liabilities:				
Accrued workers' compensation	57,334		19,655	
Accrued vacation costs	2,169,253		2,288,196	
Revenue bonds and notes payable	9,549,575		11,001,289	
Total noncurrent liabilities	11,776,162		13,309,140	
Total liabilities	16,917,576		17,839,593	1,258
NET ASSETS				
Unrestricted	8,812,857	\$343,262	5,547,116	253,579
Invested in capital assets, net	50,204,705		50,797,152	
Restricted:				
Nonexpendable:				
Scholarships and fellowships		152,666		120,381
Research		4,314		3,451
Other		165,351		113,917
Expendable:				
Scholarships and fellowships		490,766		352,574
Research		261,528		179,146
Capital projects			88,523	
Other		785,333		603,684
Total net assets	59,017,562	2,203,220	56,432,791	1,626,732
Total liabilities and net assets	\$75,935,138	\$2,203,220	\$74,272,384	\$1,627,990

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2011 AND 2010**

	Year ended June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES:				
Federal grants and contracts	\$18,915,433		\$12,649,538	
State and local grants and contracts	4,851,561		5,224,402	
Nongovernmental grants and contracts	1,386,808		1,157,632	
Sales and services of educational departments	2,044,727		2,069,435	
Total operating revenues	27,198,529		21,101,007	
OPERATING EXPENSES:				
Research	44,501,221		38,904,621	
Operation and maintenance of plant	252,030		189,935	
Total operating expenses	44,753,251		39,094,556	
Operating income (loss)	(17,554,722)		(17,993,549)	
NONOPERATING REVENUE (EXPENSES):				
State appropriations	18,371,238		15,829,606	
Gifts		\$616,770	100	\$260,251
Investment income	861,363	221,088	166,979	54,978
Interest on indebtedness	(348,837)		(451,158)	
Other affiliated foundation revenues				(131)
Other affiliated foundation expenses		(261,370)		(335,358)
Transfers (to) from other University System of Maryland institutions	1,094,476		1,198,029	
Total nonoperating revenues (expenses)	19,978,240	576,488	16,743,556	(20,260)
Income (loss) before other revenues, (expenses)	2,423,518	576,488	(1,249,993)	(20,260)
OTHER REVENUE:				
Capital appropriations	161,253		337,923	
Total other revenue	161,253		337,923	
Increase (decrease) in net assets	2,584,771	576,488	(912,070)	(20,260)
Net assets - beginning of year	56,432,791	1,626,732	57,344,861	1,646,992
Net assets - end of year	\$59,017,562	\$2,203,220	\$56,432,791	\$1,626,732

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010**

	Year ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Research contracts and grants	\$24,514,738	\$21,722,934
Payments to employees	(25,663,455)	(23,624,665)
Payments to suppliers and contractors	(15,997,051)	(15,475,608)
Other receipts	<u>2,044,727</u>	<u>2,069,435</u>
Net cash provided (used) by operating activities	<u>(15,101,041)</u>	<u>(15,307,904)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	<u>18,371,238</u>	<u>15,829,606</u>
Net cash provided by noncapital financing activities	<u>18,371,238</u>	<u>15,829,606</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds of capital debt	1,002,570	552,745
Capital appropriations	161,253	337,923
Capital grants and gifts received		100
Purchases of capital assets	(674,848)	(4,961,487)
Principal paid on debt and capital leases	(2,396,706)	(1,810,772)
Interest paid on debt and capital leases	(457,395)	(502,620)
Transfers (to) from other University System of Maryland institutions	<u>1,119,532</u>	<u>1,520,803</u>
Net cash provided (used) by capital and related financing activities	<u>(1,245,594)</u>	<u>(4,863,308)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	<u>861,363</u>	<u>166,979</u>
Net cash provided by investing activities	<u>861,363</u>	<u>166,979</u>
Net increase (decrease) in cash	2,885,966	(4,174,627)
Cash and cash equivalents - beginning of the year	<u>4,828,189</u>	<u>9,002,816</u>
Cash and cash equivalents - end of the year	<u><u>\$7,714,155</u></u>	<u><u>\$4,828,189</u></u>

