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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, 2012 and 2011, 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 98 percent, respectively, of the total assets, net assets and unrestricted revenue of the total component units. Those financial statements were audited by other auditors whose reports thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units, is based on the reports of the other auditors.

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

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, 2012 and 2011, 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.
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 audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the system’s basic financial statements. 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Hunt Valley, Maryland
October 26, 2012
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The management of the University System of Maryland (the System), provides the readers of the System’s financial statements with this narrative overview and analysis of the financial activities of the System for the years ended June 30, 2012 and 2011.

Financial Highlights

- Unrestricted net assets increased by $185,192,546, for the year ended June 30, 2012 compared to an increase of $216,486,546, for the year ended June 30, 2011.

- State appropriations for the System increased by 1.8% for the year ended June 30, 2012 to $1,063,371,086. For the year ended June 30, 2011, State appropriations increased by 12.8% from the amount received in the year ended June 30, 2010, reflecting mid-year transfers of state appropriations from the System back to the state government during the year ended June 30, 2009.

- Tuition and fees, after deducting Scholarship Allowances, increased by $80,672,778 or 7.4% for the year ended June 30, 2012. During the year ended June 30, 2011, net tuition and fees, increased by $42,105,694, or 4.0%.

- Investment income on Endowment assets amounted to $1,267,272, an investment return of 0.6%, for the year ended June 30, 2012. For the year ended June 30, 2011, investment income on Endowment assets was $31,624,217, representing investment returns of 17.8%.

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, financial statements for discretely presented component units, 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 as of the date of the financial statements).
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, 2012, the System’s financial health remains strong, with assets exceeding liabilities by $5,048,890,696, shown on the Balance Sheet as total net assets. This compares with total net assets of $4,671,599,419, as of June 30, 2011. As suggested earlier, when viewed over time, net assets may be useful as an indicator of financial health.

For the year ended June 30, 2012, total net assets increased by $377,291,277. Net assets invested in capital assets, net of related debt, increased by $190,611,960, while unrestricted net assets increased by $185,192,546, and restricted net asset categories increased by $1,486,771.

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 $185,192,546, increase in unrestricted net assets for the year ended June 30, 2012, is attributable to enrollment increases beyond that budgeted, continuing institutional efforts to limit expenditures, as well as efforts to accumulate resources to provide for future facilities needs and renewal and renovation requirements.

As of June 30, 2011, the System’s assets exceeded liabilities by $4,671,599,419. This compares with total net assets of $4,205,331,706 as of June 30, 2010.

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.

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 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 planned spending on acquisitions of buildings and renovations using cash balances.
The table below presents summary-level information of the System’s assets, liabilities, and net assets as of June 30, 2012, 2011 and 2010.

**Condensed Balance Sheet**
*June 30, 2012, 2011 and 2010*

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current and other assets</td>
<td>$2,316,223,582</td>
<td>$2,108,263,552</td>
<td>$1,921,376,964</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>4,571,677,492</td>
<td>4,329,368,105</td>
<td>3,985,648,258</td>
</tr>
<tr>
<td>Total assets</td>
<td>$6,887,901,074</td>
<td>$6,437,631,657</td>
<td>$5,907,025,222</td>
</tr>
<tr>
<td>Debt and obligations under capital lease agreements</td>
<td>$1,170,358,857</td>
<td>$1,129,222,003</td>
<td>$1,082,886,292</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>668,651,521</td>
<td>636,810,235</td>
<td>618,807,224</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,839,010,378</td>
<td>1,766,032,238</td>
<td>1,701,693,516</td>
</tr>
<tr>
<td>Net assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>3,475,576,851</td>
<td>3,284,964,891</td>
<td>3,043,704,463</td>
</tr>
<tr>
<td>Restricted</td>
<td>253,881,563</td>
<td>252,394,792</td>
<td>243,874,053</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>1,319,432,282</td>
<td>1,134,239,736</td>
<td>917,753,190</td>
</tr>
<tr>
<td>Total net assets</td>
<td>5,048,890,696</td>
<td>4,671,599,419</td>
<td>4,205,331,706</td>
</tr>
<tr>
<td>Net assets and liabilities</td>
<td>$6,887,901,074</td>
<td>$6,437,631,657</td>
<td>$5,907,025,222</td>
</tr>
</tbody>
</table>

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, 2012, 2011 and 2010.

**Condensed Statement of Revenues, Expenses and Changes in Net Assets**
*Years ended June 30, 2012, 2011 and 2010*

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating expenses</td>
<td>4,145,997,658</td>
<td>3,998,175,888</td>
<td>3,864,725,692</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(1,030,889,275)</td>
<td>(977,838,129)</td>
<td>(1,002,247,255)</td>
</tr>
<tr>
<td>State appropriations</td>
<td>1,063,371,086</td>
<td>1,044,674,552</td>
<td>925,884,473</td>
</tr>
<tr>
<td>Other nonoperating</td>
<td>163,051,998</td>
<td>201,250,448</td>
<td>163,404,937</td>
</tr>
<tr>
<td>Total nonoperating</td>
<td>1,226,423,084</td>
<td>1,245,925,000</td>
<td>1,089,289,410</td>
</tr>
<tr>
<td>Income (loss) before other revenues</td>
<td>195,533,809</td>
<td>268,086,871</td>
<td>87,042,155</td>
</tr>
<tr>
<td>Other revenues</td>
<td>181,757,468</td>
<td>198,180,842</td>
<td>193,056,043</td>
</tr>
<tr>
<td>Increase in net assets</td>
<td>377,291,277</td>
<td>466,267,713</td>
<td>280,098,198</td>
</tr>
<tr>
<td>Net assets, beginning of year</td>
<td>4,671,599,419</td>
<td>4,205,331,706</td>
<td>3,925,233,508</td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td>$5,048,890,696</td>
<td>$4,671,599,419</td>
<td>$4,205,331,706</td>
</tr>
</tbody>
</table>
UNIVERSITY SYSTEM OF MARYLAND

MANAGEMENT’S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2012 AND 2011

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

For the years ended June 30, 2012, 2011 and 2010, operating revenues, which under the definitions used by the Governmental Accounting Standards Board (GASB) excludes state appropriations, are detailed below:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$1,166,667,290</td>
<td>37.4%</td>
<td>$1,085,994,512</td>
</tr>
<tr>
<td>Contracts and grants</td>
<td>1,109,702,556</td>
<td>35.6%</td>
<td>1,142,425,581</td>
</tr>
<tr>
<td>Sales and services of Educational departments</td>
<td>257,697,032</td>
<td>8.3%</td>
<td>243,851,740</td>
</tr>
<tr>
<td>Auxiliary enterprises</td>
<td>523,088,505</td>
<td>16.8%</td>
<td>490,116,309</td>
</tr>
<tr>
<td>Other operating</td>
<td>57,953,000</td>
<td>1.9%</td>
<td>57,949,617</td>
</tr>
</tbody>
</table>

Total                      | $3,115,108,383 | 100.0%     | $3,020,337,759 | 100.0%     | $2,862,478,437 | 100.0%     |

Tuition and fees reflect increases in resident undergraduate student rates for the year ended June 30, 2012, and non-resident rates and other student charges enacted for years ended 2012 and 2011 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, 2012, 2011 and 2010, operating expenses are detailed below:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>$1,101,099,773</td>
<td>26.6%</td>
<td>$1,034,072,780</td>
</tr>
<tr>
<td>Research</td>
<td>922,874,070</td>
<td>22.3%</td>
<td>945,626,792</td>
</tr>
<tr>
<td>Public service</td>
<td>157,554,254</td>
<td>3.8%</td>
<td>148,391,096</td>
</tr>
<tr>
<td>Academic support</td>
<td>380,187,264</td>
<td>9.2%</td>
<td>349,062,701</td>
</tr>
<tr>
<td>Student services</td>
<td>192,285,983</td>
<td>4.6%</td>
<td>178,781,303</td>
</tr>
<tr>
<td>Institutional support</td>
<td>364,278,425</td>
<td>8.8%</td>
<td>354,617,377</td>
</tr>
<tr>
<td>Operation &amp;</td>
<td>316,887,436</td>
<td>7.6%</td>
<td>309,762,858</td>
</tr>
<tr>
<td>Maintenance of Plant</td>
<td>90,510,504</td>
<td>2.2%</td>
<td>91,965,556</td>
</tr>
<tr>
<td>Scholarships and</td>
<td>465,114,119</td>
<td>11.2%</td>
<td>444,579,270</td>
</tr>
<tr>
<td>fellowships</td>
<td>155,205,830</td>
<td>3.7%</td>
<td>141,316,155</td>
</tr>
</tbody>
</table>

Total                      | $4,145,997,658 | 100.0%     | $3,998,175,888 | 100.0%     | $3,864,725,692 | 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, 2012, increases in employee payments of $133,323,249, represent the largest component of the overall increase in operating expenses over the year ended June 30, 2011, with the largest increase associated with employee payments for instruction activities.

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 employee payments for 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.

**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:

<table>
<thead>
<tr>
<th>Funding source</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Maryland debt proceeds or cash balances</td>
<td>$172,854,822</td>
<td>$176,161,090</td>
<td>$180,916,057</td>
</tr>
<tr>
<td>System debt proceeds</td>
<td>$133,013,284</td>
<td>$180,139,550</td>
<td>$152,170,852</td>
</tr>
<tr>
<td>System cash balances or donations</td>
<td>$186,301,220</td>
<td>$211,893,224</td>
<td>$198,840,205</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$492,169,326</strong></td>
<td><strong>$568,193,864</strong></td>
<td><strong>$531,927,114</strong></td>
</tr>
</tbody>
</table>
Over the past three fiscal years ended June 30, major projects completed or placed in service are as follows:

<table>
<thead>
<tr>
<th>Year ended June 30, 2012</th>
<th>Project</th>
<th>Institution</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Performing Arts and Humanities Facility</td>
<td>University of Maryland Baltimore County</td>
<td>$81,703,000</td>
</tr>
<tr>
<td></td>
<td>College of Liberal Arts</td>
<td>Towson University</td>
<td>78,325,000</td>
</tr>
<tr>
<td></td>
<td>Performing Arts Center</td>
<td>Bowie State University</td>
<td>67,453,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year ended June 30, 2011</th>
<th>Project</th>
<th>Institution</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pharmacy Hall Addition and Renovation</td>
<td>University of Maryland Baltimore</td>
<td>85,789,000</td>
</tr>
<tr>
<td></td>
<td>Oakland Hall Residence</td>
<td>University of Maryland College Park</td>
<td>81,000,000</td>
</tr>
<tr>
<td></td>
<td>Perdue School of Business</td>
<td>Salisbury University</td>
<td>50,553,000</td>
</tr>
<tr>
<td></td>
<td>Seagull Square</td>
<td>Salisbury University</td>
<td>41,000,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year ended June 30, 2010</th>
<th>Project</th>
<th>Institution</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Physical Education Complex</td>
<td>Coppin State University</td>
<td>128,000,000</td>
</tr>
<tr>
<td></td>
<td>Byrd Stadium renovation</td>
<td>University of Maryland College Park</td>
<td>50,000,000</td>
</tr>
</tbody>
</table>

In August 2003, the System issued Revolving Loan Program Bonds to provide a pool of funds to finance the acquisition of personal property on a revolving basis. The Revolving Loan Program Bonds, currently outstanding in the amount of $50,000,000, mature on July 1, 2023. In May 2009, the securities were remarketed at an annual interest rate of 0.55% for the period June 1, 2009 through May 31, 2010. On June 1, 2010, the securities were successfully remarketed on a multi-annual interest rate basis at an interest rate of 1.50%. The Revolving Loan Program Bonds are currently subject to mandatory tender on June 1, 2013, at which time the System expects to remarket the bonds at an interest rate that will reflect the market interest rates at that point in time.

The System has issued revenue bonds to fund the construction, acquisition, and renewal and replacement of facilities, or refinance previously issued revenue bonds to realize lower current interest rates, during the years ended June 30, 2011 and 2012, and since, as follows:

<table>
<thead>
<tr>
<th>Revenue Bond Issuance</th>
<th>Date</th>
<th>Purpose</th>
<th>Total Par Value Issued</th>
<th>Present Value of Future Debt Service Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 Refunding Series C</td>
<td>9/8/2010</td>
<td>Refinancing Construction and facilities renewal</td>
<td>$50,990,000</td>
<td>$3,331,544</td>
</tr>
<tr>
<td>2010 Series D and E</td>
<td>12/9/2010</td>
<td>Refinancing, construction and facilities renewal</td>
<td>115,000,000</td>
<td></td>
</tr>
<tr>
<td>2011 Series A and B</td>
<td>10/20/2011</td>
<td>Refinancing, construction and facilities renewal</td>
<td>153,075,000</td>
<td>1,357,495</td>
</tr>
<tr>
<td>2012 Series A and B</td>
<td>2/9/2012</td>
<td>Refinancing, construction and facilities renewal</td>
<td>70,825,000</td>
<td>9,054,411</td>
</tr>
<tr>
<td>2012 Series C and D</td>
<td>10/6/2012</td>
<td>Refinancing, construction and facilities renewal</td>
<td>169,005,000</td>
<td>5,281,851</td>
</tr>
</tbody>
</table>
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 2021. Preliminary fall 2012 enrollment suggests approximately the same level of enrollment as fall 2011 levels, reflecting demographic changes in high school graduation numbers and the impact of lack of state financial support for enrollment growth.

During the past six 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.

Several System institutions have 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 competitively for continued strong funding in research activities, particularly in the health sciences and defense-related fields.

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 expected to be significant considerations for 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 Operating Officer, 3300 Metzerott Road, Adelphi, MD 20783.
# UNIVERSITY SYSTEM OF MARYLAND  
## BALANCE SHEET  
**JUNE 30, 2012 AND 2011**

See accompanying notes.

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
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<td><strong>Current assets:</strong></td>
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<td>Cash and cash equivalents</td>
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<td>Accounts receivable, net</td>
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<td>Inventories</td>
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<tr>
<td><strong>Total current assets</strong></td>
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<td>1,751,839,879</td>
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<tr>
<td><strong>Noncurrent assets:</strong></td>
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<tr>
<td>Restricted cash and cash equivalents</td>
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<td>Endowment investments</td>
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<td>Restricted investments</td>
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<td>Other investments</td>
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<td>Notes receivable, net</td>
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<td>Capital assets, net</td>
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<td>4,685,791,778</td>
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<td><strong>Total assets</strong></td>
<td>$6,887,901,074</td>
<td>$6,437,631,657</td>
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<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
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<tbody>
<tr>
<td><strong>LIABILITIES</strong></td>
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<tr>
<td><strong>Current liabilities:</strong></td>
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<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$272,522,879</td>
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<td>Accrued workers' compensation, current portion</td>
<td>4,438,425</td>
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<tr>
<td>Accrued vacation costs, current portion</td>
<td>83,198,226</td>
<td>86,433,730</td>
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<td>Revenue bonds and notes payable, current portion</td>
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<td>80,507,466</td>
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<td>Obligations under capital lease agreements, current portion</td>
<td>296,434</td>
<td>277,430</td>
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<td>191,690,521</td>
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<td><strong>Noncurrent liabilities:</strong></td>
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<td>Accrued workers' compensation</td>
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<td>Accrued vacation costs</td>
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<td>Revenue bonds and notes payable</td>
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<td>1,034,671,448</td>
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<td>Obligations under capital lease agreements</td>
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<td>13,765,659</td>
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<td><strong>Total noncurrent liabilities</strong></td>
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<td><strong>Total liabilities</strong></td>
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<table>
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<tr>
<td><strong>NET ASSETS</strong></td>
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<td>Unrestricted</td>
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<tr>
<td><strong>Nonexpendable:</strong></td>
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<td>Scholarships and fellowships</td>
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<td><strong>Expendable:</strong></td>
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<td>Scholarships and fellowships</td>
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<td>Research</td>
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<td>Loans</td>
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<td>Capital projects</td>
<td>15,055,226</td>
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<td>Other</td>
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<td><strong>Total net assets</strong></td>
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<td><strong>Total liabilities and net assets</strong></td>
<td>$6,887,901,074</td>
<td>$6,437,631,657</td>
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## UNIVERSITY SYSTEM OF MARYLAND
### COMBINING BALANCE SHEET, COMPONENT UNITS
#### JUNE 30, 2012

**major component units**

<table>
<thead>
<tr>
<th>University System of Maryland Foundation, Inc.</th>
<th>University of Maryland College Park Foundation, Inc.</th>
<th>University of Maryland Baltimore Foundation, Inc.</th>
<th>Total Nonmajor Component Units</th>
<th>Total</th>
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<tbody>
<tr>
<td><strong>ASSETS</strong></td>
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<tr>
<td><strong>Current assets</strong></td>
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<tr>
<td>Cash</td>
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<td>$22,403,012</td>
<td>$31,320,867</td>
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<td>Accounts receivable, net</td>
<td>5,916,000</td>
<td>36,360,828</td>
<td>13,548,212</td>
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<td>241,000</td>
<td>102,278</td>
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<td><strong>Total current assets</strong></td>
<td>6,871,000</td>
<td>58,866,118</td>
<td>13,548,212</td>
<td>122,013,979</td>
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<td><strong>Investments</strong></td>
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<td></td>
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<tr>
<td>Endowment investments</td>
<td>214,762,000</td>
<td>222,672,248</td>
<td>113,710,602</td>
<td>715,321,859</td>
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<td>Other investments</td>
<td>290,545,000</td>
<td>40,215,332</td>
<td>53,193,380</td>
<td>397,954,636</td>
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<td><strong>Total investments</strong></td>
<td>495,307,000</td>
<td>268,887,580</td>
<td>166,903,982</td>
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<td><strong>Other assets</strong></td>
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<tr>
<td>Accounts receivable, net</td>
<td>2,910,000</td>
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<td>53,006,980</td>
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<td>100,000</td>
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<td>15,897,292</td>
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<td>13,351,000</td>
<td>33,177,785</td>
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<td>$360,931,483</td>
<td>$197,588,137</td>
<td>$1,319,217,843</td>
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<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable &amp; accrued expenses</td>
<td>$2,824,000</td>
<td>$1,834,267</td>
<td>$3,108,741</td>
<td>$10,599,818</td>
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<td>1,056,350</td>
<td>1,056,350</td>
<td>3,169,050</td>
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<td>8,777,662</td>
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<td><strong>Total current liabilities</strong></td>
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<tr>
<td>Other payables</td>
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<td>1,002,708</td>
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<td>Due to primary government</td>
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<td>190,171,891</td>
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<tr>
<td>Long-term debt, noncurrent</td>
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<td>2,272,485</td>
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<tr>
<td><strong>Total other liabilities</strong></td>
<td>234,165,000</td>
<td>3,314,392</td>
<td>1,002,708</td>
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<td><strong>NET ASSETS</strong></td>
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<tr>
<td>Unrestricted</td>
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<td>8,514,613</td>
<td>7,493,869</td>
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<td>4,350,636</td>
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<td><strong>Total liabilities and net assets</strong></td>
<td>$515,529,000</td>
<td>$360,931,483</td>
<td>$197,588,137</td>
<td>$1,319,217,843</td>
</tr>
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</table>

See accompanying notes.
### UNIVERSITY SYSTEM OF MARYLAND

#### COMBINING BALANCE SHEET, COMPONENT UNITS

**JUNE 30, 2011**

**Major Component Units**

---

<table>
<thead>
<tr>
<th></th>
<th>University System of Maryland Foundation, Inc.</th>
<th>University of Maryland College Park Foundation, Inc.</th>
<th>University of Maryland Baltimore Foundation, Inc.</th>
<th>Total Nonmajor Component Units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
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<tr>
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<tr>
<td>Endowment investments</td>
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<tr>
<td>Accounts receivable, net</td>
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</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable &amp; accrued expenses</td>
<td>$1,159,000</td>
<td>$542,872</td>
<td>$2,520,097</td>
<td>$2,992,601</td>
<td>$7,214,570</td>
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<td>Long-term debt, current</td>
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<tr>
<td>Deferred income</td>
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<tr>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Other payables</td>
<td>43,843,189</td>
<td>3,236,982</td>
<td>950,508</td>
<td>4,099,285</td>
<td>52,129,964</td>
</tr>
<tr>
<td>Due to primary government</td>
<td>198,552,811</td>
<td></td>
<td></td>
<td></td>
<td>198,552,811</td>
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<tr>
<td>Long-term debt, noncurrent</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>427,265</td>
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<tr>
<td><strong>Total other liabilities</strong></td>
<td>$242,396,000</td>
<td>$3,236,982</td>
<td>$950,508</td>
<td>$4,526,550</td>
<td>$251,110,040</td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td>$244,028,000</td>
<td>$5,100,914</td>
<td>$3,470,605</td>
<td>$17,577,218</td>
<td>$270,176,737</td>
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<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>62,039,000</td>
<td>13,516,544</td>
<td>16,475,392</td>
<td>30,028,849</td>
<td>122,059,785</td>
</tr>
<tr>
<td>Temporarily restricted:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships &amp; fellowships</td>
<td>20,914,000</td>
<td>37,743,771</td>
<td>7,076,118</td>
<td>12,074,090</td>
<td>77,807,979</td>
</tr>
<tr>
<td>Research</td>
<td>11,145,000</td>
<td>7,803,016</td>
<td>8,656,148</td>
<td>604,998</td>
<td>28,209,162</td>
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<tr>
<td>Other</td>
<td>33,467,000</td>
<td>109,653,251</td>
<td>42,835,879</td>
<td>79,707,076</td>
<td>265,663,206</td>
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<tr>
<td>Permanently restricted:</td>
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<td></td>
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<tr>
<td>Scholarships &amp; fellowships</td>
<td>73,754,000</td>
<td>59,656,000</td>
<td>24,633,862</td>
<td>50,338,344</td>
<td>208,382,206</td>
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<tr>
<td>Research</td>
<td>2,084,000</td>
<td>1,173,000</td>
<td>1,294,731</td>
<td>220,636</td>
<td>4,772,367</td>
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<tr>
<td>Other</td>
<td>79,882,000</td>
<td>132,574,629</td>
<td>77,112,824</td>
<td>50,943,510</td>
<td>340,512,963</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>$283,285,000</td>
<td>$362,120,211</td>
<td>$178,084,954</td>
<td>$223,917,503</td>
<td>$1,047,407,668</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$527,313,000</td>
<td>$367,221,125</td>
<td>$181,555,559</td>
<td>$241,494,721</td>
<td>$1,317,584,405</td>
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</tbody>
</table>

See accompanying notes.
# UNIVERSITY SYSTEM OF MARYLAND

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2012 AND 2011

See accompanying notes.

### Year ended June 30, 2012

<table>
<thead>
<tr>
<th>OPERATING REVENUES:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tuition and fees</strong></td>
<td>$1,403,570,031</td>
<td>$1,313,899,897</td>
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<tr>
<td>Less: scholarship allowances</td>
<td>(236,902,741)</td>
<td>(227,975,385)</td>
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<tr>
<td>Federal grants and contracts</td>
<td>723,008,546</td>
<td>775,558,941</td>
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<tr>
<td>State and local grants and contracts</td>
<td>175,216,123</td>
<td>173,516,912</td>
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<tr>
<td>Nongovernmental grants and contracts</td>
<td>211,477,887</td>
<td>193,349,728</td>
</tr>
<tr>
<td>Sales and services of educational departments</td>
<td>257,697,032</td>
<td>243,851,740</td>
</tr>
<tr>
<td><strong>Residential facilities</strong></td>
<td>136,788,425</td>
<td>123,889,715</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(11,592,037)</td>
<td>(11,765,972)</td>
</tr>
<tr>
<td><strong>Dining facilities</strong></td>
<td>114,536,929</td>
<td>106,840,424</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(4,233,267)</td>
<td>(4,258,407)</td>
</tr>
<tr>
<td><strong>Intercolligiate athletics</strong></td>
<td>97,424,482</td>
<td>88,081,729</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(4,233,267)</td>
<td>(4,258,407)</td>
</tr>
<tr>
<td><strong>Bookstore</strong></td>
<td>28,816,929</td>
<td>28,789,626</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(1,530,243)</td>
<td>(1,448,970)</td>
</tr>
<tr>
<td><strong>Parking facilities</strong></td>
<td>41,176,924</td>
<td>38,301,062</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(1,530,243)</td>
<td>(1,448,970)</td>
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<tr>
<td><strong>Other auxiliary enterprises revenues</strong></td>
<td>128,602,143</td>
<td>128,558,817</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(37,786)</td>
<td>(79,895)</td>
</tr>
<tr>
<td><strong>Other operating revenues</strong></td>
<td>57,953,000</td>
<td>57,949,617</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING EXPENSES:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Instruction</strong></td>
<td>1,101,099,773</td>
<td>1,034,072,780</td>
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<tr>
<td><strong>Research</strong></td>
<td>922,874,070</td>
<td>945,626,792</td>
</tr>
<tr>
<td><strong>Public service</strong></td>
<td>157,554,254</td>
<td>148,391,096</td>
</tr>
<tr>
<td><strong>Academic support</strong></td>
<td>380,187,264</td>
<td>349,062,701</td>
</tr>
<tr>
<td><strong>Student services</strong></td>
<td>192,285,983</td>
<td>178,781,303</td>
</tr>
<tr>
<td><strong>Institutional support</strong></td>
<td>394,278,425</td>
<td>354,617,377</td>
</tr>
<tr>
<td><strong>Operation and maintenance of plant</strong></td>
<td>316,887,436</td>
<td>309,762,858</td>
</tr>
<tr>
<td><strong>Scholarships and fellowships</strong></td>
<td>90,510,504</td>
<td>91,965,566</td>
</tr>
<tr>
<td><strong>Residential facilities</strong></td>
<td>104,317,099</td>
<td>104,077,902</td>
</tr>
<tr>
<td><strong>Dining facilities</strong></td>
<td>104,886,887</td>
<td>96,682,626</td>
</tr>
<tr>
<td><strong>Intercolligiate athletics</strong></td>
<td>94,824,576</td>
<td>87,718,648</td>
</tr>
<tr>
<td><strong>Bookstore</strong></td>
<td>26,841,606</td>
<td>27,046,286</td>
</tr>
<tr>
<td><strong>Parking facilities</strong></td>
<td>25,942,018</td>
<td>22,512,617</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>4,145,997,658</td>
<td>3,998,175,888</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td>(1,030,889,275)</td>
<td>(977,838,129)</td>
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</table>

<table>
<thead>
<tr>
<th>NONOPERATING REVENUES (EXPENSES):</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State appropriations</strong></td>
<td>1,063,371,086</td>
<td>1,044,674,552</td>
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<tr>
<td><strong>Pell grants</strong></td>
<td>131,092,951</td>
<td>127,266,701</td>
</tr>
<tr>
<td><strong>Gifts</strong></td>
<td>922,874,070</td>
<td>945,626,792</td>
</tr>
<tr>
<td><strong>Investment income</strong></td>
<td>22,816,802</td>
<td>22,136,924</td>
</tr>
<tr>
<td><strong>Less: Investment expense</strong></td>
<td>(734,648)</td>
<td>(870,781)</td>
</tr>
<tr>
<td><strong>Interest on indebtedness</strong></td>
<td>(43,897,538)</td>
<td>(42,012,543)</td>
</tr>
<tr>
<td><strong>Other revenues, (expenses), gains and (losses)</strong></td>
<td>10,636,788</td>
<td>17,736,356</td>
</tr>
<tr>
<td><strong>Total net nonoperating revenues</strong></td>
<td>1,226,423,084</td>
<td>1,245,925,000</td>
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<tr>
<td><strong>Income before other revenues</strong></td>
<td>195,533,809</td>
<td>268,086,871</td>
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</table>

<table>
<thead>
<tr>
<th>OTHER REVENUES:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital appropriations</strong></td>
<td>172,854,822</td>
<td>176,161,090</td>
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<tr>
<td><strong>Capital gifts and grants</strong></td>
<td>6,865,307</td>
<td>20,748,305</td>
</tr>
<tr>
<td><strong>Additions to permanent endowments</strong></td>
<td>2,213,339</td>
<td>1,271,447</td>
</tr>
<tr>
<td><strong>Total other revenues</strong></td>
<td>181,757,468</td>
<td>198,180,424</td>
</tr>
<tr>
<td><strong>Increase in net assets</strong></td>
<td>377,291,277</td>
<td>466,267,713</td>
</tr>
<tr>
<td><strong>Net assets - beginning of year</strong></td>
<td>4,671,599,419</td>
<td>4,205,331,706</td>
</tr>
<tr>
<td><strong>Net assets - end of year</strong></td>
<td>$5,048,890,696</td>
<td>$4,671,599,419</td>
</tr>
</tbody>
</table>

See accompanying notes.
# UNIVERSITY SYSTEM OF MARYLAND

## COMBINING STATEMENT OF ACTIVITIES, COMPONENT UNITS

**YEAR ENDED JUNE 30, 2012**

<table>
<thead>
<tr>
<th>University System of Maryland Foundation, Inc.</th>
<th>University of Maryland College Park Foundation, Inc.</th>
<th>University of Maryland Baltimore Foundation, Inc.</th>
<th>Total Nonmajor Component Units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CHANGES IN UNRESTRICTED NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions &amp; grants</td>
<td>$3,945,000</td>
<td>$39,100</td>
<td>$7,044,715</td>
<td>$5,783,247</td>
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<tr>
<td>Investment income</td>
<td>3,210,000</td>
<td>4,629,451</td>
<td>1,836,688</td>
<td>346,300</td>
</tr>
<tr>
<td>Other income</td>
<td>5,845,000</td>
<td>2,875,995</td>
<td>579,053</td>
<td>8,097,212</td>
</tr>
<tr>
<td>Assets released from restrictions</td>
<td>20,507,000</td>
<td>44,739,690</td>
<td>14,395,731</td>
<td>15,222,535</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>33,507,000</td>
<td>52,484,236</td>
<td>23,856,187</td>
<td>29,449,294</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program</td>
<td>21,358,499</td>
<td>49,246,012</td>
<td>19,179,192</td>
<td>23,484,690</td>
</tr>
<tr>
<td>General &amp; administrative</td>
<td>4,795,000</td>
<td>1,046,455</td>
<td>1,472,371</td>
<td>11,673,087</td>
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<tr>
<td>Fundraising</td>
<td>3,428,000</td>
<td>244,760</td>
<td>579,756</td>
<td>1,163,823</td>
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<tr>
<td>Other expense</td>
<td>5,433,931</td>
<td>1,560,083</td>
<td>6,994,014</td>
<td>5,416,339</td>
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<tr>
<td><strong>Total expenses</strong></td>
<td>29,581,499</td>
<td>55,971,158</td>
<td>21,231,319</td>
<td>30,567,857</td>
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<tr>
<td>Transfer per Board resolution</td>
<td>(13,501)</td>
<td></td>
<td></td>
<td>13,501</td>
</tr>
<tr>
<td><strong>Change in unrestricted net assets</strong></td>
<td>3,912,000</td>
<td>(3,486,922)</td>
<td>2,638,369</td>
<td>(1,118,563)</td>
</tr>
<tr>
<td><strong>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions &amp; grants</td>
<td>9,153,000</td>
<td>33,051,104</td>
<td>16,679,090</td>
<td>75,422,818</td>
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<tr>
<td>Investment income (loss)</td>
<td>9,608,068</td>
<td>(1,690,940)</td>
<td>243,130</td>
<td>7,873,585</td>
</tr>
<tr>
<td>Other income (loss)</td>
<td>(332,074)</td>
<td></td>
<td>822,996</td>
<td>1,909,710</td>
</tr>
<tr>
<td>Assets released from restrictions</td>
<td>(20,507,000)</td>
<td>(45,231,312)</td>
<td>(14,395,731)</td>
<td>(15,627,815)</td>
</tr>
<tr>
<td>Transfer per Board resolution</td>
<td>(520,068)</td>
<td>471,208</td>
<td>48,860</td>
<td>270,438</td>
</tr>
<tr>
<td><strong>Change in temporarily restricted net assets</strong></td>
<td>(2,266,000)</td>
<td>(13,732,014)</td>
<td>2,575,349</td>
<td>(11,642,459)</td>
</tr>
<tr>
<td><strong>CHANGES IN PERMANENTLY RESTRICTED NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions &amp; grants</td>
<td>2,077,000</td>
<td>9,786,721</td>
<td>10,178,016</td>
<td>25,687,908</td>
</tr>
<tr>
<td>Investment income (loss)</td>
<td>(9,941,000)</td>
<td>(152,340)</td>
<td>13,800</td>
<td>(135,540)</td>
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<tr>
<td>Other income (loss)</td>
<td>3,000</td>
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<td>405,280</td>
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<tr>
<td>Assets released from restrictions</td>
<td>491,622</td>
<td></td>
<td></td>
<td>896,902</td>
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<tr>
<td><strong>Change in permanently restricted net assets</strong></td>
<td>(7,861,000)</td>
<td>10,126,003</td>
<td>10,178,016</td>
<td>16,602,554</td>
</tr>
<tr>
<td><strong>Total change in net assets</strong></td>
<td>(6,215,000)</td>
<td>(7,092,933)</td>
<td>15,391,734</td>
<td>4,821,178</td>
</tr>
<tr>
<td><strong>Net assets - beginning of year</strong></td>
<td>283,285,000</td>
<td>362,120,211</td>
<td>178,084,954</td>
<td>223,917,503</td>
</tr>
<tr>
<td><strong>Net assets - end of year</strong></td>
<td>$277,070,000</td>
<td>$355,027,278</td>
<td>$193,476,688</td>
<td>$228,738,681</td>
</tr>
</tbody>
</table>

See accompanying notes.
### Changes in Unrestricted Net Assets

<table>
<thead>
<tr>
<th></th>
<th>University System of Maryland Foundation, Inc.</th>
<th>University of Maryland College Park Foundation, Inc.</th>
<th>University of Maryland Baltimore Foundation, Inc.</th>
<th>Total Nonmajor Component Units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions &amp; grants</td>
<td>$1,960,000</td>
<td>$100,000</td>
<td>$8,715,980</td>
<td>$9,415,607</td>
<td>$20,191,587</td>
</tr>
<tr>
<td>Investment income</td>
<td>8,494,000</td>
<td>10,160,651</td>
<td>906,962</td>
<td>11,405,981</td>
<td>30,967,594</td>
</tr>
<tr>
<td>Other income</td>
<td>5,693,000</td>
<td>2,201,878</td>
<td>471,379</td>
<td>6,441,068</td>
<td>14,607,325</td>
</tr>
<tr>
<td>Assets released from restrictions</td>
<td>20,084,000</td>
<td>31,151,547</td>
<td>13,034,949</td>
<td>13,280,549</td>
<td>77,551,045</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>36,231,000</td>
<td>43,614,076</td>
<td>23,129,270</td>
<td>40,543,205</td>
<td>143,517,551</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program</td>
<td>18,748,000</td>
<td>32,983,931</td>
<td>18,394,599</td>
<td>27,137,459</td>
<td>97,263,989</td>
</tr>
<tr>
<td>General &amp; administrative</td>
<td>4,697,921</td>
<td>2,010,938</td>
<td>1,385,290</td>
<td>4,742,537</td>
<td>12,836,686</td>
</tr>
<tr>
<td>Fundraising</td>
<td>3,348,000</td>
<td>314,380</td>
<td>472,329</td>
<td>907,903</td>
<td>5,042,612</td>
</tr>
<tr>
<td>Other expense</td>
<td>1,182,615</td>
<td>1,229,312</td>
<td>2,411,927</td>
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<td>6,024,854</td>
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<tr>
<td><strong>Total expenses</strong></td>
<td>26,793,921</td>
<td>36,491,864</td>
<td>20,252,218</td>
<td>34,017,211</td>
<td>117,555,214</td>
</tr>
<tr>
<td>Change in unrestricted net assets</td>
<td>$9,423,000</td>
<td>7,122,212</td>
<td>2,891,131</td>
<td>6,525,994</td>
<td>25,962,337</td>
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</tbody>
</table>

### Changes in Temporarily Restricted Net Assets

<table>
<thead>
<tr>
<th></th>
<th>University System of Maryland Foundation, Inc.</th>
<th>University of Maryland College Park Foundation, Inc.</th>
<th>University of Maryland Baltimore Foundation, Inc.</th>
<th>Total Nonmajor Component Units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions &amp; grants</td>
<td>8,460,000</td>
<td>37,133,530</td>
<td>6,188,307</td>
<td>9,211,960</td>
<td>60,993,797</td>
</tr>
<tr>
<td>Investment income</td>
<td>15,625,242</td>
<td>25,372,711</td>
<td>16,137,202</td>
<td>20,169,656</td>
<td>77,304,811</td>
</tr>
<tr>
<td>Other income (loss)</td>
<td>(621,241)</td>
<td>1,810,044</td>
<td>1,188,803</td>
<td></td>
<td>1,188,803</td>
</tr>
<tr>
<td>Assets released from restrictions</td>
<td>(20,084,000)</td>
<td>(30,309,289)</td>
<td>(13,034,949)</td>
<td>(12,667,811)</td>
<td>(76,096,049)</td>
</tr>
<tr>
<td>Transfer per Board resolution</td>
<td>(22,242)</td>
<td>(22,242)</td>
<td></td>
<td></td>
<td>(44,484)</td>
</tr>
<tr>
<td><strong>Change in temporarily restricted net assets</strong></td>
<td>$3,979,000</td>
<td>31,575,711</td>
<td>9,312,802</td>
<td>18,523,849</td>
<td>63,391,362</td>
</tr>
</tbody>
</table>

### Changes in Permanently Restricted Net Assets

<table>
<thead>
<tr>
<th></th>
<th>University System of Maryland Foundation, Inc.</th>
<th>University of Maryland College Park Foundation, Inc.</th>
<th>University of Maryland Baltimore Foundation, Inc.</th>
<th>Total Nonmajor Component Units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions &amp; grants</td>
<td>3,765,000</td>
<td>6,286,496</td>
<td>14,599,111</td>
<td>1,495,298</td>
<td>26,145,905</td>
</tr>
<tr>
<td>Investment income (loss)</td>
<td>12,091,423</td>
<td>(7,353)</td>
<td>324,739</td>
<td>12,408,809</td>
<td>28,832,660</td>
</tr>
<tr>
<td>Other income</td>
<td>24,000</td>
<td>236,100</td>
<td>22,421</td>
<td></td>
<td>282,521</td>
</tr>
<tr>
<td>Assets released from restrictions</td>
<td>(842,258)</td>
<td>(612,738)</td>
<td>(1,454,996)</td>
<td></td>
<td>(2,909,986)</td>
</tr>
<tr>
<td>Transfer per Board resolution</td>
<td>(1,536,423)</td>
<td>(1,536,423)</td>
<td></td>
<td></td>
<td>(3,072,846)</td>
</tr>
<tr>
<td><strong>Change in permanently restricted net assets</strong></td>
<td>$14,344,000</td>
<td>5,672,985</td>
<td>16,135,534</td>
<td>1,229,720</td>
<td>37,382,239</td>
</tr>
<tr>
<td><strong>Total change in net assets</strong></td>
<td>$27,746,000</td>
<td>44,370,908</td>
<td>28,339,467</td>
<td>26,279,563</td>
<td>126,735,938</td>
</tr>
</tbody>
</table>

| 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
## STATEMENT OF CASH FLOWS
### YEARS ENDED JUNE 30, 2012 AND 2011

See accompanying notes.

---

### CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$1,162,560,692</td>
<td>$1,095,691,927</td>
</tr>
<tr>
<td>Research contracts and grants</td>
<td>1,118,949,727</td>
<td>1,133,919,317</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(2,714,062,702)</td>
<td>(2,593,766,965)</td>
</tr>
<tr>
<td>Payments to suppliers and contractors</td>
<td>(1,161,756,018)</td>
<td>(1,174,870,053)</td>
</tr>
<tr>
<td>Loans issued to students</td>
<td>(12,811,230)</td>
<td>(10,799,454)</td>
</tr>
<tr>
<td>Collections of loans to students</td>
<td>10,818,076</td>
<td>10,550,388</td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>124,951,037</td>
<td>110,224,704</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>107,417,002</td>
<td>98,535,875</td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>92,146,351</td>
<td>91,158,145</td>
</tr>
<tr>
<td>Bookstore</td>
<td>33,473,871</td>
<td>27,347,642</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>40,264,930</td>
<td>38,481,395</td>
</tr>
<tr>
<td>Other</td>
<td>128,940,543</td>
<td>131,054,951</td>
</tr>
<tr>
<td>Other receipts</td>
<td>383,627,098</td>
<td>357,469,830</td>
</tr>
<tr>
<td><strong>Net cash used by operating activities</strong></td>
<td>(685,480,623)</td>
<td>(685,002,298)</td>
</tr>
</tbody>
</table>
UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

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.
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, 2012 and 2011, the foundations distributed approximately $96,454,000 and $80,931,000 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 Metzerott 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.

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, 2011, have been reclassified to conform with the presentation for the year ended June 30, 2012.

Pending change in accounting principles – 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 March 2012, the GASB issued GASB Statement #65, *Items Previously Reported as Assets and Liabilities*. Statement #65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial periods beginning after December 15, 2012.


In June 2012, GASB Statement #68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* was issued, providing new financial accounting recognition and presentation guidance relating to pension obligations in employer financial statements. The provisions of GASB Statement #68 are effective for financial periods beginning after June 15, 2014.

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, 2013, taking into account the requirements of GASB Statement #60, #61, #62 and #63, and will present its financial statements for the year ending June 30, 2014, taking into account the requirements of GASB Statement #65 and #66. The System will prepare its financial statements for the year ending June 30, 2015, taking into consideration the requirements of GASB Statement #68.
1. CASH AND INVESTMENTS

Cash and cash equivalents

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

<table>
<thead>
<tr>
<th>Cash and short-term investments on deposit with the State Treasurer</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand and time deposits</td>
<td>$1,607,903,103</td>
<td>$1,399,269,099</td>
</tr>
<tr>
<td></td>
<td>45,786,522</td>
<td>26,692,501</td>
</tr>
<tr>
<td>Total</td>
<td>$1,653,689,625</td>
<td>$1,425,961,600</td>
</tr>
</tbody>
</table>

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

As of June 30, 2012 and 2011, the carrying amount of the System’s demand and time deposits was $45,786,522 and $26,692,501, as compared to bank balances of $47,408,129 and $34,000,695, respectively. The difference is primarily caused by items in-transit. Of the bank balances, $41,508,593 and $32,231,326 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 $5,899,536 and $1,769,369 was uninsured and uncollateralized as of June 30, 2012 and 2011, 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.

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

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

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market accounts –</td>
<td></td>
<td></td>
</tr>
<tr>
<td>endowment fund uninvested</td>
<td>$52,280</td>
<td>$47,280</td>
</tr>
<tr>
<td>cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money market accounts –</td>
<td>75,621,339</td>
<td>57,081,268</td>
</tr>
<tr>
<td>unspent proceeds of debt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$75,673,619</td>
<td>$57,128,548</td>
</tr>
</tbody>
</table>

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.

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.

As of June 30, 2012 and 2011, commercial paper included in restricted investments held by the System is rated P-1 by Moody’s and A-1 or better by Standard & Poor’s.
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.