**UNIVERSITY OF MARYLAND BIOTECHNOLOGY INSTITUTE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2011 AND 2010**

	Year ended June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES:				
Federal grants and contracts			\$11,027,335	
State and local grants and contracts			2,838,595	
Nongovernmental grants and contracts			2,414,553	
Sales and services of educational departments			775,437	
Other operating revenues			538,566	
Total operating revenues			<u>17,594,486</u>	
OPERATING EXPENSE:				
Research			<u>33,688,249</u>	
Total operating expense			<u>33,688,249</u>	
Operating income (loss)			<u>(16,093,763)</u>	
NONOPERATING REVENUES (EXPENSES):				
State appropriations			18,162,923	
Gifts				\$46,231
Investment income (loss)			257,614	2,125
Interest on indebtedness			(316,436)	
Other revenues (expenses), gains and (losses)			518,587	
Other affiliated foundation revenues				34,836
Other affiliated foundation expenses				(2,655,826)
Transfers (to) from other University System of Maryland institutions			<u>(98,276,320)</u>	
Total nonoperating revenues (expenses)			<u>(79,653,632)</u>	<u>(2,572,634)</u>
Income (loss) before other revenues (expenses)			<u>(95,747,395)</u>	<u>(2,572,634)</u>
OTHER REVENUE:				
Capital appropriations			<u>1,157,016</u>	
Total other revenue			<u>1,157,016</u>	
Increase (decrease) in net assets			<u>(94,590,379)</u>	<u>(2,572,634)</u>
Net assets - beginning of year			<u>94,590,379</u>	<u>2,572,634</u>
Net assets - end of year			<u><u> </u></u>	<u><u> </u></u>

**UNIVERSITY OF MARYLAND BIOTECHNOLOGY INSTITUTE
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010**

	Year ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Research contracts and grants		\$18,122,682
Payments to employees		(22,056,981)
Payments to suppliers and contractors		(13,361,192)
Other receipts		1,832,590
		1,832,590
Net cash provided (used) by operating activities		(15,462,901)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations		18,162,923
		18,162,923
Net cash provided by noncapital financing activities		18,162,923
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from capital debt		
Capital appropriations		1,157,016
Purchases of capital assets		(2,684,709)
Principal paid on debt and capital leases		(284,476)
Interest paid on debt and capital leases		(318,307)
Transfers (to) from other University System of Maryland institutions		(9,900,701)
		(9,900,701)
Net cash provided (used) by capital and related financing activities		(12,031,177)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments		257,614
		257,614
Net cash provided by investing activities		257,614
Net increase (decrease) in cash		(9,073,541)
Cash and cash equivalents - beginning of the year		9,073,541
Cash and cash equivalents - end of the year		9,073,541

**UNIVERSITY SYSTEM OF MARYLAND OFFICE
BALANCE SHEET
JUNE 30, 2011 AND 2010**

	June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	\$109,365,736	\$588,327	\$88,098,242	\$910,484
Accounts receivable, net	993,076	948,423	987,531	978,801
Prepaid expenses, deferred charges and other assets		62,012		92,044
Inter-institutional balances	8,961,779		8,706,052	
Total current assets	119,320,591	1,598,762	97,791,825	1,981,329
Noncurrent assets:				
Restricted cash and cash equivalents	50,045,751		52,209,868	
Accounts receivable, net		69,819		911,726
Endowment investments	9,317,340	24,424,634	8,629,438	21,441,372
Other investments		50,904,416		43,046,436
Restricted investments	37,288,646		90,651,337	
Other assets		288,036		288,036
Capital assets, net	89,468,458	3,260,002	90,803,223	3,377,596
Total noncurrent assets	186,120,195	78,946,907	242,293,866	69,065,166
Total assets	\$305,440,786	\$80,545,669	\$340,085,691	\$71,046,495
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$8,350,371	\$383,078	\$7,729,891	\$1,173,988
Accrued workers' compensation, current portion	13,632		18,724	
Accrued vacation costs, current portion	537,841		715,348	
Revenue bonds and notes payable, current portion	4,233,497		8,398,304	
Total current liabilities	13,135,341	383,078	16,862,267	1,173,988
Noncurrent liabilities:				
Accrued workers' compensation	74,317		102,075	
Accrued vacation costs	1,085,357		1,134,707	
Endowments invested on behalf of primary government		9,317,340		8,372,544
Other payables		43,843,189		37,091,037
Revenue bonds and notes payable	113,888,735		165,234,028	
Total noncurrent liabilities	115,048,409	53,160,529	166,470,810	45,463,581
Total liabilities	128,183,750	53,543,607	183,333,077	46,637,569
NET ASSETS				
Unrestricted	116,652,722	3,387,384	94,708,112	3,052,035
Invested in capital assets, net	54,953,152		53,453,792	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	347,604	6,947,219	347,604	6,717,899
Research		196,302		192,573
Other	471,330	7,524,442	471,330	6,357,154
Expendable:				
Scholarships and fellowships	294,574	2,855,532	284,253	2,511,935
Research		1,521,703		1,276,339
Capital projects	3,660,753		6,578,288	
Other	876,901	4,569,480	909,235	4,300,991
Total net assets	177,257,036	27,002,062	156,752,614	24,408,926
Total liabilities and net assets	\$305,440,786	\$80,545,669	\$340,085,691	\$71,046,495