As of June 30, 2012 and 2011, the System had the following investments, which individually represent 5% or more of total investments:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value</td>
<td>Portion of total</td>
<td>Fair value Portion of total</td>
</tr>
<tr>
<td>Federal Home Loan Bank</td>
<td>$12,310,738</td>
<td>6%</td>
</tr>
<tr>
<td>Federal Home Loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage Corporation</td>
<td>$11,748,513</td>
<td>5%</td>
</tr>
</tbody>
</table>

Endowment investments

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

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate debt</td>
<td>$17,625</td>
<td>$17,625</td>
</tr>
<tr>
<td>Corporate equities</td>
<td>68,310</td>
<td>62,685</td>
</tr>
<tr>
<td>Certificate of deposits</td>
<td>21,895</td>
<td>21,747</td>
</tr>
<tr>
<td>Assets invested with University System of Maryland Foundation, Inc.</td>
<td>190,171,891</td>
<td>198,552,811</td>
</tr>
<tr>
<td>Total</td>
<td>$190,279,721</td>
<td>$198,654,868</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pure endowments</td>
<td>$124,854,909</td>
<td>$130,790,768</td>
</tr>
<tr>
<td>Funds functioning as endowments</td>
<td>62,405,123</td>
<td>65,138,333</td>
</tr>
<tr>
<td>Term endowments</td>
<td>3,019,689</td>
<td>2,725,767</td>
</tr>
<tr>
<td>Total</td>
<td>$190,279,721</td>
<td>$198,654,868</td>
</tr>
</tbody>
</table>
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 $91,156,472 and $99,305,669 as of June 30, 2012 and 2011, 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 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, 2012, restricted investments consisted of:

<table>
<thead>
<tr>
<th></th>
<th>Fair value</th>
<th>Investment maturities - less than 1 year</th>
<th>Investment maturities - 1 year and greater</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. government and agency obligations</td>
<td>$15,875,438</td>
<td>$15,875,438</td>
<td></td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>5,999,880</td>
<td>5,999,880</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$21,875,318</td>
<td>$5,999,880</td>
<td>$15,875,438</td>
</tr>
</tbody>
</table>
As of June 30, 2011, restricted investments consisted of:

<table>
<thead>
<tr>
<th></th>
<th>Fair value</th>
<th>Investment maturities - less than 1 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. government and agency obligations</td>
<td>$13,898,298</td>
<td>$13,898,298</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>23,390,348</td>
<td>23,390,348</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$37,288,646</strong></td>
<td><strong>$37,288,646</strong></td>
</tr>
</tbody>
</table>

**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, 2012 and 2011, investment income attributed to unrestricted funds and restricted funds was:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted funds</td>
<td>$21,850,807</td>
<td>$42,390,942</td>
</tr>
<tr>
<td>Restricted funds</td>
<td>1,022,932</td>
<td>23,480,543</td>
</tr>
<tr>
<td><strong>Total investment income</strong></td>
<td><strong>$22,873,739</strong></td>
<td><strong>$65,871,485</strong></td>
</tr>
</tbody>
</table>

**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.
As of June 30, 2012 and 2011, major component unit investments, recorded at fair value, were:

### University System of Maryland Foundation, Inc.

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market funds and short-term investments</td>
<td>$74,849,000</td>
<td>$40,277,000</td>
</tr>
<tr>
<td>Corporate and foreign bonds</td>
<td>40,024,000</td>
<td>42,109,000</td>
</tr>
<tr>
<td>Equities</td>
<td>90,791,000</td>
<td>90,419,000</td>
</tr>
<tr>
<td>U.S. Treasury notes and bonds</td>
<td>7,085,000</td>
<td>13,402,000</td>
</tr>
<tr>
<td>U.S. Agencies</td>
<td>6,689,000</td>
<td>4,393,000</td>
</tr>
<tr>
<td>Collateral mortgage obligations and asset and</td>
<td>22,483,000</td>
<td>24,809,000</td>
</tr>
<tr>
<td>mortgage-backed securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absolute return</td>
<td>212,552,000</td>
<td>162,501,000</td>
</tr>
<tr>
<td>Long and short equity hedge funds</td>
<td>208,686,000</td>
<td>238,962,000</td>
</tr>
<tr>
<td>Private capital</td>
<td>107,827,000</td>
<td>112,841,000</td>
</tr>
<tr>
<td>Real estate and energy and natural resources</td>
<td>170,824,000</td>
<td>168,463,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$941,810,000</td>
<td>$898,176,000</td>
</tr>
</tbody>
</table>

Due to other foundations: $(446,503,000) $(397,985,000)

Total Investments: $495,307,000 $500,191,000

Due to primary government: $(190,171,891) $(198,552,811)

Total University System of Maryland Foundation Investments: $305,135,109 $301,638,189

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

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash equivalents and short-term securities</td>
<td>$21,006,317</td>
<td>$30,488,224</td>
</tr>
<tr>
<td>Commonfund Multistrategy Equity Fund</td>
<td></td>
<td>5,412,503</td>
</tr>
<tr>
<td>Bonds</td>
<td>901,000</td>
<td>801,000</td>
</tr>
<tr>
<td>Investments in special strategies - USMF</td>
<td>249,360,613</td>
<td>218,675,463</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>271,267,930</td>
<td>255,377,190</td>
</tr>
</tbody>
</table>

Due to other foundations: $(2,380,350) $(2,369,211)

Total Investments: $268,887,580 $253,007,979
2. ACCOUNTS RECEIVABLE, NOTES RECEIVABLE, AND ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts receivable as of June 30, 2012 and 2011, were comprised of:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$75,506,944</td>
<td>$62,035,282</td>
</tr>
<tr>
<td>Contracts and grants</td>
<td>207,842,789</td>
<td>229,692,838</td>
</tr>
<tr>
<td>Other</td>
<td>26,299,286</td>
<td>31,675,656</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>309,649,019</td>
<td>323,403,776</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(27,281,575)</td>
<td>(24,832,883)</td>
</tr>
<tr>
<td><strong>Accounts receivable, net</strong></td>
<td><strong>$282,367,444</strong></td>
<td><strong>$298,570,893</strong></td>
</tr>
</tbody>
</table>

Notes receivable as of June 30, 2012 and 2011, were comprised of:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student loans</td>
<td>$74,167,691</td>
<td>$75,765,182</td>
</tr>
<tr>
<td>Business development loans</td>
<td>6,948,847</td>
<td>5,056,247</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>81,116,538</td>
<td>80,821,429</td>
</tr>
<tr>
<td>Allowance for doubtful notes</td>
<td>(12,888,994)</td>
<td>(13,476,788)</td>
</tr>
<tr>
<td><strong>Notes receivable, net</strong></td>
<td><strong>$68,227,544</strong></td>
<td><strong>$67,344,641</strong></td>
</tr>
</tbody>
</table>
Accounts payable and accrued liabilities as of June 30, 2012 and 2011, were comprised of:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll and benefits</td>
<td>$122,652,668</td>
<td>$104,618,019</td>
</tr>
<tr>
<td>Suppliers and contractors</td>
<td>115,265,145</td>
<td>106,203,692</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>10,847,516</td>
<td>12,099,642</td>
</tr>
<tr>
<td>Other</td>
<td>23,757,550</td>
<td>21,613,640</td>
</tr>
<tr>
<td><strong>Accounts payable and accrued liabilities</strong></td>
<td><strong>$272,522,879</strong></td>
<td><strong>$244,534,993</strong></td>
</tr>
</tbody>
</table>

**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.

As of June 30, 2012 and 2011, contributions receivable are due as follows:

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

<table>
<thead>
<tr>
<th>Due</th>
<th>Discount rates</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>Not applicable</td>
<td>$5,091,000</td>
<td>$7,165,000</td>
</tr>
<tr>
<td>One to five years</td>
<td>3.25%</td>
<td>1,898,000</td>
<td>5,029,000</td>
</tr>
<tr>
<td>More than five years</td>
<td>3.25%</td>
<td>200,000</td>
<td>231,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td><strong>7,189,000</strong></td>
<td><strong>12,425,000</strong></td>
</tr>
<tr>
<td><strong>Pledge discount</strong></td>
<td></td>
<td>(331,000)</td>
<td>(670,000)</td>
</tr>
<tr>
<td><strong>Net contributions receivable</strong></td>
<td></td>
<td><strong>$6,858,000</strong></td>
<td><strong>$11,755,000</strong></td>
</tr>
</tbody>
</table>
University of Maryland, College Park Foundation, Inc.

<table>
<thead>
<tr>
<th>Due</th>
<th>Discount rates</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>not applicable</td>
<td>$41,180,868</td>
<td>$39,978,252</td>
</tr>
<tr>
<td>Two to five years</td>
<td>2.97%</td>
<td>32,149,724</td>
<td>34,916,550</td>
</tr>
<tr>
<td>More than five years</td>
<td>3.79%</td>
<td>7,371,164</td>
<td>7,459,899</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td><strong>80,701,756</strong></td>
<td><strong>82,354,701</strong></td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td></td>
<td>(8,902,869)</td>
<td>(5,600,289)</td>
</tr>
<tr>
<td>Pledge discount</td>
<td></td>
<td>(3,372,575)</td>
<td>(4,013,376)</td>
</tr>
<tr>
<td><strong>Net contributions receivable</strong></td>
<td></td>
<td><strong>$68,426,312</strong></td>
<td><strong>$72,741,036</strong></td>
</tr>
</tbody>
</table>

University of Maryland, Baltimore Foundation, Inc.

<table>
<thead>
<tr>
<th>Due</th>
<th>Discount rates</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>Not applicable</td>
<td>$12,694,169</td>
<td>$9,229,099</td>
</tr>
<tr>
<td>Two to five years</td>
<td>2.74%</td>
<td>13,483,280</td>
<td>15,257,254</td>
</tr>
<tr>
<td>More than five years</td>
<td>3.65%</td>
<td>289,054</td>
<td>567,331</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td><strong>26,466,503</strong></td>
<td><strong>25,053,684</strong></td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td></td>
<td>(1,106,397)</td>
<td>(1,072,214)</td>
</tr>
<tr>
<td>Pledge discount</td>
<td></td>
<td>(1,361,728)</td>
<td>(1,526,713)</td>
</tr>
<tr>
<td><strong>Net contributions receivable</strong></td>
<td></td>
<td><strong>$23,998,378</strong></td>
<td><strong>$22,454,757</strong></td>
</tr>
</tbody>
</table>
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3. CHANGES IN NET CAPITAL ASSETS

Changes in net capital assets for the years ended June 30, 2012 and 2011:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td>Additions</td>
<td>Decreases</td>
<td>Balance</td>
<td>Additions</td>
<td>Decreases</td>
<td>Balance</td>
</tr>
<tr>
<td>Infrastructure &amp; Land Improvements</td>
<td>$295,180,342</td>
<td>$24,189,547</td>
<td>$488,113</td>
<td>$318,881,776</td>
<td>$12,056,846</td>
<td>$330,938,622</td>
</tr>
<tr>
<td>Contents</td>
<td>1,056,097,850</td>
<td>103,757,840</td>
<td>23,621,197</td>
<td>1,136,244,493</td>
<td>104,196,112</td>
<td>26,811,450</td>
</tr>
<tr>
<td>Buildings recorded under capital lease agreements</td>
<td>4,136,104</td>
<td>10,493,036</td>
<td>14,629,140</td>
<td>14,629,140</td>
<td>14,629,140</td>
<td>14,629,140</td>
</tr>
<tr>
<td><strong>Total capital assets being depreciated</strong></td>
<td>5,990,042,715</td>
<td>444,261,010</td>
<td>27,405,336</td>
<td>6,406,898,389</td>
<td>554,624,907</td>
<td>37,209,170</td>
</tr>
<tr>
<td>Less accumulated depreciation for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure &amp; Land Improvements</td>
<td>139,620,453</td>
<td>11,945,826</td>
<td>143,180</td>
<td>151,423,099</td>
<td>13,421,017</td>
<td>164,844,116</td>
</tr>
<tr>
<td>Buildings &amp; Improvements</td>
<td>1,683,518,840</td>
<td>133,317,386</td>
<td>26,100</td>
<td>1,816,810,126</td>
<td>149,538,536</td>
<td>8,580,473</td>
</tr>
<tr>
<td>Contents</td>
<td>740,404,806</td>
<td>74,913,612</td>
<td>23,302,913</td>
<td>792,015,505</td>
<td>81,830,307</td>
<td>23,942,308</td>
</tr>
<tr>
<td>Buildings recorded under capital lease agreements</td>
<td>2,757,500</td>
<td>137,875</td>
<td>2,895,375</td>
<td>2,895,375</td>
<td>2,895,375</td>
<td>2,895,375</td>
</tr>
<tr>
<td><strong>Total accumulated depreciation</strong></td>
<td>2,566,301,599</td>
<td>220,314,699</td>
<td>23,472,193</td>
<td>2,763,144,105</td>
<td>244,927,735</td>
<td>32,522,781</td>
</tr>
<tr>
<td><strong>Total capital assets being depreciated, net</strong></td>
<td>3,423,741,116</td>
<td>223,946,311</td>
<td>3,933,143</td>
<td>3,643,754,284</td>
<td>309,697,172</td>
<td>4,686,389</td>
</tr>
<tr>
<td>Capital assets not being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>127,688,111</td>
<td>8,607,264</td>
<td>136,295,375</td>
<td>6,704,227</td>
<td>142,999,602</td>
<td></td>
</tr>
<tr>
<td>Contents</td>
<td>16,715,494</td>
<td>6,015,640</td>
<td>226,175</td>
<td>22,504,959</td>
<td>184,337</td>
<td>22,689,296</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>417,503,537</td>
<td>403,678,111</td>
<td>294,368,161</td>
<td>526,813,487</td>
<td>354,038,439</td>
<td>423,628,399</td>
</tr>
<tr>
<td><strong>Total capital assets not being depreciated</strong></td>
<td>561,907,142</td>
<td>418,301,015</td>
<td>294,594,336</td>
<td>685,613,821</td>
<td>360,927,003</td>
<td>423,628,399</td>
</tr>
<tr>
<td><strong>Capital assets, net</strong></td>
<td>$3,985,648,258</td>
<td>$642,247,326</td>
<td>$298,527,479</td>
<td>$4,329,368,105</td>
<td>$670,624,175</td>
<td>$428,314,788</td>
</tr>
</tbody>
</table>

Total interest expense incurred on revenue bonds, long-term debt and obligations under capital lease agreements during the years ended June 30, 2012 and 2011, was $43,827,511 and $42,241,481, respectively. Interest expense of $239,973 and $228,941 associated with projects not yet completed was capitalized and recorded as construction in progress during the years ended June 30, 2012 and 2011, respectively. The remaining $43,587,538 and $42,012,540 is reported as Interest on indebtedness for the years ended June 30, 2012 and 2011, respectively.
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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, 2012 and 2011:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Bonds, net</td>
<td>$1,061,819,442</td>
<td>$1,018,231,012</td>
</tr>
<tr>
<td>Revolving Loan Program Bonds</td>
<td>50,000,000</td>
<td>50,000,000</td>
</tr>
<tr>
<td>Certificates of Participation</td>
<td>2,800,000</td>
<td>4,600,000</td>
</tr>
<tr>
<td>Other</td>
<td>41,973,756</td>
<td>42,347,902</td>
</tr>
<tr>
<td><strong>Revenue bonds and notes payable, net</strong></td>
<td><strong>$1,156,593,198</strong></td>
<td><strong>$1,115,178,914</strong></td>
</tr>
</tbody>
</table>

**Auxiliary Facility and Tuition Revenue Bonds**

As of June 30, 2012, Auxiliary Facility and Tuition Revenue Bonds (Revenue Bonds) consisted of the following:

<table>
<thead>
<tr>
<th>Interest Rates</th>
<th>Maturity Dates</th>
<th>Principal Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003 Series A &amp; B</td>
<td>4.0% - 5.0%</td>
<td>2013-2024</td>
</tr>
<tr>
<td>2004 Series A &amp; B</td>
<td>4.5% - 5.7%</td>
<td>2013-2024</td>
</tr>
<tr>
<td>2005 Series A</td>
<td>4.0% - 5.0%</td>
<td>2013-2025</td>
</tr>
<tr>
<td>2006 Series A</td>
<td>5.0%</td>
<td>2012-2026</td>
</tr>
<tr>
<td>2007 Refunding Series A</td>
<td>4.0% - 5.0%</td>
<td>2012-2023</td>
</tr>
<tr>
<td>2008 Series A</td>
<td>4.0% - 5.0%</td>
<td>2013-2026</td>
</tr>
<tr>
<td>2008 Refunding Series B</td>
<td>3.5% - 4.5%</td>
<td>2012-2016</td>
</tr>
<tr>
<td>2009 Series A &amp; B</td>
<td>4.0% - 6.0%</td>
<td>2013-2029</td>
</tr>
<tr>
<td>2009 Refunding Series C</td>
<td>2.5% - 4.0%</td>
<td>2012-2019</td>
</tr>
<tr>
<td>2009 Refunding Series D</td>
<td>3.0% - 4.0%</td>
<td>2012-2022</td>
</tr>
<tr>
<td>2010 Series A &amp; B</td>
<td>2.5% - 5.4%</td>
<td>2013-2030</td>
</tr>
<tr>
<td>2010 Series C</td>
<td>2.0% - 4.0%</td>
<td>2013-2023</td>
</tr>
<tr>
<td>2010 Series D &amp; E</td>
<td>3.0% - 5.8%</td>
<td>2013-2030</td>
</tr>
<tr>
<td>2011 Series A</td>
<td>3.0% - 5.0%</td>
<td>2013-2031</td>
</tr>
<tr>
<td>2011 Refunding Series B</td>
<td>3.0% - 5.0%</td>
<td>2014-2024</td>
</tr>
<tr>
<td>2012 Refunding Series A &amp; B</td>
<td>2.0% - 4.0%</td>
<td>2013-2024</td>
</tr>
</tbody>
</table>

Unamortized discounts, premiums and refunding adjustments 31,724,442

Revenue bonds, net $1,061,819,442
Revenue Bonds have been issued pursuant to an Indenture of Trust, an agreement entered into with a trustee for the benefit of holders of Revenue Bonds. Pursuant to the Indenture of Trust, the System has agreed to charge and collect tuition revenues and net auxiliary facility fees in an amount that is not less than 200% of the maximum annual debt service on Revenue Bonds.

Revenue Bonds issued during the years ended June 30, 2012 and 2011, including the results of any advance refunding of previously-issued debt, are as follows:

<table>
<thead>
<tr>
<th>Debt issuance</th>
<th>Date of issue</th>
<th>Par value of debt issued</th>
<th>Premium on issuance</th>
<th>Par value of debt refunded</th>
<th>Reduction in future debt service</th>
<th>Deferred amount on refunding</th>
<th>Economic gain or (loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 Refunding Series C</td>
<td>9/8/2010</td>
<td>$50,990,000</td>
<td>$5,314,847</td>
<td>$49,045,000</td>
<td>$3,733,928</td>
<td>$4,400,943</td>
<td>$3,331,544</td>
</tr>
<tr>
<td>2010 Series D &amp; E</td>
<td>12/9/2010</td>
<td>115,000,000</td>
<td>3,182,892</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011 Series A</td>
<td>10/6/2011</td>
<td>115,000,000</td>
<td>11,216,462</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011 Refunding Series B</td>
<td>10/6/2011</td>
<td>38,075,000</td>
<td>3,641,915</td>
<td>38,750,000</td>
<td>1,631,266</td>
<td>1,043,816</td>
<td>1,357,494</td>
</tr>
<tr>
<td>2012 Refunding Series A &amp; B</td>
<td>2/9/2012</td>
<td>70,825,000</td>
<td>4,419,184</td>
<td>69,735,000</td>
<td>9,560,388</td>
<td>5,116,958</td>
<td>9,054,411</td>
</tr>
</tbody>
</table>

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, the System 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, 2012, previously issued debt removed from the System’s financial statements through advance refunding transactions still outstanding was $124,760,000.

As of June 30, 2012 and 2011, cash and cash equivalents and investments restricted by the terms of the Indenture of Trust totaled $65,202,153 and $71,288,568, respectively.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Revolving Loan Program Bonds

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

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

As of June 30, 2012 and 2011, cash and cash equivalents in the amount of $30,145,543 and $20,036,604, respectively, was held by the trustee as unspent proceeds of the Revolving Loan Program Bonds.

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 as of June 30, 2012 were as follows:

<table>
<thead>
<tr>
<th>Years ending June 30,</th>
<th>Auxiliary Facility and Tuition Revenue Bonds</th>
<th>Notes Payable and Other Long-term Debt</th>
<th>Total Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
<td>Principal</td>
</tr>
<tr>
<td>2013</td>
<td>$73,215,000</td>
<td>$45,966,979</td>
<td>$7,555,694</td>
</tr>
<tr>
<td>2014</td>
<td>68,200,000</td>
<td>42,951,390</td>
<td>6,737,893</td>
</tr>
<tr>
<td>2015</td>
<td>71,585,000</td>
<td>40,147,589</td>
<td>4,688,463</td>
</tr>
<tr>
<td>2016</td>
<td>75,090,000</td>
<td>36,995,433</td>
<td>4,184,524</td>
</tr>
<tr>
<td>2017</td>
<td>74,140,000</td>
<td>33,666,089</td>
<td>3,066,533</td>
</tr>
<tr>
<td>2018 – 2022</td>
<td>339,165,000</td>
<td>121,400,326</td>
<td>34,876,152</td>
</tr>
<tr>
<td>2023 – 2027</td>
<td>229,695,000</td>
<td>56,554,086</td>
<td>33,664,497</td>
</tr>
<tr>
<td>2028 – 2031</td>
<td>99,005,000</td>
<td>10,361,094</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,030,095,000</td>
<td>$388,042,986</td>
<td>$94,773,756</td>
</tr>
</tbody>
</table>

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 as of June 30, 2012 were as follows:

<table>
<thead>
<tr>
<th>Years ending June 30,</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$1,571,163</td>
</tr>
<tr>
<td>2014</td>
<td>1,602,938</td>
</tr>
<tr>
<td>2015</td>
<td>1,635,667</td>
</tr>
<tr>
<td>2016</td>
<td>1,669,377</td>
</tr>
<tr>
<td>2017</td>
<td>1,704,099</td>
</tr>
<tr>
<td>2018 – 2022</td>
<td>8,310,914</td>
</tr>
<tr>
<td><strong>Total future lease payments</strong></td>
<td>16,494,158</td>
</tr>
<tr>
<td>Less: Interest component</td>
<td>(2,728,499)</td>
</tr>
<tr>
<td><strong>Obligations under capital lease agreements</strong></td>
<td>$13,765,659</td>
</tr>
</tbody>
</table>
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 as of June 30, 2012 were as follows:

<table>
<thead>
<tr>
<th>Year ending June 30</th>
<th>Minimum Annual Lease Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$14,557,913</td>
</tr>
<tr>
<td>2014</td>
<td>12,940,256</td>
</tr>
<tr>
<td>2015</td>
<td>11,491,354</td>
</tr>
<tr>
<td>2016</td>
<td>20,181,538</td>
</tr>
<tr>
<td>2017</td>
<td>8,976,120</td>
</tr>
<tr>
<td>2018 – 2022</td>
<td>25,173,330</td>
</tr>
<tr>
<td>2023 – 2027</td>
<td>7,722,156</td>
</tr>
<tr>
<td>Total</td>
<td>$101,042,667</td>
</tr>
</tbody>
</table>

Operating lease expenditures for the years ended June 30, 2012 and 2011, were $20,548,836 and $20,022,077, respectively.

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

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.
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, 2012, 2011, and 2010 of $73,660,374, $74,127,461, and $64,738,657, 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, 2012 were $131,559,709, which consisted of $64,287,486 from the System and $67,272,223 from employees. 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.

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, 2012 and 2011 was approximately $141,000 and $207,000, respectively.
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, 2012 and 2011. The amounts contributed for the years ended June 30, 2012 and 2011, were $63,367,379 and $44,741,945, respectively.