**UNIVERSITY SYSTEM OF MARYLAND OFFICE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2011 AND 2010**

	Year ended June 30,			
	2011		2010	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES:				
Student tuition and fees				
Less: scholarship allowances				
Federal grants and contracts	\$2,839,479		\$2,302,692	
State and local grants and contracts	83,688		383,389	
Nongovernmental grants and contracts	99,959			
Other operating revenues	195,770		174,680	
Total operating revenues	<u>3,218,896</u>		<u>2,860,761</u>	
OPERATING EXPENSES:				
Academic support	5,901,098		4,832,983	
Institutional support	13,359,807		13,240,064	
Total operating expenses	<u>19,260,905</u>		<u>18,073,047</u>	
Operating income (loss)	<u>(16,042,009)</u>		<u>(15,212,286)</u>	
NONOPERATING REVENUES (EXPENSES):				
State appropriations	19,084,849		17,093,094	
Gifts		\$722,575		\$2,434,702
Investment income	\$3,614,107	3,236,813	\$2,017,110	2,353,304
Less: Investment expense	(41,140)	3,572,967	(19,719)	1,997,391
Interest on indebtedness		(6,299,234)		(4,436,988)
Other revenues (expenses), gains and (losses)		3,063,753		(1,195,504)
Other affiliated foundation revenues		3,774,093		3,059,653
Other affiliated foundation expenses		(5,140,345)		(3,171,876)
Transfers (to) from other University System of Maryland institutions	17,124,096		11,487,633	
Total nonoperating revenue (expenses)	<u>36,546,431</u>	<u>2,593,136</u>	<u>24,945,626</u>	<u>4,675,783</u>
Income (loss) before other revenue (expenses)	<u>20,504,422</u>	<u>2,593,136</u>	<u>9,733,340</u>	<u>4,675,783</u>
OTHER REVENUES:				
Capital appropriations			20,343	
Additions to permanent endowments			25	
Total other revenues			<u>20,368</u>	
Increase in net assets	20,504,422	2,593,136	9,753,708	4,675,783
Net assets - beginning of year	<u>156,752,614</u>	<u>24,408,926</u>	<u>146,998,906</u>	<u>19,733,143</u>
Net assets - end of year	<u>\$177,257,036</u>	<u>\$27,002,062</u>	<u>\$156,752,614</u>	<u>\$24,408,926</u>

**UNIVERSITY SYSTEM OF MARYLAND OFFICE
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010**

	Year ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Research contracts and grants	\$2,748,826	\$2,574,238
Payments to employees	(13,072,805)	(12,771,561)
Payments to suppliers and contractors	(2,052,292)	(1,467,479)
Other receipts (payments)	3,839,165	2,771,492
	<u>(8,537,106)</u>	<u>(8,893,310)</u>
Net cash provided (used) by operating activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	19,084,849	17,093,094
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes		25
		<u>25</u>
Net cash provided by noncapital financing activities	<u>19,084,849</u>	<u>17,093,119</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds of capital debt	68,104,262	121,117,568
Capital appropriations		20,343
Purchases of capital assets	(2,203,392)	(2,584,533)
Principal paid on debt and capital leases	(3,437,330)	(1,169,046)
Interest paid on debt and capital leases	(7,207,082)	(2,982,643)
Transfers (to) from other University System of Maryland institutions	(102,948,580)	(83,524,106)
	<u>(47,692,122)</u>	<u>30,877,583</u>
Net cash provided (used) by capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	91,404,921	583,789
Interest on investments	2,172,621	1,058,897
Investment expense	(41,140)	(19,719)
Purchases of investments	(37,288,646)	(90,651,362)
	<u>56,247,756</u>	<u>(89,028,395)</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash	19,103,377	(49,951,003)
Cash and cash equivalents - beginning of the year	<u>140,308,110</u>	<u>190,259,113</u>
Cash and cash equivalents - end of the year	<u>\$159,411,487</u>	<u>\$140,308,110</u>