8. CONSTRUCTION COMMITMENTS

The estimated costs to complete construction in progress as of June 30, 2012, is $360,561,000, of which $151,524,000 is to be funded from Revenue Bond proceeds, $145,779,000, is to be derived from State appropriations and grants, and $63,258,000 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, 2012, the System had entered into open contracts for the purchase of $1,634,000, of natural gas to be delivered monthly through June 2015. Future purchase commitments for electricity to be supplied through December 2014 totaled $3,131,000 as of June 30, 2012. 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.
10. CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for the years ended June 30, 2012 and 2011, were as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued vacation costs</td>
<td>$174,377,577</td>
<td>$82,501,119</td>
<td>$81,739,829</td>
<td>$175,138,867</td>
<td>$83,198,226</td>
</tr>
<tr>
<td>Accrued workers’ compensation</td>
<td>29,285,668</td>
<td>3,713,469</td>
<td>5,495,902</td>
<td>27,543,235</td>
<td>4,436,425</td>
</tr>
<tr>
<td>Revenue bonds and notes payable, net</td>
<td>1,079,076,595</td>
<td>130,568,504</td>
<td>138,442,485</td>
<td>1,115,138,865</td>
<td>80,770,904</td>
</tr>
<tr>
<td>Obligations under capital lease agreements</td>
<td>3,809,697</td>
<td>10,493,036</td>
<td>258,644</td>
<td>14,043,089</td>
<td>296,434</td>
</tr>
<tr>
<td><strong>Total long-term liabilities</strong></td>
<td><strong>$1,286,549,537</strong></td>
<td><strong>$266,794,428</strong></td>
<td><strong>$221,439,860</strong></td>
<td><strong>$1,331,904,105</strong></td>
<td><strong>$168,703,779</strong></td>
</tr>
</tbody>
</table>

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, 2012 and 2011, by grouping of object classification were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Employee Costs</td>
<td>Payments to Suppliers, Contractors and Others</td>
</tr>
<tr>
<td>Instruction</td>
<td>$949,147,627</td>
<td>$110,976,841</td>
</tr>
<tr>
<td>Research</td>
<td>563,727,321</td>
<td>335,504,368</td>
</tr>
<tr>
<td>Public service</td>
<td>90,877,000</td>
<td>63,533,565</td>
</tr>
<tr>
<td>Academic support</td>
<td>244,320,030</td>
<td>100,362,037</td>
</tr>
<tr>
<td>Student services</td>
<td>120,770,559</td>
<td>67,046,782</td>
</tr>
<tr>
<td>Institutional support</td>
<td>299,210,371</td>
<td>47,332,550</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>118,013,481</td>
<td>144,626,701</td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>7,114,171</td>
<td>83,396,841</td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>40,972,342</td>
<td>42,435,194</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>32,481,671</td>
<td>66,052,570</td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>50,352,141</td>
<td>35,635,872</td>
</tr>
<tr>
<td>Bookstores</td>
<td>4,411,332</td>
<td>22,140,895</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>10,736,068</td>
<td>10,277,434</td>
</tr>
<tr>
<td>Other auxiliary enterprises</td>
<td>49,990,541</td>
<td>33,434,489</td>
</tr>
<tr>
<td>Hospital</td>
<td>153,830,954</td>
<td>1,538,684</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,735,955,609</td>
<td>$1,165,114,314</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Employee Costs</td>
<td>Payments to Suppliers, Contractors and Others</td>
</tr>
<tr>
<td>Instruction</td>
<td>$887,839,018</td>
<td>$111,132,896</td>
</tr>
<tr>
<td>Research</td>
<td>559,284,405</td>
<td>364,671,421</td>
</tr>
<tr>
<td>Public service</td>
<td>87,491,573</td>
<td>57,890,179</td>
</tr>
<tr>
<td>Academic support</td>
<td>232,991,234</td>
<td>86,322,240</td>
</tr>
<tr>
<td>Student services</td>
<td>112,943,843</td>
<td>62,318,627</td>
</tr>
<tr>
<td>Institutional support</td>
<td>289,385,761</td>
<td>45,752,312</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>113,120,691</td>
<td>146,790,532</td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>5,681,539</td>
<td>86,284,017</td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>38,776,434</td>
<td>44,276,142</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>29,655,485</td>
<td>62,644,648</td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>45,519,886</td>
<td>34,830,809</td>
</tr>
<tr>
<td>Bookstores</td>
<td>4,447,714</td>
<td>22,462,799</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>9,406,913</td>
<td>6,753,471</td>
</tr>
<tr>
<td>Other auxiliary enterprises</td>
<td>46,128,929</td>
<td>39,699,076</td>
</tr>
<tr>
<td>Hospital</td>
<td>139,904,935</td>
<td>1,397,480</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,602,632,360</strong></td>
<td><strong>$1,175,226,829</strong></td>
</tr>
</tbody>
</table>
This page intentionally left blank.
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, 2012 and 2011. Settlement amounts have not exceeded insurance coverage levels for the years ended June 30, 2012, 2011, or 2010.

As of June 30, 2012 and 2011, the System has recorded $28,635,000 and $27,543,235, in liabilities associated with workers' compensation, respectively.

13. SUBSEQUENT EVENTS

Sale of Revenue Bonds

On October 6, 2012, the System issued $115,000,000 of 2012 Series C and $54,005,000 of 2012 Refunding Series D University System of Maryland Auxiliary Facility and Tuition Revenue Bonds. The 2012 Series C bonds consist of serial bonds maturing through the year ending June 30, 2032 with stated interest rates from 3% to 5%, and were sold at an aggregate premium of $9,582,587. The 2012 Refunding Series D bonds consist of serial bonds maturing through the year ending June 30, 2026 with stated interest rates between 2% to 5%, and were sold at an aggregate premium of $10,820,564. The proceeds of the 2012 Series D bonds are to be used to advance refund $9,745,000 of 2005 Series A bonds and $45,675,000 of the 2006 Series A bonds. The 2012 Refunding Series D bonds advance refunding will reduce future debt service by $6,335,509 and result in an economic gain of $5,281,851.
### UNIVERSITY OF MARYLAND, BALTIMORE
#### BALANCE SHEET
#### JUNE 30, 2012 AND 2011

<table>
<thead>
<tr>
<th>Component</th>
<th>Institution</th>
<th>Units</th>
<th>Component</th>
<th>Institution</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$226,038,387</td>
<td>$593,253</td>
<td>$184,563,390</td>
<td>$400,523</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>104,402,396</td>
<td>13,611,253</td>
<td>117,673,897</td>
<td>8,716,926</td>
<td></td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>2,157,281</td>
<td>2,146,954</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses, deferred charges and other assets</td>
<td>324,529</td>
<td>124,310</td>
<td>337,083</td>
<td>120,935</td>
<td></td>
</tr>
<tr>
<td>Inter-institutional balances</td>
<td>563,981</td>
<td></td>
<td>1,457,010</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>333,486,574</td>
<td>14,328,816</td>
<td>306,178,334</td>
<td>9,238,384</td>
<td></td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>1,363,510</td>
<td></td>
<td>1,108,165</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>12,367,784</td>
<td>14,090,971</td>
<td>14,090,971</td>
<td>14,090,971</td>
<td></td>
</tr>
<tr>
<td>Endowment investments</td>
<td>74,353,596</td>
<td>131,401,821</td>
<td>77,345,666</td>
<td>120,602,056</td>
<td></td>
</tr>
<tr>
<td>Other investments</td>
<td>129,316,080</td>
<td></td>
<td>131,115,301</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, net</td>
<td>25,568,333</td>
<td>26,642,295</td>
<td>4,059,268</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>767,636,798</td>
<td>685,960,298</td>
<td>2,903</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>777,922,237</td>
<td>279,105,983</td>
<td>791,056,424</td>
<td>269,870,399</td>
<td></td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$1,111,408,811</td>
<td>$292,434,799</td>
<td>$1,097,234,758</td>
<td>$279,108,783</td>
<td></td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$51,022,422</td>
<td>$3,409,681</td>
<td>$44,312,333</td>
<td>$2,840,247</td>
<td></td>
</tr>
<tr>
<td>Accrued workers’ compensation, current portion</td>
<td>962,475</td>
<td>947,815</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued vacation costs, current portion</td>
<td>34,048,710</td>
<td>32,847,222</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue bonds and notes payable, current portion</td>
<td>9,875,151</td>
<td>9,122,433</td>
<td>9,122,433</td>
<td>9,122,433</td>
<td></td>
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<tr>
<td>Deferred revenue</td>
<td>43,700,123</td>
<td>43,612,435</td>
<td></td>
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<tr>
<td><strong>Total current liabilities</strong></td>
<td>139,598,881</td>
<td>3,424,246</td>
<td></td>
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<tr>
<td>Noncurrent liabilities:</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Accrued workers’ compensation</td>
<td>5,192,525</td>
<td>5,167,123</td>
<td></td>
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</tr>
<tr>
<td>Accrued vacation costs</td>
<td>32,361,194</td>
<td>32,041,477</td>
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<tr>
<td>Endowments invested on behalf of primary government</td>
<td>74,353,596</td>
<td>77,345,666</td>
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<tr>
<td>Other payables</td>
<td>1,002,708</td>
<td>950,508</td>
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<tr>
<td>Revenue bonds and notes payable</td>
<td>124,336,757</td>
<td>135,949,495</td>
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<td><strong>Total noncurrent liabilities</strong></td>
<td>161,890,476</td>
<td>75,356,304</td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td>301,489,357</td>
<td>130,842,238</td>
<td>304,000,333</td>
<td>81,146,111</td>
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<td><strong>NET ASSETS</strong></td>
<td></td>
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<tr>
<td>Unrestricted</td>
<td>176,406,595</td>
<td>22,248,696</td>
<td>157,746,562</td>
<td>19,522,790</td>
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<tr>
<td>Invested in capital assets, net</td>
<td>542,424,890</td>
<td>540,888,370</td>
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<tr>
<td>Restricted:</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Non expendable:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Scholarships and fellowships</td>
<td>6,548,051</td>
<td>30,937,415</td>
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<tr>
<td>Research</td>
<td>522,543</td>
<td>1,139,281</td>
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<tr>
<td>Other</td>
<td>10,294,734</td>
<td>89,897,440</td>
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<td></td>
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</tr>
<tr>
<td>Expansible:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>24,869,669</td>
<td>7,375,240</td>
<td>8,011,077</td>
<td></td>
<td></td>
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<tr>
<td>Research</td>
<td>5,533,176</td>
<td>8,077,005</td>
<td>9,154,384</td>
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<tr>
<td>Loans</td>
<td>26,950,536</td>
<td>28,281,532</td>
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<td></td>
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<tr>
<td>Capital projects</td>
<td>1,363,510</td>
<td>1,108,165</td>
<td></td>
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<tr>
<td>Other</td>
<td>15,005,750</td>
<td>53,979,172</td>
<td>49,508,251</td>
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<td></td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>809,919,454</td>
<td>213,054,249</td>
<td>793,234,425</td>
<td>197,862,672</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$1,111,408,811</td>
<td>$292,434,799</td>
<td>$1,097,234,758</td>
<td>$279,108,783</td>
<td></td>
</tr>
</tbody>
</table>
## UNIVERSITY OF MARYLAND, BALTIMORE

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2012 AND 2011

<table>
<thead>
<tr>
<th>Years ended June 30,</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Institution</td>
<td>Component</td>
</tr>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$114,748,076</td>
<td>$110,384,344</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(17,924,712)</td>
<td>(17,781,273)</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>264,931,381</td>
<td>305,929,820</td>
</tr>
<tr>
<td>State and local grants and contracts</td>
<td>59,038,329</td>
<td>59,576,622</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>108,427,190</td>
<td>95,057,926</td>
</tr>
<tr>
<td>Sales and services of educational departments</td>
<td>216,211,856</td>
<td>201,423,823</td>
</tr>
<tr>
<td><strong>Auxiliary enterprises:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>784,904</td>
<td>753,997</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>11,993,486</td>
<td>12,269,807</td>
</tr>
<tr>
<td>Other auxiliary enterprises revenues</td>
<td>14,441,241</td>
<td>14,550,666</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>772,651,751</td>
<td>782,164,722</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>180,234,676</td>
<td>166,894,339</td>
</tr>
<tr>
<td>Research</td>
<td>391,828,457</td>
<td>418,683,979</td>
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<tr>
<td>Public service</td>
<td>3,480,545</td>
<td>3,531,484</td>
</tr>
<tr>
<td>Academic support</td>
<td>50,433,089</td>
<td>48,498,727</td>
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<tr>
<td>Student services</td>
<td>5,496,943</td>
<td>4,407,033</td>
</tr>
<tr>
<td>Institutional support</td>
<td>64,573,542</td>
<td>59,261,171</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>83,870,432</td>
<td>86,108,559</td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>2,517,196</td>
<td>2,071,020</td>
</tr>
<tr>
<td><strong>Auxiliary enterprises:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>763,710</td>
<td>621,712</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>8,117,629</td>
<td>7,722,947</td>
</tr>
<tr>
<td>Other auxiliary enterprises expenses</td>
<td>13,270,568</td>
<td>13,800,596</td>
</tr>
<tr>
<td>Hospital</td>
<td>155,205,830</td>
<td>141,316,155</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>956,592,611</td>
<td>952,917,722</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>(183,940,860)</td>
<td>(170,753,000)</td>
</tr>
<tr>
<td><strong>NONOPERATING REVENUES (EXPENSES):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations</td>
<td>185,039,951</td>
<td>182,151,364</td>
</tr>
<tr>
<td>Pell grants</td>
<td>610,296</td>
<td>694,707</td>
</tr>
<tr>
<td>Gifts</td>
<td>13,181,490</td>
<td>12,083,903</td>
</tr>
<tr>
<td><strong>Investment income</strong></td>
<td>$3,856,008</td>
<td>$2,362,940</td>
</tr>
<tr>
<td><strong>Less: Investment expense</strong></td>
<td>(286,179)</td>
<td>(3,569,829)</td>
</tr>
<tr>
<td>Interest on indebtedness</td>
<td>5,030,036</td>
<td>(338,004)</td>
</tr>
<tr>
<td>Other revenues (expenses), gains and (losses)</td>
<td>865,497</td>
<td>774,367</td>
</tr>
<tr>
<td>Other affiliated foundation revenues</td>
<td>(22,748,745)</td>
<td>(22,748,745)</td>
</tr>
<tr>
<td><strong>Transfers (to) from other University System of Maryland institutions</strong></td>
<td>(1,089,255)</td>
<td>(80,721)</td>
</tr>
<tr>
<td><strong>Total nonoperating revenues (expenses)</strong></td>
<td>196,918,006</td>
<td>15,691,577</td>
</tr>
<tr>
<td><strong>Income before other revenues</strong></td>
<td>12,977,146</td>
<td>15,691,577</td>
</tr>
<tr>
<td><strong>OTHER REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital appropriations</td>
<td>2,734,011</td>
<td>9,369,919</td>
</tr>
<tr>
<td>Capital gifts and grants</td>
<td>115,278</td>
<td>90,370</td>
</tr>
<tr>
<td><strong>Additions to permanent endowments</strong></td>
<td>858,594</td>
<td>490,527</td>
</tr>
<tr>
<td><strong>Total other revenues</strong></td>
<td>3,707,883</td>
<td>9,950,816</td>
</tr>
<tr>
<td><strong>Increase in net assets</strong></td>
<td>16,685,029</td>
<td>49,910,886</td>
</tr>
<tr>
<td><strong>Net assets - beginning of year</strong></td>
<td>793,234,245</td>
<td>107,962,672</td>
</tr>
<tr>
<td><strong>Net assets - end of year</strong></td>
<td>$809,919,454</td>
<td>$157,962,672</td>
</tr>
</tbody>
</table>

---

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### UNIVERSITY OF MARYLAND, BALTIMORE

**STATEMENT OF CASH FLOWS**

**YEARS ENDED JUNE 30, 2012 AND 2011**

<table>
<thead>
<tr>
<th>Years ended June 30,</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$96,776,022</td>
<td>$89,037,460</td>
</tr>
<tr>
<td>Research contracts and grants</td>
<td>439,043,178</td>
<td>454,264,292</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(659,480,487)</td>
<td>(927,957,412)</td>
</tr>
<tr>
<td>Payments to suppliers and contractors</td>
<td>(240,812,136)</td>
<td>(266,470,452)</td>
</tr>
<tr>
<td>Loans issued to students</td>
<td>(3,395,595)</td>
<td>(4,155,439)</td>
</tr>
<tr>
<td>Collections of loans to students</td>
<td>3,855,312</td>
<td>4,150,943</td>
</tr>
<tr>
<td><strong>Auxiliary enterprises:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>784,907</td>
<td>753,997</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>11,993,486</td>
<td>12,269,807</td>
</tr>
<tr>
<td>Other</td>
<td>14,529,685</td>
<td>14,537,725</td>
</tr>
<tr>
<td>Other receipts</td>
<td>240,854,679</td>
<td>204,300,855</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by operating activities</strong></td>
<td>(98,854,949)</td>
<td>(121,268,224)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations</td>
<td>185,039,951</td>
<td>182,151,364</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private gifts for endowment purposes</td>
<td>858,584</td>
<td>490,537</td>
</tr>
<tr>
<td>Pell grants</td>
<td>610,296</td>
<td>694,707</td>
</tr>
<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
<td>186,508,844</td>
<td>183,336,598</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds of capital debt</td>
<td>19,688,059</td>
<td>12,314,207</td>
</tr>
<tr>
<td>Capital appropriations</td>
<td>2,734,011</td>
<td>9,369,919</td>
</tr>
<tr>
<td>Capital grants and gifts received</td>
<td>90,367</td>
<td>90,367</td>
</tr>
<tr>
<td>Purchases of capital assets</td>
<td>(39,837,583)</td>
<td>(46,471,942)</td>
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<tr>
<td>Principal paid on debt and capital leases</td>
<td>(10,477,891)</td>
<td>(15,952,585)</td>
</tr>
<tr>
<td>Transfers (to) from other University System of Maryland institutions</td>
<td>(2,371,034)</td>
<td>6,003,972</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by capital and related financing activities</strong></td>
<td>(52,485,452)</td>
<td>(45,247,608)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES:</strong></td>
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<td></td>
</tr>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>4,080,474</td>
<td>3,913,523</td>
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<tr>
<td>Interest on investments</td>
<td>3,026,198</td>
<td>4,891,539</td>
</tr>
<tr>
<td>Investment expense</td>
<td>(286,179)</td>
<td>(338,004)</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(658,594)</td>
<td>(638,770)</td>
</tr>
<tr>
<td><strong>Net cash provided by investing activities</strong></td>
<td>6,561,899</td>
<td>7,927,088</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td>41,730,342</td>
<td>24,747,854</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents - beginning of the year</strong></td>
<td>185,671,555</td>
<td>160,923,701</td>
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<tr>
<td><strong>Cash and cash equivalents - end of the year</strong></td>
<td>$227,401,897</td>
<td>$185,671,555</td>
</tr>
</tbody>
</table>
# UNIVERSITY OF MARYLAND, COLLEGE PARK
## BALANCE SHEET
### JUNE 30, 2012 AND 2011

<table>
<thead>
<tr>
<th>Component</th>
<th>Institution</th>
<th>Units</th>
<th>Component</th>
<th>Institution</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$564,149,527</td>
<td>$24,292,947</td>
<td>$503,534,831</td>
<td>$23,509,700</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>$66,477,706</td>
<td>37,482,543</td>
<td>$82,542,884</td>
<td>40,821,440</td>
<td></td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>1,514,602</td>
<td>1,536,758</td>
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<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>3,358,732</td>
<td>2,912,470</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses, deferred charges and other assets</td>
<td>1,150,128</td>
<td>379,434</td>
<td>1,846,848</td>
<td>811,827</td>
<td></td>
</tr>
<tr>
<td>Inter-institutional balances</td>
<td>44,106</td>
<td></td>
<td>341,640</td>
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<td></td>
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<tr>
<td><strong>Total current assets</strong></td>
<td>$656,691,801</td>
<td>62,154,924</td>
<td>$592,715,431</td>
<td>65,142,967</td>
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<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
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<tr>
<td>Restricted cash and cash equivalents</td>
<td>$11,861,551</td>
<td>3,896,557</td>
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<td></td>
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<tr>
<td>Accounts receivable, net</td>
<td>33,143,115</td>
<td>37,143,139</td>
<td>316,359,209</td>
<td>316,947,128</td>
<td></td>
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<tr>
<td>Endowment investments</td>
<td>95,433,606</td>
<td>50,519,319</td>
<td>316,947,128</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other investments</td>
<td>5,128,471</td>
<td>177,282,911</td>
<td>3,403,621</td>
<td>164,353,442</td>
<td></td>
</tr>
<tr>
<td>Notes receivable, net</td>
<td>9,398,557</td>
<td>9,597,303</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>1,049,850</td>
<td>946,703</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>1,532,079,749</td>
<td>1,477,511,088</td>
<td>23,270,232</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>$1,653,901,934</td>
<td>531,431,754</td>
<td>1,594,927,888</td>
<td>542,787,644</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$2,310,593,735</td>
<td>$607,930,611</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **LIABILITIES** |             |       | **LIABILITIES** |             |       |
| **Current liabilities:** |             |       | **Current liabilities:** |             |       |
| Accounts payable and accrued liabilities | $96,851,040 | $4,032,510 | $83,805,741 | $2,536,991 |
| Accrued workers' compensation, current portion | 1,992,990 | 1,835,8978 |
| Accrued vacation costs, current portion | 20,359,751 | 22,869,517 |
| Revenue bonds and notes payable, current portion | 31,908,955 | 34,706,604 |
| Deferred revenue | 65,682,515 | 1,836,287 | 65,036,173 | 2,270,829 |
| Current portion of obligations under capital lease obligations | 296,434 | 277,430 |
| **Total current liabilities** | $217,091,685 | 5,868,797 | 208,531,443 | 4,807,820 |
| **Noncurrent liabilities:** |             |       | **Noncurrent liabilities:** |             |       |
| Accrued workers' compensation | 10,865,010 | 10,090,039 |
| Accrued vacation costs | 33,890,869 | 30,808,686 |
| Endowments invested on behalf of primary government | 95,394,083 | 100,479,949 |
| Other payables | 3,867,811 | 3,236,982 |
| Revenue bonds and notes payable | 301,170,343 | 298,937,326 |
| Obligations under capital lease agreements | 2,976,189 | 3,272,623 |
| **Total noncurrent liabilities** | $348,902,411 | 99,261,894 | 103,716,931 |
| **Total liabilities** | $565,994,096 | $103,130,691 | 561,559,099 | 108,524,751 |

| **NET ASSETS** |             |       | **NET ASSETS** |             |       |
| **Unrestricted:** | 441,925,863 | 60,267,901 | 386,193,195 | 62,294,611 |
| **Invested in capital assets, net** | $1,195,727,828 | 1,114,528,596 |
| **Restricted:** |             |       | **Restricted:** |             |       |
| Nonexpendable: |             |       | **Nonexpendable:** |             |       |
| Scholarships and fellowships | 5,385,708 | 97,173,526 | 5,207,042 | 88,863,118 |
| Research | 3,510,642 | 1,934,392 | 3,499,667 | 1,998,279 |
| Other | 4,761,296 | 163,259,048 | 3,623,179 | 166,143,260 |
| Expended: |             |       | **Expended:** |             |       |
| Scholarships and fellowships | 9,593,675 | 42,336,131 | 10,754,446 | 45,591,457 |
| Research | 63,355,729 | 13,281,344 | 64,517,311 | 11,985,021 |
| Loans | 10,793,359 | 11,279,545 |
| Capital projects | 2,886,191 | 1,960,912 |
| Other | 6,677,348 | 110,203,445 | 7,519,954 | 122,530,114 |
| **Total net assets** | $1,744,599,639 | 488,455,987 | 1,636,084,220 | 499,405,860 |
| **Total liabilities and net assets** | $2,310,593,735 | $607,930,611 |
## UNIVERSITY OF MARYLAND, COLLEGE PARK
### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
#### YEARS ENDED JUNE 30, 2012 AND 2011

### OPERATING REVENUES:

<table>
<thead>
<tr>
<th>Component</th>
<th>2012 Units</th>
<th>2011 Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$463,244,720</td>
<td>$443,973,524</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(87,106,577)</td>
<td>(87,729,981)</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>357,138,143</td>
<td>374,243,543</td>
</tr>
<tr>
<td>State and local grants and contracts</td>
<td>55,926,178</td>
<td>54,308,774</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>71,741,860</td>
<td>87,533,886</td>
</tr>
<tr>
<td>Sales and services of educational departments</td>
<td>26,278,906</td>
<td>25,658,611</td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>52,301,772</td>
<td>49,126,288</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(5,212,732)</td>
<td>(5,698,629)</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>47,376,695</td>
<td>44,238,671</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(2,627,656)</td>
<td>(2,777,220)</td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>53,172,661</td>
<td>47,025,493</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>13,513,875</td>
<td>12,577,066</td>
</tr>
<tr>
<td>Other auxiliary enterprises</td>
<td>45,729,625</td>
<td>46,568,261</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>1,144,621,590</td>
<td>1,095,769,782</td>
</tr>
</tbody>
</table>

### OPERATING EXPENSES:

<table>
<thead>
<tr>
<th>Component</th>
<th>2012 Units</th>
<th>2011 Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>418,877,865</td>
<td>391,856,414</td>
</tr>
<tr>
<td>Research</td>
<td>404,022,792</td>
<td>384,539,113</td>
</tr>
<tr>
<td>Public service</td>
<td>90,494,029</td>
<td>88,616,350</td>
</tr>
<tr>
<td>Academic support</td>
<td>137,381,882</td>
<td>135,135,408</td>
</tr>
<tr>
<td>Student services</td>
<td>46,193,075</td>
<td>43,533,686</td>
</tr>
<tr>
<td>Institutional support</td>
<td>94,835,102</td>
<td>88,240,611</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>94,835,102</td>
<td>88,240,611</td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>30,740,057</td>
<td>29,310,156</td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>54,110,865</td>
<td>52,969,792</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>47,995,558</td>
<td>43,785,770</td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>53,164,768</td>
<td>49,733,289</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>9,666,574</td>
<td>8,387,747</td>
</tr>
<tr>
<td>Other auxiliary enterprises</td>
<td>47,558,196</td>
<td>44,278,324</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>1,532,884,204</td>
<td>1,459,297,672</td>
</tr>
</tbody>
</table>

### NONOPERATING REVENUES (EXPENSES):

<table>
<thead>
<tr>
<th>Component</th>
<th>2012 Units</th>
<th>2011 Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>414,752,096</td>
<td>407,234,194</td>
</tr>
<tr>
<td>Pell grants</td>
<td>21,748,072</td>
<td>22,805,121</td>
</tr>
<tr>
<td>Gifts</td>
<td>27,208,895</td>
<td>22,805,121</td>
</tr>
<tr>
<td>Investment income</td>
<td>8,989,403</td>
<td>8,173,714</td>
</tr>
<tr>
<td>Less: Investment expense</td>
<td>(371,776)</td>
<td>(444,302)</td>
</tr>
<tr>
<td>Interest on indebtedness</td>
<td>(11,017,962)</td>
<td>(13,045,793)</td>
</tr>
<tr>
<td>Other revenues (expenses), gains and (losses)</td>
<td>(1,352,265)</td>
<td>155,304</td>
</tr>
<tr>
<td>Other affiliated foundation revenues</td>
<td>6,380,252</td>
<td>4,555,023</td>
</tr>
<tr>
<td>Other affiliated foundation expenses</td>
<td>(72,232,175)</td>
<td>(70,301,133)</td>
</tr>
<tr>
<td>Transfers (to) from other University System of Maryland institutions</td>
<td>(8,236,314)</td>
<td>(8,211,680)</td>
</tr>
<tr>
<td>Total nonoperating revenues (expenses)</td>
<td>453,863,019</td>
<td>(10,949,873)</td>
</tr>
<tr>
<td>Income before other revenues</td>
<td>65,600,405</td>
<td>(10,949,873)</td>
</tr>
<tr>
<td>Net assets - beginning of year</td>
<td>$1,636,084,220</td>
<td>$499,405,860</td>
</tr>
</tbody>
</table>

### OTHER REVENUES:

<table>
<thead>
<tr>
<th>Component</th>
<th>2012 Units</th>
<th>2011 Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital appropriations</td>
<td>35,524,624</td>
<td>26,364,679</td>
</tr>
<tr>
<td>Capital gifts and grants</td>
<td>6,062,632</td>
<td>17,905,953</td>
</tr>
<tr>
<td>Additions to permanent endowments</td>
<td>1,327,758</td>
<td>30,900</td>
</tr>
<tr>
<td>Total other revenues</td>
<td>42,915,014</td>
<td>44,301,552</td>
</tr>
<tr>
<td>Increase (decrease) in net assets</td>
<td>(10,949,873)</td>
<td>143,329,810</td>
</tr>
<tr>
<td>Net assets - end of year</td>
<td>$1,744,699,639</td>
<td>$488,455,987</td>
</tr>
</tbody>
</table>
## UNIVERSITY OF MARYLAND, COLLEGE PARK

**STATEMENT OF CASH FLOWS**

YEARS ENDED JUNE 30, 2012 AND 2011

### CASH FLOWS FROM OPERATING ACTIVITIES:

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$396,087,820</td>
<td>$365,916,110</td>
</tr>
<tr>
<td>Research contracts and grants</td>
<td>474,520,584</td>
<td>468,287,165</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(1,031,565,259)</td>
<td>(979,455,413)</td>
</tr>
<tr>
<td>Payments to suppliers and contractors</td>
<td>(403,153,488)</td>
<td>(408,053,964)</td>
</tr>
<tr>
<td>Loans issued to students</td>
<td>(1,873,545)</td>
<td>(2,214,861)</td>
</tr>
<tr>
<td>Collections of loans to students</td>
<td>2,054,447</td>
<td>1,304,974</td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>47,045,714</td>
<td>43,531,119</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>44,726,599</td>
<td>41,529,666</td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>58,743,255</td>
<td>50,718,402</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>13,513,875</td>
<td>12,977,066</td>
</tr>
<tr>
<td>Other</td>
<td>48,077,062</td>
<td>49,173,010</td>
</tr>
<tr>
<td>Other receipts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>(265,015,201)</td>
<td>(272,370,212)</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>414,752,096</td>
<td>407,234,194</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private gifts for endowment purposes</td>
<td>57,380</td>
<td>30,920</td>
</tr>
<tr>
<td>Pell grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash provided by noncapital financing activities</td>
<td>436,557,548</td>
<td>430,070,235</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds of capital debt</td>
<td>67,229,258</td>
<td>22,613,594</td>
</tr>
<tr>
<td>Capital appropriations</td>
<td>35,524,624</td>
<td>26,394,679</td>
</tr>
<tr>
<td>Capital grants and gifts received</td>
<td>5,675,137</td>
<td>11,659,897</td>
</tr>
<tr>
<td>Proceeds from sales of capital assets</td>
<td>3,199,403</td>
<td>63,903</td>
</tr>
<tr>
<td>Purchases of capital assets</td>
<td>(138,692,839)</td>
<td>(154,810,840)</td>
</tr>
<tr>
<td>Principal paid on debt and capital leases</td>
<td>(82,662,287)</td>
<td>(46,837,670)</td>
</tr>
<tr>
<td>Interest paid on debt and capital leases</td>
<td>(14,411,243)</td>
<td>(14,428,926)</td>
</tr>
<tr>
<td>Transfers (to) from other University System of Maryland institutions</td>
<td>11,073,800</td>
<td>12,129,090</td>
</tr>
<tr>
<td>Net cash provided (used) by capital and related financing activities</td>
<td>(114,944,147)</td>
<td>(143,241,273)</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM INVESTING ACTIVITIES:

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>5,465,979</td>
<td>5,701,794</td>
</tr>
<tr>
<td>Interest on investments</td>
<td>7,021,388</td>
<td>14,703,049</td>
</tr>
<tr>
<td>Investment expense</td>
<td>(371,776)</td>
<td>(444,302)</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(141,101)</td>
<td>(111,915)</td>
</tr>
<tr>
<td>Net cash provided by investing activities</td>
<td>11,978,490</td>
<td>19,848,626</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>68,576,690</td>
<td>34,305,378</td>
</tr>
<tr>
<td>Cash and cash equivalents - beginning of the year</td>
<td>507,431,388</td>
<td>472,126,012</td>
</tr>
<tr>
<td>Cash and cash equivalents - end of the year</td>
<td>$576,008,078</td>
<td>$507,431,388</td>
</tr>
</tbody>
</table>
## BOWIE STATE UNIVERSITY
### BALANCE SHEET
#### JUNE 30, 2012 AND 2011

<table>
<thead>
<tr>
<th>Component</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institution</td>
<td>Units</td>
<td>Institution</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$48,598,832</td>
<td>$868,842</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>2,420,282</td>
<td>621,443</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>67,240</td>
<td>89,214</td>
</tr>
<tr>
<td>Prepaid expenses, deferred charges and other assets</td>
<td>5,423</td>
<td>6,307</td>
</tr>
<tr>
<td>Inter-institutional balances</td>
<td>185,649</td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>51,277,426</td>
<td>1,496,592</td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>16,062</td>
<td></td>
</tr>
<tr>
<td>Endowment investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, net</td>
<td>783,998</td>
<td></td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>152,546,093</td>
<td>6,336</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>153,346,173</td>
<td>5,532,693</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$204,623,599</td>
<td>$7,029,285</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$5,639,348</td>
<td>$72,556</td>
</tr>
<tr>
<td>Accrued workers' compensation, current portion</td>
<td>146,165</td>
<td></td>
</tr>
<tr>
<td>Accrued vacation costs, current portion</td>
<td>949,518</td>
<td></td>
</tr>
<tr>
<td>Revenue bonds and notes payable, current portion</td>
<td>897,632</td>
<td>8,500</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>4,129,333</td>
<td>85,060</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>11,760,996</td>
<td>166,116</td>
</tr>
<tr>
<td>Noncurrent liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued workers' compensation</td>
<td>796,835</td>
<td></td>
</tr>
<tr>
<td>Accrued vacation costs</td>
<td>1,428,021</td>
<td></td>
</tr>
<tr>
<td>Other payables</td>
<td>5,818</td>
<td></td>
</tr>
<tr>
<td>Revenue bonds and notes payable</td>
<td>19,757,142</td>
<td></td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>21,981,998</td>
<td>5,818</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>33,742,994</td>
<td>171,934</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>37,916,658</td>
<td>356,985</td>
</tr>
<tr>
<td>Invested in capital assets, net</td>
<td>131,891,319</td>
<td></td>
</tr>
<tr>
<td>Restricted:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonexpendable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>4,464,165</td>
<td></td>
</tr>
<tr>
<td>Expendable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td>1,056,546</td>
<td></td>
</tr>
<tr>
<td>Capital projects</td>
<td>16,092</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>2,036,201</td>
<td></td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>170,880,605</td>
<td>6,857,351</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$204,623,599</td>
<td>$7,029,285</td>
</tr>
<tr>
<td>Component</td>
<td>Units</td>
<td>Units</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$32,845,995</td>
<td>$32,511,893</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(11,873,636)</td>
<td>(11,366,550)</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>6,351,685</td>
<td>7,878,545</td>
</tr>
<tr>
<td>State and local grants and contracts</td>
<td>1,607,984</td>
<td>1,106,048</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>566,437</td>
<td>200,984</td>
</tr>
<tr>
<td>Sales and services of educational departments</td>
<td>352,961</td>
<td>70,015</td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>4,281,145</td>
<td>4,325,909</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(274,858)</td>
<td>(267,681)</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>3,768,660</td>
<td>3,534,257</td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>3,096,042</td>
<td>3,192,945</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(441,443)</td>
<td>(614,135)</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>81,023,692</td>
<td>80,153,353</td>
</tr>
<tr>
<td><strong>Nonoperating revenues (expenses):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations</td>
<td>35,828,720</td>
<td>34,630,834</td>
</tr>
<tr>
<td>Pell grants</td>
<td>10,073,556</td>
<td>9,505,019</td>
</tr>
<tr>
<td>Gifts</td>
<td>723,427</td>
<td>910,391</td>
</tr>
<tr>
<td>Academic support</td>
<td>11,667,363</td>
<td>9,202,678</td>
</tr>
<tr>
<td>Student services</td>
<td>6,016,129</td>
<td>5,617,539</td>
</tr>
<tr>
<td>Institutional support</td>
<td>12,804,141</td>
<td>14,468,209</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>8,561,090</td>
<td>8,120,385</td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>1,508,149</td>
<td>1,471,657</td>
</tr>
<tr>
<td>Auxiliary enterprises</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>3,473,648</td>
<td>3,519,538</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>3,684,027</td>
<td>3,405,240</td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>3,163,295</td>
<td>3,090,149</td>
</tr>
<tr>
<td>Other auxiliary enterprises expenses</td>
<td>2,003,342</td>
<td>2,144,191</td>
</tr>
<tr>
<td><strong>Total nonoperating revenues (expenses)</strong></td>
<td>44,796,615</td>
<td>(330,855)</td>
</tr>
<tr>
<td><strong>Income before other revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Capital appropriations</strong></td>
<td>11,349,665</td>
<td>32,648,280</td>
</tr>
<tr>
<td><strong>Total other revenue</strong></td>
<td>11,349,665</td>
<td>32,648,280</td>
</tr>
<tr>
<td><strong>Increase (decrease) in net assets</strong></td>
<td>19,247,865</td>
<td>40,803,990</td>
</tr>
<tr>
<td><strong>Net assets - end of year</strong></td>
<td>$170,880,606</td>
<td>$7,188,206</td>
</tr>
</tbody>
</table>
BOWIE STATE UNIVERSITY
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2012 AND 2011

<table>
<thead>
<tr>
<th>Years ended June 30,</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$20,808,139</td>
<td>$21,402,003</td>
</tr>
<tr>
<td>Research contracts and grants</td>
<td>10,094,155</td>
<td>9,653,574</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(51,290,138)</td>
<td>(49,653,927)</td>
</tr>
<tr>
<td>Payments to suppliers and contractors</td>
<td>(25,878,136)</td>
<td>(25,268,011)</td>
</tr>
<tr>
<td>Loans issued to students</td>
<td>(65,600)</td>
<td>(41,054)</td>
</tr>
<tr>
<td>Collections of loans to students</td>
<td>76,988</td>
<td>86,214</td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>4,006,287</td>
<td>4,058,228</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>3,115,806</td>
<td>2,861,159</td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>2,654,599</td>
<td>2,578,810</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>383,097</td>
<td>321,737</td>
</tr>
<tr>
<td>Other</td>
<td>4,116,362</td>
<td>3,955,764</td>
</tr>
<tr>
<td>Other receipts (payments)</td>
<td>(507,247)</td>
<td>594,045</td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>(32,285,688)</td>
<td>(29,448,458)</td>
</tr>
<tr>
<td>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations</td>
<td>35,828,720</td>
<td>34,630,834</td>
</tr>
<tr>
<td>Pell grants</td>
<td>10,073,556</td>
<td>9,505,019</td>
</tr>
<tr>
<td>Net cash provided by noncapital financing activities</td>
<td>45,902,276</td>
<td>44,135,853</td>
</tr>
<tr>
<td>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds of capital debt</td>
<td>5,555,463</td>
<td>1,611,165</td>
</tr>
<tr>
<td>Capital appropriations</td>
<td>11,349,665</td>
<td>32,648,280</td>
</tr>
<tr>
<td>Purchases of capital assets</td>
<td>(22,376,393)</td>
<td>(40,319,720)</td>
</tr>
<tr>
<td>Principal paid on debt and capital leases</td>
<td>(1,483,129)</td>
<td>(1,754,881)</td>
</tr>
<tr>
<td>Interest paid on debt and capital leases</td>
<td>(661,546)</td>
<td>(682,311)</td>
</tr>
<tr>
<td>Transfers (to) from other University System of Maryland institutions</td>
<td>(727,461)</td>
<td>1,592,562</td>
</tr>
<tr>
<td>Net cash provided (used) by capital and related financing activities</td>
<td>(8,343,401)</td>
<td>(6,904,905)</td>
</tr>
<tr>
<td>CASH FLOWS FROM INVESTING ACTIVITIES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on investments</td>
<td>548,669</td>
<td>950,666</td>
</tr>
<tr>
<td>Net cash provided by investing activities</td>
<td>548,669</td>
<td>950,666</td>
</tr>
<tr>
<td>Net increase in cash equivalents</td>
<td>5,821,856</td>
<td>8,733,156</td>
</tr>
<tr>
<td>Cash and cash equivalents - beginning of the year</td>
<td>42,793,058</td>
<td>34,059,902</td>
</tr>
<tr>
<td>Cash and cash equivalents - end of the year</td>
<td>$48,614,914</td>
<td>$42,793,058</td>
</tr>
</tbody>
</table>
## Towson University Balance Sheet
### June 30, 2012 and 2011

### Assets

#### Current Assets:

- **Cash and cash equivalents:**
  - 2012: $193,769,409
  - 2011: $3,564,722
- **Accounts receivable, net:**
  - 2012: 17,469,934
  - 2011: 179,794
- **Notes receivable, current portion:**
  - 2012: 1,461,521
  - 2011: 1,379,764
- **Inventories:**
  - 2012: 3,630,392
  - 2011: 2,806,751
- **Prepaid expenses, deferred charges and other assets:**
  - 2012: 2,373,492
  - 2011: 2,975,733
- **Inter-institutional balances:**
  - 2012: 378,428
  - 2011: 317,879

**Total current assets:**
- 2012: $219,083,176
- 2011: $205,046,674

#### Noncurrent Assets:

- **Restricted cash and cash equivalents:**
  - 2012: 52,227
  - 2011: 47,227
- **Accounts receivable, net:**
  - 2012: 522,006
  - 2011: 513,761
- **Endowment investments:**
  - 2012: 4,182,778
  - 2011: 48,666,519
- **Other investments:**
  - 2012: 4,114,927
  - 2011: 12,164,325
- **Notes receivable, net:**
  - 2012: 10,892,833
  - 2011: 11,605,539
- **Other assets:**
  - 2012: 1,200,000
  - 2011: 1,200,000
- **Capital assets, net:**
  - 2012: 571,518,425
  - 2011: 5,681,546

**Total noncurrent assets:**
- 2012: $586,646,263
- 2011: $510,228,357

**Total assets:**
- 2012: $805,729,439
- 2011: $715,275,031

### Liabilities

#### Current Liabilities:

- **Accounts payable and accrued liabilities:**
  - 2012: $29,424,970
  - 2011: $266,187
- **Accrued workers' compensation, current portion:**
  - 2012: 283,960
  - 2011: 286,876
- **Accrued vacation costs, current portion:**
  - 2012: 3,768,879
  - 2011: 4,544,582
- **Revenue bonds and notes payable, current portion:**
  - 2012: 10,073,004
  - 2011: 7,625,769
- **Deferred revenue:**
  - 2012: 10,682,133
  - 2011: 6,781,546

**Total current liabilities:**
- 2012: $54,232,946
- 2011: $44,962,914

#### Noncurrent Liabilities:

- **Accrued workers' compensation:**
  - 2012: 1,548,040
  - 2011: 1,563,936
- **Accrued vacation costs:**
  - 2012: 5,550,525
  - 2011: 5,908,685
- **Endowments invested on behalf of primary government:**
  - 2012: 4,114,927
  - 2011: 4,311,727
- **Revenue bonds and notes payable:**
  - 2012: 213,182,640
  - 2011: 154,103,779
- **Obligations under capital lease agreements:**
  - 2012: 10,493,036
  - 2011: 10,493,036

**Total noncurrent liabilities:**
- 2012: $230,774,241
- 2011: $172,069,436

**Total liabilities:**
- 2012: $285,007,187
- 2011: $216,932,350

### Net Assets

#### Unrestricted:

- 2012: $166,192,256
- 2011: $158,042,130

#### Invested in capital assets, net:

- 2012: 337,769,745
- 2011: 321,978,603

#### Restricted:

- Nonexpendable:
  - Scholarships and fellowships:
    - 2012: 265,025
    - 2011: 21,027,428
  - Research:
    - 2012: 10,000
    - 2011: 10,003
  - Other:
    - 2012: 13,344,540
    - 2011: 13,308,964

- Expendable:
  - Scholarships and fellowships:
    - 2012: 3,600
    - 2011: 5,448,293
  - Research:
    - 2012: 3,639
    - 2011: 1,952,205
  - Loans:
    - 2012: 14,067,270
    - 2011: 14,311,971
  - Other:
    - 2012: 2,424,356
    - 2011: 10,457,193