UNIVERSITY SYSTEM OF MARYLAND
COMBINING BALANCE SHEET, NONMAJOR COMPONENT UNITS
JUNE 30, 2011

	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.	Harry R. Hughes Center for Argo-Ecology, 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.	The Ward 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
ASSETS																
Current assets																
Cash	\$400,523	\$35,509	\$727,071	\$95,878	\$435,060	\$4,134,570	\$651,789	\$1,940,859	\$17,833,584	\$627,210	\$153,048	\$341,393	\$1,787,569	\$82,875	\$617,494	\$29,864,432
Accounts receivable, net			338,830	38	1,141,615	222,285	880,513	379,948	6,602,488	2,587,745	17,027	21,598	801,936	26,504	21,945	13,042,472
Other assets	120,935	41,250	20,583	2,709	10,901	156,201	166,618	4,388	30,966	98,179	53,892	3,707	337,433			1,047,762
Total current assets	521,458	76,759	1,086,484	98,625	1,587,576	4,513,056	1,698,920	2,325,195	24,467,038	3,313,134	223,967	366,698	2,926,938	109,379	639,439	43,954,666
Investments																
Endowment investments	5,627,107	2,420,855			5,603,224	38,684,855	14,455,783	8,092,040	40,861,367	40,642,619		2,484,145				158,871,995
Other investments		246,417	6,343,185			7,852,598	815,143								8,306,999	23,564,342
Total investments	5,627,107	2,667,272	6,343,185		5,603,224	46,537,453	15,270,926	8,092,040	40,861,367	40,642,619		2,484,145			8,306,999	182,436,337
Other assets																
Accounts receivable, net						513,761				190,018						703,779
Capital assets, net	2,803					3,369	1,295		1,456,952	1,338,571	64,458	104,611	9,075	3,750	2,965,454	5,950,338
Other assets		12,252				1,200,000		193,211		6,932,774	111,364					8,449,601
Total other assets	2,803	12,252				1,717,130	1,295	193,211	1,456,952	8,461,363	175,822	104,611	9,075	3,750	2,965,454	15,103,718
Total assets	\$6,151,368	\$2,756,283	\$7,429,669	\$98,625	\$7,190,800	\$52,767,639	\$16,971,141	\$10,610,446	\$66,785,357	\$52,417,116	\$399,789	\$2,955,454	\$2,936,013	\$113,129	\$11,911,892	\$241,494,721
LIABILITIES																
Current liabilities																
Accounts payable & accrued expenses	\$320,272		\$743,722		\$17,274	\$296,140	\$17,451	\$77,670	\$346,087	\$113,737	\$61,182	\$81,402	\$856,802	\$25,203	\$35,659	\$2,992,601
Long-term debt, current						1,000,000				1,909,998				8,500	46,357	2,964,855
Deferred income	9,690		36,121				176,710	69,582	273,618	162,718	57,568		569,689	60,957	5,676,559	7,093,212
Total current liabilities	329,962		779,843		17,274	1,296,140	194,161	147,252	619,705	2,186,453	118,750	81,402	1,426,491	94,660	5,758,575	13,050,668
Other liabilities																
Other payables								75		3,005,967				3,789	1,089,454	4,099,285
Long-term debt, noncurrent															427,265	427,265
Total other liabilities								75		3,005,967				3,789	1,516,719	4,526,550
Total liabilities	329,962		779,843		17,274	1,296,140	194,161	147,327	619,705	5,192,420	118,750	81,402	1,426,491	98,449	7,275,294	17,577,218
NET ASSETS																
Unrestricted	645,174	2,756,283	6,649,826	60,548	402,844	2,324,593	177,888	325,326	8,157,007	1,471,307	261,894	658,508	1,509,522	14,680	4,613,449	30,028,849
Temporarily restricted																
Scholarships & fellowships						5,538,523			1,726,628	4,808,939						12,074,090
Research						3,542				601,456						604,998
Other	5,176,232			38,077	2,681,561	9,947,817	16,599,092	3,679,096	24,361,196	16,909,590	10,503	280,763			23,149	79,707,076
Permanently restricted																
Scholarships & fellowships						20,338,057			18,669,693	11,330,594						50,338,344
Research						10,003				210,633						220,636
Other					4,089,121	13,308,964		6,458,697	13,251,128	11,892,177	8,642	1,934,781				50,943,510
Total net assets	5,821,406	2,756,283	6,649,826	98,625	7,173,526	51,471,499	16,776,980	10,463,119	66,165,652	47,224,696	281,039	2,874,052	1,509,522	14,680	4,636,598	223,917,503
Total liabilities & net assets	\$6,151,368	\$2,756,283	\$7,429,669	\$98,625	\$7,190,800	\$52,767,639	\$16,971,141	\$10,610,446	\$66,785,357	\$52,417,116	\$399,789	\$2,955,454	\$2,936,013	\$113,129	\$11,911,892	\$241,494,721