**Total net assets:**
- 2012: $520,722,252
- 2011: $498,342,681

**Total liabilities and net assets:**
- 2012: $805,729,439
- 2011: $715,275,031
## TOWSON UNIVERSITY

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

**YEARS ENDED JUNE 30, 2012 AND 2011**

<table>
<thead>
<tr>
<th></th>
<th>Institution</th>
<th>Component</th>
<th>University</th>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$162,784,079</td>
<td>$158,291,117</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(38,140,986)</td>
<td>(35,902,754)</td>
<td>$124,643,094</td>
<td>$122,388,363</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>3,122,304</td>
<td>2,747,314</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State and local grants and contracts</td>
<td>7,316,210</td>
<td>7,338,230</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>2,093,048</td>
<td>1,738,290</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and services of educational departments</td>
<td>4,036,249</td>
<td>4,009,395</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>22,910,828</td>
<td>18,875,868</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(1,038,997)</td>
<td>(866,685)</td>
<td>20,971,831</td>
<td>18,009,175</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>20,650,614</td>
<td>18,461,564</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(469,728)</td>
<td>(466,926)</td>
<td>20,180,886</td>
<td>17,994,638</td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>17,401,323</td>
<td>15,413,926</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(2,746,504)</td>
<td>(2,410,822)</td>
<td>14,654,819</td>
<td>13,003,104</td>
</tr>
<tr>
<td>Bookstore</td>
<td>9,346,762</td>
<td>9,306,681</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(1,501,047)</td>
<td>(1,415,880)</td>
<td>7,845,715</td>
<td>7,890,801</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>8,186,508</td>
<td>6,503,378</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(12,337)</td>
<td>(12,337)</td>
<td>8,186,508</td>
<td>6,503,378</td>
</tr>
<tr>
<td>Other auxiliary enterprises revenues</td>
<td>10,032</td>
<td>10,032</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>$240,918,583</td>
<td>$229,081,323</td>
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<td></td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>108,709,031</td>
<td>99,188,354</td>
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<td></td>
</tr>
<tr>
<td>Research</td>
<td>4,379,962</td>
<td>3,777,263</td>
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<td></td>
</tr>
<tr>
<td>Public service</td>
<td>18,129,207</td>
<td>15,264,701</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academic support</td>
<td>38,600,899</td>
<td>35,154,414</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student services</td>
<td>16,779,877</td>
<td>15,831,661</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutional support</td>
<td>35,176,037</td>
<td>33,377,361</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>34,219,376</td>
<td>23,163,641</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>9,623,804</td>
<td>9,918,598</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>13,693,362</td>
<td>13,678,254</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dining facilities</td>
<td>16,924,508</td>
<td>15,260,281</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>15,717,525</td>
<td>13,460,126</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bookstore</td>
<td>8,344,724</td>
<td>8,994,691</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parking facilities</td>
<td>4,621,542</td>
<td>3,864,241</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other auxiliary enterprises expenses</td>
<td>15,538,450</td>
<td>14,865,948</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>$340,658,304</td>
<td>$305,800,534</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>$(99,739,721)</td>
<td>$(76,719,211)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NONOPERATING REVENUES (EXPENSES):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations</td>
<td>90,924,480</td>
<td>88,781,205</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poll grants</td>
<td>17,737,561</td>
<td>16,687,965</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gifts</td>
<td>1,070,555</td>
<td>1,190,127</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>2,774,256</td>
<td>5,087,800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Investment expense</td>
<td>(15,953)</td>
<td>5,068,819</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on indebtedness</td>
<td>(7,059,390)</td>
<td>(5,626,893)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other revenues (expenses), gains and (losses)</td>
<td>11,610,508</td>
<td>10,655,341</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other affiliated foundation revenues</td>
<td>1,527,732</td>
<td>1,721,370</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other affiliated foundation expenses</td>
<td>(6,004,994)</td>
<td>(5,077,259)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers (to) from other University System of Maryland institutions</td>
<td>(6,264,461)</td>
<td>(5,895,081)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total nonoperating revenues (expenses)</strong></td>
<td>$110,837,546</td>
<td>$111,125,483</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income before other revenues</strong></td>
<td>$110,837,546</td>
<td>$111,125,483</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OTHER REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital appropriations</td>
<td>11,210,089</td>
<td>28,306,260</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital gifts and grants</td>
<td>44,679</td>
<td>18,242</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions to permanent endowments</td>
<td>26,987</td>
<td>26,987</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total other revenue</strong></td>
<td>11,210,089</td>
<td>28,306,260</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Increase in net assets</strong></td>
<td>22,379,571</td>
<td>28,324,502</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net assets - beginning of year</strong></td>
<td>489,342,681</td>
<td>51,471,499</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net assets - end of year</strong></td>
<td>$512,722,252</td>
<td>$53,040,430</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

53
<table>
<thead>
<tr>
<th>CASH FLOWS FROM OPERATING ACTIVITIES:</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$124,702,331</td>
<td>$123,037,108</td>
</tr>
<tr>
<td>Research contracts and grants</td>
<td>10,015,163</td>
<td>11,288,889</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(201,661,581)</td>
<td>(190,128,445)</td>
</tr>
<tr>
<td>Payments to suppliers and contractors</td>
<td>(108,821,603)</td>
<td>(99,408,294)</td>
</tr>
<tr>
<td>Loans issued to students</td>
<td>(1,456,076)</td>
<td>(2,056,337)</td>
</tr>
<tr>
<td>Collections of loans to students</td>
<td>2,067,025</td>
<td>2,099,542</td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>21,002,928</td>
<td>18,063,434</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>20,176,836</td>
<td>17,925,654</td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>8,235,682</td>
<td>12,959,418</td>
</tr>
<tr>
<td>Bookstore</td>
<td>14,328,838</td>
<td>8,020,221</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>7,343,796</td>
<td>6,665,693</td>
</tr>
<tr>
<td>Other</td>
<td>27,788,933</td>
<td>27,355,416</td>
</tr>
<tr>
<td>Other receipts</td>
<td>14,844,657</td>
<td>20,347,736</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by operating activities</strong></td>
<td>(60,513,071)</td>
<td>(39,829,965)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>90,924,480</td>
<td>88,781,205</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private gifts for endowment purposes</td>
<td>26,987</td>
<td>16,687,963</td>
</tr>
<tr>
<td>Pell grants</td>
<td>17,797,551</td>
<td>16,687,963</td>
</tr>
<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
<td>108,749,018</td>
<td>105,469,170</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds of capital debt</td>
<td>42,664,494</td>
<td>24,391,504</td>
</tr>
<tr>
<td>Capital appropriations</td>
<td>11,210,089</td>
<td>28,306,260</td>
</tr>
<tr>
<td>Purchases of capital assets</td>
<td>(103,384,332)</td>
<td>(107,347,212)</td>
</tr>
<tr>
<td>Principal paid on debt and capital leases</td>
<td>(17,416,709)</td>
<td>(13,618,622)</td>
</tr>
<tr>
<td>Interest paid on debt and capital leases</td>
<td>(7,526,204)</td>
<td>(5,554,284)</td>
</tr>
<tr>
<td>Transfers (to) from other University System of Maryland institutions</td>
<td>30,780,075</td>
<td>40,779,918</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by capital and related financing activities</strong></td>
<td>(43,672,587)</td>
<td>(33,042,436)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM INVESTING ACTIVITIES:</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>234,277</td>
<td>242,700</td>
</tr>
<tr>
<td>Interest on investments</td>
<td>2,756,592</td>
<td>4,402,894</td>
</tr>
<tr>
<td>Investment expense</td>
<td>(15,953)</td>
<td>(19,071)</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(26,987)</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash provided by investing activities</strong></td>
<td>2,494,929</td>
<td>4,626,523</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td>7,513,289</td>
<td>37,223,252</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents - beginning of the year</strong></td>
<td>186,308,347</td>
<td>149,085,055</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents - end of the year</strong></td>
<td>$193,821,636</td>
<td>$186,308,347</td>
</tr>
</tbody>
</table>

TOWSON UNIVERSITY  
STATEMENT OF CASH FLOWS  
YEARS ENDED JUNE 30, 2012 AND 2011

54
## UNIVERSITY OF MARYLAND EASTERN SHORE
### BALANCE SHEET
#### JUNE 30, 2012 AND 2011

### ASSETS

<table>
<thead>
<tr>
<th>Component</th>
<th>Institution</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$17,967,962</td>
<td>$18,871,870</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>5,784,338</td>
<td>5,193,688</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>1,131,934</td>
<td>773,529</td>
</tr>
<tr>
<td>Prepaid expenses, deferred charges and other assets</td>
<td>1,316</td>
<td>3,723</td>
</tr>
<tr>
<td>Inter-institutional balances</td>
<td>85,849</td>
<td>100,727</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>24,970,083</strong></td>
<td><strong>24,939,814</strong></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>140,509</td>
<td>219,871</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>3,725,938</td>
<td>20,488,266</td>
</tr>
<tr>
<td>Other investments</td>
<td>4,144,101</td>
<td>3,847,089</td>
</tr>
<tr>
<td>Notes receivable, net</td>
<td>4,394,486</td>
<td>2,926,023</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>165,497,904</td>
<td>171,135,579</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td><strong>173,618,328</strong></td>
<td><strong>177,522,395</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$198,588,411</strong></td>
<td><strong>$202,462,209</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES

<table>
<thead>
<tr>
<th>Component</th>
<th>Institution</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$6,141,878</td>
<td>$6,478,681</td>
</tr>
<tr>
<td>Accrued workers’ compensation, current portion</td>
<td>153,915</td>
<td>140,925</td>
</tr>
<tr>
<td>Accrued vacation costs, current portion</td>
<td>1,140,637</td>
<td>1,322,597</td>
</tr>
<tr>
<td>Revenue bonds and notes payable, current portion</td>
<td>3,649,201</td>
<td>5,231,898</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>1,486,757</td>
<td>992,375</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>12,572,388</strong></td>
<td><strong>14,166,476</strong></td>
</tr>
<tr>
<td>Accrued workers’ compensation</td>
<td>839,085</td>
<td>768,266</td>
</tr>
<tr>
<td>Accrued vacation costs</td>
<td>2,943,394</td>
<td>2,841,925</td>
</tr>
<tr>
<td>Endowments invested on behalf of primary government</td>
<td>3,726,041</td>
<td>3,460,792</td>
</tr>
<tr>
<td>Revenue bonds and notes payable</td>
<td>44,566,776</td>
<td>47,136,543</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td><strong>48,349,255</strong></td>
<td><strong>50,746,734</strong></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>$60,921,643</strong></td>
<td><strong>$64,913,210</strong></td>
</tr>
</tbody>
</table>

### NET ASSETS

<table>
<thead>
<tr>
<th>Component</th>
<th>Institution</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>10,347,469</td>
<td>9,214,263</td>
</tr>
<tr>
<td>Invested in capital assets, net</td>
<td>117,281,927</td>
<td>118,767,138</td>
</tr>
<tr>
<td>Nonexpendable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>28,009</td>
<td>9,307,395</td>
</tr>
<tr>
<td>Research</td>
<td>259,479</td>
<td>228,769</td>
</tr>
<tr>
<td>Other</td>
<td>7,179,686</td>
<td>8,768,962</td>
</tr>
<tr>
<td>Expendable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>2,036,896</td>
<td>1,744,320</td>
</tr>
<tr>
<td>Research</td>
<td>576,051</td>
<td>504,006</td>
</tr>
<tr>
<td>Loans</td>
<td>6,676,875</td>
<td>6,740,253</td>
</tr>
<tr>
<td>Other</td>
<td>1,295,592</td>
<td>1,436,413</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>137,666,768</strong></td>
<td><strong>137,548,999</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$198,588,411</strong></td>
<td><strong>$202,462,209</strong></td>
</tr>
</tbody>
</table>
### UNIVERSITY OF MARYLAND EASTERN SHORE

#### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2012 AND 2011

<table>
<thead>
<tr>
<th></th>
<th>Institution</th>
<th>Component</th>
<th>Institution</th>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$29,712,752</td>
<td></td>
<td>$25,966,144</td>
<td></td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(13,441,000)</td>
<td>$16,271,752</td>
<td>(13,741,695)</td>
<td>$12,224,449</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>11,797,936</td>
<td></td>
<td>9,913,017</td>
<td></td>
</tr>
<tr>
<td>State and local grants and contracts</td>
<td>7,967,714</td>
<td></td>
<td>11,257,204</td>
<td></td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>972,821</td>
<td></td>
<td>790,019</td>
<td></td>
</tr>
<tr>
<td>Sales and services of educational departments</td>
<td>121,400</td>
<td></td>
<td>93,816</td>
<td></td>
</tr>
<tr>
<td><strong>Auxiliary enterprises:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>10,689,675</td>
<td></td>
<td>10,881,105</td>
<td></td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(813,706)</td>
<td>9,875,969</td>
<td>(822,400)</td>
<td>10,058,705</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>7,206,744</td>
<td></td>
<td>7,405,092</td>
<td></td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(1,058,200)</td>
<td>6,238,544</td>
<td>(986,279)</td>
<td>6,418,813</td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>2,561,557</td>
<td></td>
<td>2,571,690</td>
<td></td>
</tr>
<tr>
<td>Parking facilities</td>
<td>159,808</td>
<td></td>
<td>151,581</td>
<td></td>
</tr>
<tr>
<td>Other auxiliary enterprises revenues</td>
<td>5,798,695</td>
<td></td>
<td>5,965,266</td>
<td></td>
</tr>
<tr>
<td><strong>Other operating revenues</strong></td>
<td>3,562,569</td>
<td></td>
<td>1,903,429</td>
<td></td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>65,328,765</td>
<td></td>
<td>61,348,889</td>
<td></td>
</tr>
</tbody>
</table>

| **OPERATING EXPENSES:** |             |           |             |           |
| Instruction | 31,399,566 |           | 29,252,945  |           |
| Research | 13,049,777 |           | 12,786,517  |           |
| Public service | 1,032,335 |           | 469,883    |           |
| Academic support | 10,439,063 |           | 9,867,628  |           |
| Student services | 5,745,508 |           | 4,759,420  |           |
| Institutional support | 19,038,916 |           | 9,760,784  |           |
| Operation and maintenance of plant | 11,024,291 |           | 9,371,529  |           |
| Scholarships and fellowships | 447,741 |           | 248,501    |           |
| **Auxiliary enterprises:** |             |           |             |           |
| Residential facilities | 8,039,051 |           | 7,927,289  |           |
| Dining facilities | 5,898,818 |           | 5,826,108  |           |
| Intercollegiate athletics | 4,108,890 |           | 3,375,240  |           |
| Other auxiliary enterprises expenses | 8,190,497 |           | 5,309,813  |           |
| **Total operating expenses** | 107,411,455 |           | 98,795,657 |           |

| **Operating income (loss)** | (42,082,690) |           | (37,446,768) |           |

| **NONOPERATING REVENUES (EXPENSES):** |             |           |             |           |
| State appropriations | 32,447,596 |           | 31,520,443  |           |
| Pell grants | 9,790,688 |           | 9,873,207  |           |
| Gifts | 368,000 |           | 441,215    | $813,747  |
| Investment income | 453,637 | $441,215 | 343,000  | 1,032,101 |
| Interest on indebtedness | (1,798,212) | 1,032,101 | (2,125,629) | 530,913 |
| Total nonoperating revenues (expenses) | 40,375,751 |           | 41,016,657 | 2,561,116 |

| **Income before other revenue** | (1,706,939) | (451,729) | 2,561,116 |           |

| **OTHER REVENUE:** |             |           |             |           |
| Capital appropriations | 1,824,708 |           | 6,870 |           |
| **Total other revenue** | 1,824,708 |           | 6,870 |           |

| Increase (decrease) in net assets | 117,769 | (451,729) | 3,576,867 | 2,561,116 |

| **Net assets - beginning of year** | 137,548,999 | 22,060,909 | 133,972,132 | 19,529,793 |

| **Net assets - end of year** | $137,666,768 | $21,639,180 | $137,548,999 | $22,060,909 |

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### UNIVERSITY OF MARYLAND EASTERN SHORE
### STATEMENT OF CASH FLOWS
### YEARS ENDED JUNE 30, 2012 AND 2011

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$16,107,481</td>
<td>$14,505,909</td>
</tr>
<tr>
<td>Research contracts and grants</td>
<td>21,050,211</td>
<td>21,296,817</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(68,715,893)</td>
<td>(64,288,959)</td>
</tr>
<tr>
<td>Payments to suppliers and contractors</td>
<td>(30,314,595)</td>
<td>(29,076,462)</td>
</tr>
<tr>
<td>Loans issued to students</td>
<td>(2,816,780)</td>
<td>(1,036,125)</td>
</tr>
<tr>
<td>Collections of loans to students</td>
<td>989,913</td>
<td>1,114,697</td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>9,875,969</td>
<td>10,058,705</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>6,238,544</td>
<td>6,418,813</td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>2,561,557</td>
<td>2,571,690</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>159,808</td>
<td>151,581</td>
</tr>
<tr>
<td>Other</td>
<td>5,554,958</td>
<td>6,309,311</td>
</tr>
<tr>
<td>Other receipts</td>
<td>4,014,781</td>
<td>2,195,763</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by operating activities</strong></td>
<td>$(35,294,046)</td>
<td>$(29,778,260)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Noncapital Financing Activities</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>32,447,596</td>
<td>31,520,443</td>
</tr>
<tr>
<td>Pell grants</td>
<td>9,790,688</td>
<td>9,873,207</td>
</tr>
<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
<td>42,238,284</td>
<td>41,393,650</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Capital and Related Financing Activities</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds of capital debt</td>
<td>7,078,707</td>
<td>4,422,296</td>
</tr>
<tr>
<td>Capital appropriations</td>
<td>1,824,708</td>
<td>6,870</td>
</tr>
<tr>
<td>Purchases of capital assets</td>
<td>(4,341,597)</td>
<td>(2,688,122)</td>
</tr>
<tr>
<td>Principal paid on debt and capital leases</td>
<td>(11,341,227)</td>
<td>(8,427,259)</td>
</tr>
<tr>
<td>Interest paid on debt and capital leases</td>
<td>(2,309,833)</td>
<td>(2,658,381)</td>
</tr>
<tr>
<td>Transfers (to) from other University System of Maryland institutions</td>
<td>1,065,409</td>
<td>1,142,854</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by capital and related financing activities</strong></td>
<td>$(8,023,833)</td>
<td>$(8,201,742)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Investing Activities:</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>114,674</td>
<td>69,038</td>
</tr>
<tr>
<td>Interest on investments</td>
<td>439,818</td>
<td>574,257</td>
</tr>
<tr>
<td>Investment expense</td>
<td>(12,805)</td>
<td>(13,343)</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(366,000)</td>
<td>(343,000)</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by investing activities</strong></td>
<td>175,687</td>
<td>286,952</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash and cash equivalents</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents - beginning of the year</td>
<td>18,871,870</td>
<td>15,171,270</td>
</tr>
<tr>
<td>Cash and cash equivalents - end of the year</td>
<td>$17,967,962</td>
<td>$18,871,870</td>
</tr>
</tbody>
</table>
### FROSTBURG STATE UNIVERSITY

#### BALANCE SHEET

**JUNE 30, 2012 AND 2011**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Institution</td>
<td>Component</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$28,124,607</td>
<td>$536,425</td>
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<tr>
<td>Accounts receivable, net</td>
<td>2,152,931</td>
<td>850,936</td>
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<tr>
<td>Notes receivable, current portion</td>
<td>114,386</td>
<td>102,470</td>
</tr>
<tr>
<td>Inventories</td>
<td>882,576</td>
<td>1,180,475</td>
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<tr>
<td>Prepaid expenses, deferred charges and other assets</td>
<td>696,795</td>
<td>182,498</td>
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<tr>
<td>Inter-institutional balances</td>
<td>195,658</td>
<td>238,717</td>
</tr>
<tr>
<td>Total current assets</td>
<td>$32,169,953</td>
<td>$1,569,859</td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>208,652</td>
<td>286,239</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>1,066,915</td>
<td>14,464,881</td>
</tr>
<tr>
<td>Other investments</td>
<td>1,849,630</td>
<td>1,874,069</td>
</tr>
<tr>
<td>Notes receivable, net</td>
<td>925,484</td>
<td>922,232</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>90,299,567</td>
<td>1,136</td>
</tr>
<tr>
<td>Total noncurrent assets</td>
<td>$92,500,618</td>
<td>$16,315,647</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$124,670,571</strong></td>
<td><strong>$17,885,506</strong></td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
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<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$7,612,296</td>
<td>$28,031</td>
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<tr>
<td>Accrued workers’ compensation, current portion</td>
<td>112,995</td>
<td>115,602</td>
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<tr>
<td>Accrued vacation costs, current portion</td>
<td>3,070,908</td>
<td>3,164,513</td>
</tr>
<tr>
<td>Revenue bonds and notes payable, current portion</td>
<td>1,253,838</td>
<td>1,486,050</td>
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<tr>
<td>Deferred revenue</td>
<td>1,281,558</td>
<td>190,410</td>
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<tr>
<td>Total current liabilities</td>
<td>$13,340,595</td>
<td>218,441</td>
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<tr>
<td>Noncurrent liabilities:</td>
<td></td>
<td></td>
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<tr>
<td>Accrued workers’ compensation</td>
<td>816,005</td>
<td>630,220</td>
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<tr>
<td>Revenue bonds and notes payable</td>
<td>22,558,993</td>
<td>24,091,541</td>
</tr>
<tr>
<td>Endowments invested on behalf of primary government</td>
<td>1,066,915</td>
<td>1,058,926</td>
</tr>
<tr>
<td>Total noncurrent liabilities</td>
<td>$23,174,998</td>
<td>$1,066,915</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>$36,515,593</strong></td>
<td><strong>218,441</strong></td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>18,936,502</td>
<td>140,352</td>
</tr>
<tr>
<td>Invested in capital assets, net</td>
<td>66,486,736</td>
<td>60,340,307</td>
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<tr>
<td>Restricted:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonexpendable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>750,000</td>
<td>750,000</td>
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<tr>
<td>Expendable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>1,625</td>
<td>1,055</td>
</tr>
<tr>
<td>Research</td>
<td>427,543</td>
<td>200,081</td>
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<tr>
<td>Loans</td>
<td>1,106,473</td>
<td>1,139,114</td>
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<tr>
<td>Capital projects</td>
<td>208,652</td>
<td>280,239</td>
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<tr>
<td>Other</td>
<td>234,447</td>
<td>16,499,798</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>$88,154,978</strong></td>
<td><strong>16,600,150</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$124,670,571</strong></td>
<td><strong>$17,885,506</strong></td>
</tr>
</tbody>
</table>
### FROSTBURG STATE UNIVERSITY

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

**YEARS ENDED JUNE 30, 2012 AND 2011**

<table>
<thead>
<tr>
<th>Component</th>
<th>Institution</th>
<th>2012</th>
<th>Component</th>
<th>Institution</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$32,877,215</td>
<td>$32,253,517</td>
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<tr>
<td>Less: scholarship allowances</td>
<td>$(7,425,763)</td>
<td>$(7,566,928)</td>
<td>$24,696,589</td>
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<tr>
<td>Federal grants and contracts</td>
<td>2,018,614</td>
<td>2,756,915</td>
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<tr>
<td>State and local grants and contracts</td>
<td>2,006,908</td>
<td>1,710,589</td>
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<tr>
<td>Nongovernmental grants and contracts</td>
<td>179,733</td>
<td>130,987</td>
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<tr>
<td>Sales and services of educational departments</td>
<td>820,486</td>
<td>1,217,290</td>
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<td></td>
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<tr>
<td><strong>Auxiliary enterprises:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>5,889,306</td>
<td>6,054,555</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>$(75,363)</td>
<td>$(202,936)</td>
<td>5,791,619</td>
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<tr>
<td>Dining facilities</td>
<td>7,422,613</td>
<td>7,271,167</td>
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<tr>
<td>Less: scholarship allowances</td>
<td>$(21,914)</td>
<td>$(44,395)</td>
<td>7,226,772</td>
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<tr>
<td>Intercollegiate athletics</td>
<td>3,153,601</td>
<td>3,164,827</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Less: scholarship allowances</td>
<td>$(98,777)</td>
<td>$(159,951)</td>
<td>3,004,676</td>
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<tr>
<td>Bookstore</td>
<td>2,162,034</td>
<td>2,306,315</td>
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</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>$(5,673)</td>
<td>$(12,008)</td>
<td>2,387,307</td>
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<tr>
<td>Other auxiliary enterprises revenues</td>
<td>4,667,982</td>
<td>4,651,950</td>
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<tr>
<td>Less: scholarship allowances</td>
<td>$(37,606)</td>
<td>$(79,753)</td>
<td>4,572,197</td>
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<tr>
<td>Other operating revenues</td>
<td>586,984</td>
<td>462,942</td>
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</tr>
<tr>
<td><strong>Total operating revenue</strong></td>
<td>54,120,380</td>
<td>53,966,883</td>
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<td></td>
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<tr>
<td><strong>OPERATING EXPENSES:</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>30,488,048</td>
<td>29,138,610</td>
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<tr>
<td>Research</td>
<td>294,373</td>
<td>629,687</td>
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<tr>
<td>Public service</td>
<td>3,562,469</td>
<td>3,548,582</td>
<td></td>
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<tr>
<td>Academic support</td>
<td>8,912,925</td>
<td>8,920,061</td>
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<td></td>
</tr>
<tr>
<td>Student services</td>
<td>4,678,257</td>
<td>4,552,543</td>
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</tr>
<tr>
<td>Institutional support</td>
<td>12,348,228</td>
<td>11,980,637</td>
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<td></td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>9,221,798</td>
<td>8,655,668</td>
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<tr>
<td>Scholarships and fellowships</td>
<td>5,952,685</td>
<td>5,510,034</td>
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</tr>
<tr>
<td><strong>Auxiliary enterprises:</strong></td>
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<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>4,104,037</td>
<td>4,571,513</td>
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</tr>
<tr>
<td>Dining facilities</td>
<td>5,073,337</td>
<td>4,546,383</td>
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<td></td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>3,263,232</td>
<td>2,982,208</td>
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<td>Bookstore</td>
<td>2,301,604</td>
<td>2,424,520</td>
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<tr>
<td>Other auxiliary enterprises expenses</td>
<td>3,880,747</td>
<td>3,798,352</td>
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<tr>
<td><strong>Total auxiliary enterprises expenses</strong></td>
<td>9,408,740</td>
<td>9,126,978</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>(39,961,360)</td>
<td>(37,298,095)</td>
<td>2,833,204</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income (loss) before other revenues</strong></td>
<td>911,199</td>
<td>2,833,204</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NONOPERATING REVENUES (EXPENSES):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations</td>
<td>33,471,091</td>
<td>32,485,294</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pell grants</td>
<td>7,014,715</td>
<td>6,922,005</td>
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<tr>
<td>Gifts</td>
<td>938,302</td>
<td>864,858</td>
<td></td>
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<tr>
<td><strong>Investment income</strong></td>
<td>420,862</td>
<td>234,848</td>
<td>891,544</td>
<td>2,356,048</td>
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</tr>
<tr>
<td>Less: Investment expense</td>
<td>(3,918)</td>
<td>(4,425)</td>
<td>887,119</td>
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<td></td>
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<tr>
<td>Interest on indebtedness</td>
<td>(778,732)</td>
<td>(788,455)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Other revenues (expenses), gains and (losses)</td>
<td>(343,089)</td>
<td>(836,454)</td>
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<td></td>
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<tr>
<td>Other affiliated foundation revenues</td>
<td>434,416</td>
<td>397,870</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Other affiliated foundation expenses</td>
<td>(2,207,964)</td>
<td>(2,169,657)</td>
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<td></td>
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<tr>
<td>Transfers (to) from other University System of Maryland institutions</td>
<td>153,328</td>
<td>430,740</td>
<td></td>
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<tr>
<td><strong>Total nonoperating revenues (expenses)</strong></td>
<td>40,872,559</td>
<td>(176,830)</td>
<td>39,965,107</td>
<td>2,833,204</td>
<td></td>
</tr>
<tr>
<td><strong>Income (loss) before other revenues</strong></td>
<td>911,199</td>
<td>(176,830)</td>
<td>2,867,012</td>
<td>2,833,204</td>
<td></td>
</tr>
<tr>
<td><strong>OTHER REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital appropriations</td>
<td>4,540,485</td>
<td>3,581,062</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital gifts and grants</td>
<td>25,726</td>
<td>1,363,592</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions to permanent endowments</td>
<td></td>
<td>750,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total other revenues</strong></td>
<td>4,566,211</td>
<td>5,994,654</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Increase (decrease) in net assets</strong></td>
<td>5,477,410</td>
<td>(176,830)</td>
<td>8,361,666</td>
<td>2,833,204</td>
<td></td>
</tr>
<tr>
<td><strong>Net assets - beginning of year</strong></td>
<td>82,677,568</td>
<td>16,776,980</td>
<td>74,315,902</td>
<td>13,943,776</td>
<td></td>
</tr>
<tr>
<td><strong>Net assets - end of year</strong></td>
<td>$88,154,978</td>
<td>$16,600,150</td>
<td>$82,677,568</td>
<td>$16,776,980</td>
<td></td>
</tr>
</tbody>
</table>
## FROSTBURG STATE UNIVERSITY
### STATEMENT OF CASH FLOWS
#### YEARS ENDED JUNE 30, 2012 AND 2011

### Cash Flows From Operating Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$25,266,572</td>
<td>$24,907,182</td>
</tr>
<tr>
<td>Research contracts and grants</td>
<td>4,234,511</td>
<td>4,469,338</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(59,717,836)</td>
<td>(57,179,045)</td>
</tr>
<tr>
<td>Payments to suppliers and contractors (27,641,030)</td>
<td>(28,548,650)</td>
<td></td>
</tr>
<tr>
<td>Loans issued to students</td>
<td>(208,080)</td>
<td>(110,881)</td>
</tr>
<tr>
<td>Collections of loans to students</td>
<td>192,912</td>
<td>231,257</td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>5,813,943</td>
<td>5,791,644</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>7,361,019</td>
<td>7,229,305</td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>3,065,324</td>
<td>3,006,476</td>
</tr>
<tr>
<td>Bookstore</td>
<td>1,962,941</td>
<td>2,225,461</td>
</tr>
<tr>
<td>Other</td>
<td>4,632,915</td>
<td>4,478,529</td>
</tr>
<tr>
<td>Other receipts</td>
<td>2,250,048</td>
<td>1,751,365</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by operating activities</strong></td>
<td>(32,766,761)</td>
<td>(31,755,519)</td>
</tr>
</tbody>
</table>

### Cash Flows From Noncapital Financing Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>33,471,091</td>
<td>32,485,294</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private gifts for endowment purposes</td>
<td></td>
<td>750,000</td>
</tr>
<tr>
<td>Pell grants</td>
<td>7,014,715</td>
<td>6,922,005</td>
</tr>
<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
<td>40,485,806</td>
<td>40,157,299</td>
</tr>
</tbody>
</table>

### Cash Flows From Capital and Related Financing Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds of capital debt</td>
<td>1,459,453</td>
<td>2,547,553</td>
</tr>
<tr>
<td>Capital appropriations</td>
<td>4,540,485</td>
<td>3,581,062</td>
</tr>
<tr>
<td>Capital grants and gifts received</td>
<td></td>
<td>1,200,000</td>
</tr>
<tr>
<td>Purchases of capital assets</td>
<td>(10,200,972)</td>
<td>(18,186,388)</td>
</tr>
<tr>
<td>Principal paid on debt and capital leases</td>
<td>(3,110,502)</td>
<td>(3,132,442)</td>
</tr>
<tr>
<td>Interest paid on debt and capital leases</td>
<td>(969,154)</td>
<td>(921,319)</td>
</tr>
<tr>
<td>Transfers (to) from other University System of Maryland institutions</td>
<td>296,209</td>
<td>10,209,973</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by capital and related financing activities</strong></td>
<td>(8,004,481)</td>
<td>(4,701,561)</td>
</tr>
</tbody>
</table>

### Cash Flows From Investing Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>2,594</td>
<td>2,703</td>
</tr>
<tr>
<td>Interest on investments</td>
<td>417,332</td>
<td>735,078</td>
</tr>
<tr>
<td>Investment expense</td>
<td>(3,915)</td>
<td>(4,425)</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(7,053)</td>
<td>(4,630)</td>
</tr>
<tr>
<td><strong>Net cash provided by investing activities</strong></td>
<td>408,955</td>
<td>728,726</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>123,519</td>
<td>4,428,945</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents - beginning of the year</td>
<td>28,209,740</td>
<td>23,780,795</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents - end of the year</strong></td>
<td>$28,333,259</td>
<td>$28,209,740</td>
</tr>
<tr>
<td>Component</td>
<td>Institution</td>
<td>Units</td>
</tr>
<tr>
<td>----------</td>
<td>-------------</td>
<td>-------</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$78,575</td>
<td>$2,120,759</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>3,234,801</td>
<td>322,050</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>56,192</td>
<td>94,588</td>
</tr>
<tr>
<td>Inventories</td>
<td>108,085</td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses, deferred charges and other assets</td>
<td>200,310</td>
<td>10,483</td>
</tr>
<tr>
<td>Inter-institutional balances</td>
<td>(5,409,076)</td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>(1,731,113)</td>
<td>2,453,292</td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>169,298</td>
<td>155,094</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>778,550</td>
<td>7,648,921</td>
</tr>
<tr>
<td>Other investments</td>
<td>778,550</td>
<td>815,839</td>
</tr>
<tr>
<td>Notes receivable, net</td>
<td>1,455,594</td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>222,107</td>
<td></td>
</tr>
<tr>
<td><strong>Capital assets, net</strong></td>
<td>278,378,379</td>
<td>273,231,002</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>280,781,821</td>
<td>8,649,578</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$279,050,708</td>
<td>$11,102,870</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$5,420,211</td>
<td>$144,763</td>
</tr>
<tr>
<td>Accrued workers’ compensation, current portion</td>
<td>152,210</td>
<td>190,733</td>
</tr>
<tr>
<td>Accrued vacation costs, current portion</td>
<td>778,736</td>
<td>694,091</td>
</tr>
<tr>
<td>Revenue bonds and notes payable, current portion</td>
<td>828,790</td>
<td>1,072,515</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>1,854,970</td>
<td>2,330,501</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>9,869,290</td>
<td>144,763</td>
</tr>
<tr>
<td>Noncurrent liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued workers’ compensation</td>
<td>2,765,807</td>
<td>1,243,836</td>
</tr>
<tr>
<td>Endowments invested on behalf of primary government</td>
<td>778,550</td>
<td>815,839</td>
</tr>
<tr>
<td>Other payables</td>
<td>15,752</td>
<td>75</td>
</tr>
<tr>
<td>Revenue bonds and notes payable</td>
<td>28,915,720</td>
<td>29,424,666</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>32,151,317</td>
<td>778,625</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>42,370,607</td>
<td>923,388</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(15,088,901)</td>
<td>349,204</td>
</tr>
<tr>
<td>Invested in capital assets, net</td>
<td>247,809,496</td>
<td>242,144,015</td>
</tr>
<tr>
<td>Restricted:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonexpendable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>413,474</td>
<td>413,474</td>
</tr>
<tr>
<td>Other</td>
<td>240,125</td>
<td>6,615,026</td>
</tr>
<tr>
<td>Expendable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>15,572</td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td>3,121,037</td>
<td>1,345,851</td>
</tr>
<tr>
<td>Capital projects</td>
<td>169,206</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>3,215,252</td>
<td></td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>236,680,101</td>
<td>10,179,482</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$279,050,708</td>
<td>$11,102,870</td>
</tr>
</tbody>
</table>
### COPPIN STATE UNIVERSITY

#### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

**YEARS ENDED JUNE 30, 2012 AND 2011**

<table>
<thead>
<tr>
<th>Years ended June 30,</th>
<th>Component Units</th>
<th>Institutions</th>
<th>Component Units</th>
<th>Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING REVENUES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$13,637,933</td>
<td>$15,384,027</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(12,526,064)</td>
<td>(11,839,162)</td>
<td>$1,111,849</td>
<td>(11,356,161)</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>8,099,913</td>
<td>10,315,833</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State and local grants and contracts</td>
<td>1,928,135</td>
<td>1,359,161</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>684,653</td>
<td>1,049,863</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and services of educational departments</td>
<td>798,166</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>3,209,071</td>
<td>3,267,876</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(128,288)</td>
<td>(1,073,111)</td>
<td>3,080,783</td>
<td>3,267,876</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>2,455,863</td>
<td>1,812,498</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>3,026,984</td>
<td>2,010,096</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(946,543)</td>
<td>(2,010,096)</td>
<td>2,080,441</td>
<td>2,010,096</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>1,929,445</td>
<td>1,208,900</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other auxiliary enterprises revenues</td>
<td>2,024,538</td>
<td>3,087,872</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other operating revenues</td>
<td></td>
<td></td>
<td></td>
<td>480,298</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>25,093,786</td>
<td>28,137,252</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| OPERATING EXPENSES: |                 |              |                 |              |
| Instruction          | 27,158,153 | 27,246,503 |              |              |
| Research             | 62,667    | 145,364    |              |              |
| Public service       | 468,543   | 590,971    |              |              |
| Academic support     | 8,659,610 | 8,219,439 |              |              |
| Student services     | 6,449,064 | 6,697,892 |              |              |
| Institutional support | 19,658,274 | 18,600,120 |              |              |
| Operation and maintenance of plant | 9,886,153 | 12,822,874 |              |              |
| Scholarships and fellowships | 390,802 | 517,233 |              |              |
| Auxiliary enterprises: |                 |              |                 |              |
| Residential facilities | 1,795,041 | 2,443,208 |              |              |
| Dining facilities | 2,163,935 | 2,204,839 |              |              |
| Intercollegiate athletics | 3,501,020 | 3,859,265 |              |              |
| Parking facilities | 388,650 | 527,230 |              |              |
| Other auxiliary enterprises expenses | 2,376,166 | 1,387,389 |              |              |
| Total operating expenses | 82,494,078 | 85,162,327 |              |              |
| Operating income (loss) | (67,855,292) | (67,025,075) |              |              |

| NONOPERATING REVENUES (EXPENSES): |                 |              |                 |              |
| State appropriations | 37,943,492 | 37,526,362 |              |              |
| Pell grants | 9,328,728 | 9,391,229 |              |              |
| Gifts | $1,459,181 | $947,099 | (1,073,111) | 3,267,876 |
| Investment income (loss) | (12,622) | 87,666 | 175,542 | 838,629 |
| Less: Investment expense | (2,019) | (3,103) | 172,439 | 1,224,313 |
| Interest on indebtedness | (1,144,783) | (4,674) | 4,143 |              |
| Other revenues (expenses), gains and (losses) | 268,280 | 302,625 | (2,088,764) | (1,495,326) |
| Other affiliated foundation revenues | 222,084 | (2,510,766) |              |              |
| Total nonoperating revenues (expenses) | 46,327,206 | 43,359,104 |              |              |
| Income (loss) before other revenue | (11,528,086) | (3,295,992) | 593,027 | 593,027 |

| OTHER REVENUE: |                 |              |                 |              |
| Capital appropriations | 12,093,572 | 10,370,379 |              |              |
| Total other revenue | 12,093,572 | 10,370,379 |              |              |
| Increase (decrease) in net assets | 565,486 | (3,295,992) | 593,027 | 593,027 |
| Net assets - beginning of year | 236,114,615 | 10,463,119 | 239,410,207 | 9,870,092 |
| Net assets - end of year | $238,680,101 | $10,179,482 | $238,680,101 | $10,463,119 |

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## COPPIN STATE UNIVERSITY
### STATEMENT OF CASH FLOWS
#### YEARS ENDED JUNE 30, 2012 AND 2011

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$4,858,797</td>
<td>$5,934,696</td>
</tr>
<tr>
<td>Research contracts and grants</td>
<td>11,165,170</td>
<td>13,989,117</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(51,971,880)</td>
<td>(50,844,735)</td>
</tr>
<tr>
<td>Payments to suppliers and contractors</td>
<td>(21,911,649)</td>
<td>(25,540,521)</td>
</tr>
<tr>
<td>Loans issued to students</td>
<td>(672,491)</td>
<td>(186,464)</td>
</tr>
<tr>
<td>Collections of loans to students</td>
<td>38,396</td>
<td>32,004</td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>3,080,783</td>
<td>3,267,876</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>2,455,863</td>
<td>1,812,498</td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>2,080,441</td>
<td>2,010,096</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>1,929,445</td>
<td>1,208,900</td>
</tr>
<tr>
<td>Other</td>
<td>2,594,351</td>
<td>2,833,488</td>
</tr>
<tr>
<td>Other receipts</td>
<td>221,679</td>
<td>738,828</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by operating activities</strong></td>
<td>(46,131,095)</td>
<td>(44,744,217)</td>
</tr>
</tbody>
</table>

| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** |               |               |
| State appropriations | 37,943,492    | 37,526,362    |
| Pell grants | 9,328,728     | 9,391,229     |
| **Net cash provided by noncapital financing activities** | 47,272,220    | 46,917,591    |

| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** |               |               |
| Proceeds of capital debt | 2,274,485     | 2,197,151     |
| Capital appropriations | 12,063,572    | 10,370,379    |
| Purchases of capital assets | (14,261,887) | (18,942,131) |
| Principal paid on debt and capital leases | (3,839,081)   | (2,889,303)   |
| Interest paid on debt and capital leases | (1,224,884)   | (1,324,423)   |
| Transfers (to) from other University System of Maryland institutions | 3,808,609     | 3,362,764     |
| **Net cash provided (used) by capital and related financing activities** | (1,148,186)   | (5,025,563)   |