UNIVERSITY SYSTEM OF MARYLAND
COMBINING BALANCE SHEET, NONMAJOR 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
ASSETS														
Current assets														
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
Total current assets	561,063	60,209	1,178,927	1,899,315	2,561,618	1,209,852	3,075,250	22,173,762	3,202,390	317,765	4,140,303	123,191	1,087,734	41,591,379
Investments														
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
Total investments	4,045,692	2,285,426	5,457,780	4,889,426	39,561,708	12,898,527	6,906,363	35,631,278	34,594,754	2,175,573			7,424,453	155,870,980
Other assets														
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
Other assets		13,900			1,200,000		145,443		6,248,320					7,607,663
Total other assets	12,503	13,900			3,081,738	1,454	145,443	1,537,537	11,886,230	110,684	12,375	6,736	2,910,705	19,719,305
Total assets	\$4,619,258	\$2,359,535	\$6,636,707	\$6,788,741	\$45,205,064	\$14,109,833	\$10,127,056	\$59,342,577	\$49,683,374	\$2,604,022	\$4,152,678	\$129,927	\$11,422,892	\$217,181,664
LIABILITIES														
Current liabilities														
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	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
Total current liabilities	364,282	786	427,841	22,377	1,330,055	166,057	155,984	721,448	246,246	94,070	2,420,933	129,435	5,761,453	11,840,967
Other liabilities														
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
Total other liabilities							100,980		5,713,191			5,994	1,882,592	7,702,757
Total liabilities	364,282	786	427,841	22,377	1,330,055	166,057	256,964	721,448	5,959,437	94,070	2,420,933	135,429	7,644,045	19,543,724
NET ASSETS														
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
Total net assets	4,254,976	2,358,749	6,208,866	6,766,364	43,875,009	13,943,776	9,870,092	58,621,129	43,723,937	2,509,952	1,731,745	(5,502)	3,778,847	197,637,940
Total liabilities & net assets	\$4,619,258	\$2,359,535	\$6,636,707	\$6,788,741	\$45,205,064	\$14,109,833	\$10,127,056	\$59,342,577	\$49,683,374	\$2,604,022	\$4,152,678	\$129,927	\$11,422,892	\$217,181,664

UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF ACTIVITIES, NONMAJOR COMPONENT UNITS
YEAR ENDED JUNE 30, 2011

	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.	Harry R. Hughes Center for Argo-Ecology, 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.	The Ward 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
CHANGES IN UNRESTRICTED NET ASSETS																
Revenues																
Contributions & grants	\$1,510,431	\$2,526	\$9,294	\$10,500	\$420	\$288,793	\$348,293	\$260,715	\$354,569	\$208,548	\$734,763	\$183,171	\$4,898,276	\$605,308		\$9,415,607
Investment income (loss)	159,757	411,835	766,105	1,052	229,750	2,690,496	133,097	(72,476)	4,403,900	1,665,677	127,970	284,484			\$604,334	11,405,981
Other income	293,674	122,388	927,816	4,131	54,666	905,176	191,436	139,697	79,565	1,342,364	545,339	274,476	31,205	33,884	1,495,251	6,441,068
Assets released from restrictions				83,178	706,738	3,648,789	1,562,984	1,063,383	1,179,489	4,847,806	10,750	141,081			36,351	13,280,549
Total revenues	1,963,862	536,749	1,703,215	98,861	991,574	7,533,254	2,235,810	1,391,319	6,017,523	8,064,395	1,418,822	883,212	4,929,481	639,192	2,135,936	40,543,205
Expenses																
Program	1,269,008	53,321	549,001	36,179	680,421	5,318,796	1,855,543	1,085,104	1,996,063	8,347,148	677,360	545,683	3,825,871	602,925		26,842,423
General & administrative	412,545	85,894	713,254	2,086	46,325	450,609	333,314	225,482	267,965	359,980	374,876	168,041	1,225,833	16,085		4,682,289
Fundraising	154,400			48	76,944	207,854		30,963	225,950	160,433	15,707	35,604				907,903
Other expense								153,777			88,985		100,000		1,241,834	1,584,596
Total expenses	1,835,953	139,215	1,262,255	38,313	803,690	5,977,259	2,188,857	1,495,326	2,489,978	8,867,561	1,156,928	749,328	5,151,704	619,010	1,241,834	34,017,211
Change in unrestricted net assets	127,909	397,534	440,960	60,548	187,884	1,555,995	46,953	(104,007)	3,527,545	(803,166)	261,894	133,884	(222,223)	20,182	894,102	6,525,994
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS																
Contributions & grants	25,000			44,200	259,658	2,549,831	1,919,850	545,412	1,470,587	2,128,793	1,095	267,534				9,211,960
Investment income (loss)	1,413,521				543,772	5,658,521	2,222,951	911,105	3,116,917	6,280,819		22,050				20,169,656
Other income				77,055	115,682	802,415	206,434	162,928	109,376	315,996	20,158					1,810,044
Assets released from restrictions				(83,178)	(836,975)	(3,648,578)	(1,562,984)	(143,245)	(1,356,863)	(4,847,806)	(10,750)	(141,081)			(36,351)	(12,667,811)
Change in temporarily restricted net assets	1,438,521			38,077	82,137	5,362,189	2,786,251	1,476,200	3,340,017	3,877,802	10,503	148,503			(36,351)	18,523,849
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS																
Contributions & grants					4,139	664,738		140,972	479,587	156,238						1,495,298
Investment income (loss)					2,765				20,000	269,885		49,624				324,739
Other income						13,779					8,642					22,421
Assets released from restrictions					130,237	(211)		(920,138)	177,374							(612,738)
Change in permanently restricted net assets					137,141	678,306		(779,166)	676,961	426,123	8,642	81,713				1,229,720
Total change in net assets	1,566,430	397,534	440,960	98,625	407,162	7,596,490	2,833,204	593,027	7,544,523	3,500,759	281,039	364,100	(222,223)	20,182	857,751	26,279,563
Net assets (deficit) beginning of year	4,254,976	2,358,749	6,208,866		6,766,364	43,875,009	13,943,776	9,870,092	58,621,129	43,723,937		2,509,952	1,731,745	(5,502)	3,778,847	197,637,940
Net assets (deficit) end of year	\$5,821,406	\$2,756,283	\$6,649,826	\$98,625	\$7,173,526	\$51,471,499	\$16,776,980	\$10,463,119	\$66,165,652	\$47,224,696	\$281,039	\$2,874,052	\$1,509,522	\$14,680	\$4,636,598	\$223,917,503

UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF ACTIVITIES, NONMAJOR COMPONENT UNITS
YEAR ENDED 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
CHANGES IN UNRESTRICTED NET ASSETS														
Revenues														
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
Total revenues	2,161,079	385,294	1,555,457	601,329	8,713,416	2,662,269	4,086,238	5,742,577	6,711,273	1,106,381	7,199,517	568,319	1,922,733	43,415,882
Expenses														
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
Total expenses	2,115,064	142,830	1,187,431	448,394	5,697,091	2,804,581	4,512,553	2,882,137	3,944,532	659,659	7,160,171	571,043	1,213,028	33,338,514
Change in unrestricted net assets	46,015	242,464	368,026	152,935	3,016,325	(142,312)	(426,315)	2,860,440	2,766,741	446,722	39,346	(2,724)	709,705	10,077,368
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS														
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	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)
Change in temporarily restricted net assets	(60,353)		(187,085)	249,410	899,678	1,219,016	434,046	9,572,554	7,111,252	(64,109)			59,500	19,233,909
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS														
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
Change in permanently restricted net assets				485,005	1,670,044		846,896	1,292,035	570,786	154,180				5,018,946
Total change in net assets	(14,338)	242,464	180,941	887,350	5,586,047	1,076,704	854,627	13,725,029	10,448,779	536,793	39,346	(2,724)	769,205	34,330,223
Net assets (deficit) beginning of year	4,269,314	2,116,285	6,027,925	5,879,014	38,288,962	12,867,072	9,015,465	44,896,100	33,275,158	1,973,159	1,692,399	(2,778)	3,009,642	163,307,717
Net assets (deficit) end of year	\$4,254,976	\$2,358,749	\$6,208,866	\$6,766,364	\$43,875,009	\$13,943,776	\$9,870,092	\$58,621,129	\$43,723,937	\$2,509,952	\$1,731,745	(\$5,502)	\$3,778,847	\$197,637,940

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2011 AND 2010

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.