<p>| <strong>CASH FLOWS FROM INVESTING ACTIVITIES:</strong> |               |               |
| Proceeds from sales and maturities of investments | 39,284        | 39,213        |
| Interest on investments | 14,617        | 47,450        |
| Investment expense | (3,019)       | (3,103)       |
| <strong>Net cash provided by investing activities</strong> | 21,648        | 83,560        |
| <strong>Net increase (decrease) in cash and cash equivalents</strong> | 13,587        | (2,768,629)   |
| <strong>Cash and cash equivalents - beginning of the year</strong> | 234,286       | 3,002,915     |
| <strong>Cash and cash equivalents - end of the year</strong> | $247,873      | $234,286      |</p>
<table>
<thead>
<tr>
<th>Component</th>
<th>Institution</th>
<th>Units</th>
<th>Component</th>
<th>Institution</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$33,072,596</td>
<td></td>
<td>$20,727,745</td>
<td></td>
<td>$24,869,299</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>3,686,744</td>
<td></td>
<td>6,796,379</td>
<td></td>
<td>3,521,968</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>490,682</td>
<td></td>
<td>486,682</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses, deferred charges and other assets</td>
<td>304,196</td>
<td></td>
<td>58,570</td>
<td></td>
<td>79,719</td>
</tr>
<tr>
<td>Inter-institutional balances</td>
<td>(8,177,943)</td>
<td></td>
<td>(8,558,163)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total current assets</td>
<td>29,380,275</td>
<td></td>
<td>27,542,694</td>
<td></td>
<td>20,399,105</td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>146,516</td>
<td></td>
<td>139,712</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment investments</td>
<td>39,508,346</td>
<td></td>
<td></td>
<td>40,861,367</td>
<td></td>
</tr>
<tr>
<td>Notes receivable, net</td>
<td>3,462,804</td>
<td></td>
<td></td>
<td>2,562,752</td>
<td></td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>145,822,908</td>
<td></td>
<td>1,371,285</td>
<td></td>
<td>106,521,189</td>
</tr>
<tr>
<td>Total noncurrent assets</td>
<td>149,432,228</td>
<td></td>
<td>40,879,631</td>
<td></td>
<td>109,223,653</td>
</tr>
<tr>
<td><strong>Total asset</strong></td>
<td>$178,812,503</td>
<td></td>
<td>$68,422,325</td>
<td></td>
<td>$129,622,758</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
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<td>Accrued vacation costs, current portion</td>
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<td>Revenue bonds and notes payable, current portion</td>
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<td>Noncurrent liabilities:</td>
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<td>Accrued workers’ compensation</td>
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<td>Accrued vacation costs</td>
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<td>Revenue bonds and notes payable</td>
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<td>26,873,723</td>
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<td>Total noncurrent liabilities</td>
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<td><strong>Total liabilities</strong></td>
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<td>45,561,939</td>
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<td><strong>NET ASSETS</strong></td>
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<td>Unrestricted</td>
<td>10,654,798</td>
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<td>Invested in capital assets, net</td>
<td>119,379,058</td>
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<td>Restricted:</td>
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<td>Non-expendable:</td>
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<td>Scholarships and fellowships</td>
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<td>Scholarships and fellowships</td>
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<td>1,726,628</td>
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<td>Loans</td>
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<td>Capital projects</td>
<td>146,516</td>
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<td>139,712</td>
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<td>Other</td>
<td>22,380,071</td>
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<td>24,361,196</td>
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<tr>
<td><strong>Total net assets</strong></td>
<td>134,133,858</td>
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<td>67,494,614</td>
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<td>84,060,819</td>
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<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$178,812,503</td>
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<td>$68,422,325</td>
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<td>$129,622,758</td>
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UNIVERSITY OF BALTIMORE
BALANCE SHEET
JUNE 30, 2012 AND 2011
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<th>Institution</th>
<th>Component</th>
<th>Units</th>
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<td>Tuition and fees</td>
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<td>$63,527,504</td>
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<td>Less: scholarship allowances</td>
<td>(15,055,528)</td>
<td>(14,409,036)</td>
<td>$49,818,488</td>
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<td>Federal grants and contracts</td>
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<td>1,588,055</td>
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<td>6,778,538</td>
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<td>Nongovernmental grants and contracts</td>
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<td>2,246,827</td>
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<td>Sales and services of educational departments</td>
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<td>Auxiliary enterprises:</td>
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<tr>
<td>Parking facilities</td>
<td>1,026,402</td>
<td>1,275,896</td>
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<td>Other auxiliary enterprises revenues</td>
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<td>7,434,180</td>
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<td>Other operating revenues</td>
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<td>110,866</td>
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<td><strong>Total operating revenues</strong></td>
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<td>68,777,221</td>
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<td>Operation and maintenance of plant</td>
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<td>Auxiliary enterprises:</td>
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<tr>
<td>Parking facilities</td>
<td>959,683</td>
<td>311,051</td>
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<td>Other auxiliary enterprises expenses</td>
<td>4,475,157</td>
<td>5,449,986</td>
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<td><strong>Total operating expenses</strong></td>
<td>94,796,034</td>
<td>97,176,705</td>
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<td><strong>Operating income (loss)</strong></td>
<td>(24,740,545)</td>
<td>(28,399,484)</td>
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<td><strong>NONOPERATING REVENUES (EXPENSES):</strong></td>
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</tr>
<tr>
<td>State appropriations</td>
<td>30,321,428</td>
<td>29,720,042</td>
<td></td>
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</tr>
<tr>
<td>Pell grants</td>
<td>6,436,872</td>
<td>6,644,033</td>
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<td>Gifts</td>
<td>4,081,688</td>
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<td>Investment income (loss)</td>
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<td>765,066</td>
<td>7,540,817</td>
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<td>Interest on indebtedness</td>
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<td>Other affiliated foundation revenues</td>
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<td>Other affiliated foundation expenses</td>
<td>(2,757,177)</td>
<td>(2,489,078)</td>
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<td>Transfers (ts) from other University System of Maryland institutions</td>
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<td>(3,041,192)</td>
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<td><strong>Total nonoperating revenues (expenses)</strong></td>
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<td>32,517,003</td>
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<td><strong>Income before other revenue</strong></td>
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<td>7,544,523</td>
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<td><strong>OTHER REVENUE:</strong></td>
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<tr>
<td>Capital appropriations</td>
<td>41,749,262</td>
<td>19,516,643</td>
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<tr>
<td><strong>Total other revenue</strong></td>
<td>41,749,262</td>
<td>19,516,643</td>
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<tr>
<td><strong>Increase in net assets</strong></td>
<td>50,073,039</td>
<td>23,634,162</td>
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<tr>
<td><strong>Net assets - beginning of year</strong></td>
<td>84,060,819</td>
<td>66,165,652</td>
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<tr>
<td><strong>Net assets - end of year</strong></td>
<td>$134,133,858</td>
<td>$87,494,614</td>
<td>$84,060,819</td>
<td>$66,165,652</td>
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<td>CASH FLOWS FROM OPERATING ACTIVITIES:</td>
<td>Years ended June 30,</td>
<td>2012</td>
<td>2011</td>
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<tr>
<td>Tuition and fees</td>
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<td>Research contracts and grants</td>
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<td>Payments to employees</td>
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<td>(69,104,256)</td>
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<td>Payments to suppliers and contractors</td>
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<td>Loans issued to students</td>
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<td>Collections of loans to students</td>
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<td>744,911</td>
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<tr>
<td>Auxiliary enterprises:</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Parking facilities</td>
<td>1,026,402</td>
<td>1,275,896</td>
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<td>Other</td>
<td>7,580,879</td>
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<td>Other receipts</td>
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<td>2,245,156</td>
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<td><strong>Net cash provided (used) by operating activities</strong></td>
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<td>(21,274,170)</td>
<td>(23,015,905)</td>
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<table>
<thead>
<tr>
<th>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</th>
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</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>30,321,428</td>
<td>29,720,042</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pell grants</td>
<td>6,436,872</td>
<td>6,644,033</td>
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<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
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<td>36,758,100</td>
<td>36,364,075</td>
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<table>
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<th>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</th>
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<tr>
<td>Proceeds of capital debt</td>
<td>5,389,820</td>
<td>5,478,391</td>
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<tr>
<td>Capital appropriations</td>
<td>41,745,262</td>
<td>19,516,043</td>
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<tr>
<td>Purchases of capital assets</td>
<td>(43,241,070)</td>
<td>(21,020,484)</td>
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<td>Principal paid on debt and capital leases</td>
<td>(6,898,508)</td>
<td>(7,673,930)</td>
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<td>Interest paid on debt and capital leases</td>
<td>(1,168,064)</td>
<td>(1,264,507)</td>
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<td>Transfers (to) from other University System of Maryland institutions</td>
<td>(3,772,576)</td>
<td>(2,893,155)</td>
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<td><strong>Net cash provided (used) by capital and related financing activities</strong></td>
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<td>(7,941,136)</td>
<td>(7,857,042)</td>
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<table>
<thead>
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<th>CASH FLOWS FROM INVESTING ACTIVITIES:</th>
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<tr>
<td>Interest on investments</td>
<td>667,367</td>
<td>153,265</td>
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<tr>
<td><strong>Net cash provided by investing activities</strong></td>
<td></td>
<td>667,367</td>
<td>153,265</td>
<td></td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>8,210,101</td>
<td>5,644,393</td>
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<td>Cash and cash equivalents - beginning of the year</td>
<td>25,009,011</td>
<td>19,364,618</td>
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<td><strong>Cash and cash equivalents - end of the year</strong></td>
<td>$33,219,112</td>
<td>$25,009,011</td>
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## Balance Sheet

### June 30, 2012 and 2011

#### ASSETS

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<th>Component</th>
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<th>Component Units</th>
<th>Institution</th>
<th>Component Units</th>
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<td><strong>Current assets:</strong></td>
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<td>Cash and cash equivalents</td>
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<td>1,133,918</td>
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<td>Notes receivable, current portion</td>
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<td>Inventories</td>
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<td>128,642</td>
<td>1,194,637</td>
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<td>Prepaid expenses, deferred charges and other assets</td>
<td>257,124</td>
<td>296,565</td>
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<tr>
<td><strong>Total current assets</strong></td>
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<td>68,142,803</td>
<td>3,537,101</td>
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<td><strong>Noncurrent assets:</strong></td>
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<tr>
<td>Restricted cash and cash equivalents</td>
<td>37</td>
<td>44,329</td>
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<tr>
<td>Accounts receivable, net</td>
<td>6,105,924</td>
<td>190,018</td>
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<td>Endowment investments</td>
<td>2,112,844</td>
<td>2,096,199</td>
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<td></td>
</tr>
<tr>
<td>Notes receivable, net</td>
<td>877,615</td>
<td>1,035,130</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>308,136,813</td>
<td>1,399,253</td>
<td>301,741,366</td>
<td>1,403,029</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>309,014,465</td>
<td>54,195,081</td>
<td>302,820,825</td>
<td>49,279,804</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$394,773,052</td>
<td>$56,143,655</td>
<td>$370,963,628</td>
<td>$52,816,905</td>
</tr>
</tbody>
</table>

#### LIABILITIES

<table>
<thead>
<tr>
<th>Component</th>
<th>Institution</th>
<th>Component Units</th>
<th>Institution</th>
<th>Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$10,538,084</td>
<td>$191,963</td>
<td>$8,235,686</td>
<td>$174,919</td>
</tr>
<tr>
<td>Accrued workers' compensation, current portion</td>
<td>191,890</td>
<td>167,920</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued vacation costs, current portion</td>
<td>1,772,314</td>
<td>1,765,360</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue bonds and notes payable, current portion</td>
<td>7,017,455</td>
<td>5,487,854</td>
<td>1,909,998</td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>2,211,727</td>
<td>2,550,857</td>
<td>220,286</td>
<td></td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>21,731,470</td>
<td>400,711</td>
<td>18,207,277</td>
<td>2,305,203</td>
</tr>
<tr>
<td><strong>Noncurrent liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued workers' compensation</td>
<td>1,046,110</td>
<td>915,436</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued vacation costs</td>
<td>1,655,062</td>
<td>1,587,416</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue bonds and notes payable</td>
<td>93,360,652</td>
<td>1,893,070</td>
<td>86,752,905</td>
<td></td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>96,061,824</td>
<td>4,623,219</td>
<td>89,257,757</td>
<td>3,005,967</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>117,793,294</td>
<td>5,023,930</td>
<td>107,465,034</td>
<td>5,311,170</td>
</tr>
</tbody>
</table>

#### NET ASSETS

<table>
<thead>
<tr>
<th>Component</th>
<th>Institution</th>
<th>Component Units</th>
<th>Institution</th>
<th>Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>67,983,642</td>
<td>4,422,404</td>
<td>52,698,250</td>
<td>1,733,201</td>
</tr>
<tr>
<td>Invested in capital assets, net</td>
<td>207,756,706</td>
<td>529,498,896</td>
<td>209,698,906</td>
<td></td>
</tr>
<tr>
<td><strong>Restricted:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonexpendable:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>11,384,139</td>
<td>11,330,594</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>1,780,633</td>
<td>210,633</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>11,989,812</td>
<td>11,900,819</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expendable:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>3,662,318</td>
<td>4,808,939</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>18,305</td>
<td>18,305</td>
<td>502,128</td>
<td>601,456</td>
</tr>
<tr>
<td>Loans</td>
<td>1,219,068</td>
<td>1,238,904</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital projects</td>
<td>37</td>
<td>44,329</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>18,630,291</td>
<td>16,920,093</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>276,979,758</td>
<td>51,119,725</td>
<td>263,498,594</td>
<td>47,505,735</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$394,773,052</td>
<td>$56,143,655</td>
<td>$370,963,628</td>
<td>$52,816,905</td>
</tr>
</tbody>
</table>
### OPERATING REVENUES:

<table>
<thead>
<tr>
<th>Component</th>
<th>Units</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$59,538,202</td>
<td>$53,382,779</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(11,745,439)</td>
<td>(10,857,320)</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>1,305,692</td>
<td>1,490,403</td>
</tr>
<tr>
<td>State and local grants and contracts</td>
<td>2,680,081</td>
<td>2,413,861</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>1,221,687</td>
<td>1,252,365</td>
</tr>
<tr>
<td>Sales and services of educational departments</td>
<td>255,319</td>
<td>122,961</td>
</tr>
</tbody>
</table>

#### Auxiliary enterprises:

<table>
<thead>
<tr>
<th>Nature of Service</th>
<th>Units</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential facilities</td>
<td>22,687,228</td>
<td>16,199,196</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(490,432)</td>
<td>(396)</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>13,150,993</td>
<td>12,000,674</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(567)</td>
<td>(9,580)</td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>5,787,050</td>
<td>5,009,040</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bookstore</td>
<td>4,954,524</td>
<td>4,999,340</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>575,618</td>
<td>647,217</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other auxiliary enterprises revenues</td>
<td>1,843,467</td>
<td>1,473,899</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(180)</td>
<td>(142)</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>159,049</td>
<td>205,259</td>
</tr>
</tbody>
</table>

#### Total operating revenues

2012: $101,901,712  
2011: $87,677,125

### OPERATING EXPENSES:

<table>
<thead>
<tr>
<th>Component</th>
<th>Units</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>45,750,869</td>
<td>41,786,592</td>
</tr>
<tr>
<td>Research</td>
<td>746,734</td>
<td>845,190</td>
</tr>
<tr>
<td>Public service</td>
<td>5,516,945</td>
<td>4,438,078</td>
</tr>
<tr>
<td>Academic support</td>
<td>8,443,474</td>
<td>7,992,312</td>
</tr>
<tr>
<td>Student services</td>
<td>5,321,086</td>
<td>5,486,813</td>
</tr>
<tr>
<td>Institutional support</td>
<td>13,851,040</td>
<td>12,828,364</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>20,487,009</td>
<td>13,975,142</td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>115,830</td>
<td>445,115</td>
</tr>
</tbody>
</table>

#### Auxiliary enterprises:

<table>
<thead>
<tr>
<th>Nature of Service</th>
<th>Units</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential facilities</td>
<td>11,298,741</td>
<td>7,634,149</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>11,781,909</td>
<td>10,579,591</td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>4,167,441</td>
<td>3,608,993</td>
</tr>
<tr>
<td>Bookstore</td>
<td>4,641,996</td>
<td>4,442,724</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>733,661</td>
<td>585,326</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other auxiliary enterprises expenses</td>
<td>2,330,010</td>
<td>2,511,301</td>
</tr>
</tbody>
</table>

#### Total operating expenses

2012: $135,129,525  
2011: $117,359,520

### NONOPERATING REVENUES (EXPENSES):

<table>
<thead>
<tr>
<th>Component</th>
<th>Units</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>39,566,615</td>
<td>38,889,694</td>
</tr>
<tr>
<td>Gift</td>
<td>7,164,420</td>
<td>6,941,518</td>
</tr>
<tr>
<td>Gifts</td>
<td>949,332</td>
<td>(675,705)</td>
</tr>
<tr>
<td>Investment income (loss)</td>
<td>1,520,144</td>
<td>8,344,351</td>
</tr>
<tr>
<td>Interest on indebtedness</td>
<td>(3,167,689)</td>
<td>(3,167,689)</td>
</tr>
<tr>
<td>Other revenues (expenses), gains and (losses)</td>
<td>(353,231)</td>
<td>(10,624,489)</td>
</tr>
<tr>
<td>Other affiliated foundation revenues</td>
<td>1,904,263</td>
<td>2,232,499</td>
</tr>
<tr>
<td>Other affiliated foundation expenses</td>
<td>(7,628,047)</td>
<td>(1,361,089)</td>
</tr>
<tr>
<td>Transfers (to) from other University System of Maryland institutions</td>
<td>(2,202,119)</td>
<td>(1,361,089)</td>
</tr>
</tbody>
</table>

#### Total nonoperating revenues (expenses)

2012: $41,767,381  
2011: $3,613,960

#### Income (loss) before other revenues

2012: $8,539,568  
2011: $3,613,960

### OTHER REVENUES:

<table>
<thead>
<tr>
<th>Component</th>
<th>Units</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital appropriations</td>
<td>4,869,765</td>
<td>21,332,416</td>
</tr>
<tr>
<td>Capital gifts and grants</td>
<td>71,830</td>
<td>682,137</td>
</tr>
</tbody>
</table>

#### Total other revenues

2012: $4,941,596  
2011: $22,214,553

#### Increase in net assets

2012: $34,761,405  
2011: $3,781,798

#### Net assets, beginning of year

2012: $263,498,594  
2011: $47,505,735

#### Net assets, end of year

2012: $276,979,758  
2011: $51,119,725

68
SALISBURY UNIVERSITY
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2012 AND 2011

CASH FLOWS FROM OPERATING ACTIVITIES:

<table>
<thead>
<tr>
<th>Activity</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$47,385,614</td>
<td>$43,460,661</td>
</tr>
<tr>
<td>Research contracts and grants</td>
<td>4,993,248</td>
<td>5,167,701</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(86,506,899)</td>
<td>(82,152,940)</td>
</tr>
<tr>
<td>Payments to suppliers and contractors</td>
<td>(35,258,829)</td>
<td>(26,750,335)</td>
</tr>
<tr>
<td>Loans issued to students</td>
<td>(83,000)</td>
<td>(74,500)</td>
</tr>
<tr>
<td>Collections of loans to students</td>
<td>227,673</td>
<td>286,330</td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>22,206,789</td>
<td>15,517,993</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>13,182,392</td>
<td>11,935,344</td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>5,767,797</td>
<td>5,006,384</td>
</tr>
<tr>
<td>Bookstore</td>
<td>4,954,524</td>
<td>4,999,340</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>575,618</td>
<td>647,217</td>
</tr>
<tr>
<td>Other</td>
<td>1,844,543</td>
<td>1,467,364</td>
</tr>
<tr>
<td>Other receipts (payments)</td>
<td>787,726</td>
<td>(57,231)</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by operating activities</strong></td>
<td>(19,922,804)</td>
<td>(20,526,672)</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Activity</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>39,596,615</td>
<td>38,589,594</td>
</tr>
<tr>
<td>Pell grants</td>
<td>7,164,420</td>
<td>6,941,518</td>
</tr>
<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
<td>46,761,035</td>
<td>45,531,112</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Activity</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds of capital debt</td>
<td>5,629,688</td>
<td>11,984,356</td>
</tr>
<tr>
<td>Capital appropriations</td>
<td>4,869,765</td>
<td>21,332,416</td>
</tr>
<tr>
<td>Capital grants and gifts received</td>
<td>71,831</td>
<td>882,137</td>
</tr>
<tr>
<td>Purchases of capital assets</td>
<td>(17,798,848)</td>
<td>(69,919,087)</td>
</tr>
<tr>
<td>Principal paid on debt and capital leases</td>
<td>(9,615,553)</td>
<td>(9,590,699)</td>
</tr>
<tr>
<td>Interest paid on debt and capital leases</td>
<td>(3,807,650)</td>
<td>(3,108,212)</td>
</tr>
<tr>
<td>Transfers (to) from other University System of Maryland institutions</td>
<td>10,188,355</td>
<td>25,709,572</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by capital and related financing activities</strong></td>
<td>(10,462,412)</td>
<td>(19,710,397)</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM INVESTING ACTIVITIES:

<table>
<thead>
<tr>
<th>Activity</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on investments</td>
<td>949,332</td>
<td>1,520,144</td>
</tr>
<tr>
<td><strong>Net cash provided by investing activities</strong></td>
<td>949,332</td>
<td>1,520,144</td>
</tr>
</tbody>
</table>

**Net increase in cash and cash equivalents** | 17,325,151 | 7,814,187 |

**Cash and cash equivalents - beginning of the year** | 65,505,470 | 57,691,283 |

**Cash and cash equivalents - end of the year** | $82,830,621 | $65,505,470 |
UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE
BALANCE SHEET
JUNE 30, 2012 AND 2011

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>June 30, 2012</th>
<th>Component</th>
<th>Units</th>
<th>June 30, 2011</th>
<th>Component</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$241,930,759</td>
<td>$200,229,434</td>
<td>816,661</td>
<td>$1,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>34,099,295</td>
<td>32,523,688</td>
<td>816,661</td>
<td>977,379</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>160,278</td>
<td>193,272</td>
<td>645,862</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>1,794,266</td>
<td>2,951,711</td>
<td>645,862</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses, deferred charges and other assets</td>
<td>1,654,504</td>
<td>2,013,378</td>
<td>645,862</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inter-institutional balances</td>
<td>596,620</td>
<td>645,862</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>$280,235,722</td>
<td>$238,557,470</td>
<td>835,661</td>
<td>978,879</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>433,865</td>
<td>744,345</td>
<td>433,865</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment investments</td>
<td>142,872</td>
<td>10,113,845</td>
<td>142,872</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other investments</td>
<td>6,689,063</td>
<td>6,200,447</td>
<td>6,689,063</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, net</td>
<td>1,179,480</td>
<td>10,420</td>
<td>1,179,480</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>171,447,896</td>
<td>1,243,144</td>
<td>171,447,896</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>10,420</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>$172,770,248</td>
<td>$159,798,250</td>
<td>20,660,114</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$453,005,970</td>
<td>$398,355,720</td>
<td>21,495,775</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>June 30, 2012</th>
<th>Component</th>
<th>Units</th>
<th>June 30, 2011</th>
<th>Component</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$20,027,052</td>
<td>$20,023,848</td>
<td>142,865</td>
<td>$744,345</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued workers’ compensation, current portion</td>
<td>141,515</td>
<td>154,520</td>
<td>142,865</td>
<td>151,601</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued vacation costs, current portion</td>
<td>6,167,003</td>
<td>5,980,236</td>
<td>142,865</td>
<td>151,601</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>40,384,370</td>
<td>20,660,114</td>
<td>142,865</td>
<td>151,601</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>$66,719,940</td>
<td>$68,232,599</td>
<td>142,865</td>
<td>151,601</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued workers’ compensation</td>
<td>771,485</td>
<td>842,386</td>
<td>142,865</td>
<td>151,601</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowments invested on behalf of primary government</td>
<td>4,709,685</td>
<td>5,158,631</td>
<td>142,865</td>
<td>151,601</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>5,481,170</td>
<td>6,001,017</td>
<td>142,865</td>
<td>151,601</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>72,201,110</td>
<td>74,232,599</td>
<td>142,865</td>
<td>151,601</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th>June 30, 2012</th>
<th>Component</th>
<th>Units</th>
<th>June 30, 2011</th>
<th>Component</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>207,658,094</td>
<td>164,031,192</td>
<td>5,417,233</td>
<td>5,389,753</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets, net</td>
<td>171,447,896</td>
<td>158,403,499</td>
<td>5,417,233</td>
<td>5,389,753</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonexpendable:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>29,423</td>
<td>2,451,173</td>
<td>29,423</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>141,515</td>
<td>151,601</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>5,980,236</td>
<td>6,001,017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expendable:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>58,050</td>
<td>3,405,938</td>
<td>2,982,012</td>
<td>66,896</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>1,931,509</td>
<td>1,815,013</td>
<td>1,931,509</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td>1,611,397</td>
<td>5,490,250</td>
<td>1,592,111</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>4,816,315</td>
<td>5,490,250</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>380,804,860</td>
<td>324,123,121</td>
<td>21,352,908</td>
<td>21,236,222</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$453,005,970</td>
<td>$398,355,720</td>
<td>$21,387,823</td>
<td>$21,387,823</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Component</td>
<td>Units 2012</td>
<td>Units 2011</td>
<td>Units 2012</td>
<td>Units 2011</td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>YEARS ENDED JUNE 30, 2012 AND 2011</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**OPERATING REVENUES:**

<table>
<thead>
<tr>
<th>Component</th>
<th>Units 2012</th>
<th>Units 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$324,646,104</td>
<td>$282,958,171</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(21,841,765)</td>
<td>(19,626,330)</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>$1,746,164</td>
<td>$2,333,813</td>
</tr>
<tr>
<td>State and local grants and contracts</td>
<td>$2,437,784</td>
<td>$1,862,096</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>$3,016,079</td>
<td>$2,348,602</td>
</tr>
<tr>
<td>Sales and services of educational departments</td>
<td>$2,047,019</td>
<td>$2,257,432</td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bookstore</td>
<td>6,134,695</td>
<td>5,972,589</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>166,616</td>
<td>331,542</td>
</tr>
<tr>
<td>Other auxiliary enterprises revenues</td>
<td>720</td>
<td>5,819</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>15,566,387</td>
<td>16,803,288</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>$333,921,803</td>
<td>$295,747,013</td>
</tr>
</tbody>
</table>

**OPERATING EXPENSES:**

<table>
<thead>
<tr>
<th>Component</th>
<th>Units 2012</th>
<th>Units 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>$95,128,643</td>
<td>$88,405,728</td>
</tr>
<tr>
<td>Research</td>
<td>340,489</td>
<td>111,049</td>
</tr>
<tr>
<td>Public service</td>
<td>14,136,597</td>
<td>14,172,181</td>
</tr>
<tr>
<td>Academic support</td>
<td>65,654,850</td>
<td>47,316,453</td>
</tr>
<tr>
<td>Student services</td>
<td>73,390,880</td>
<td>66,955,368</td>
</tr>
<tr>
<td>Institutional support</td>
<td>40,947,779</td>
<td>46,737,119</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>20,489,398</td>
<td>17,198,232</td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>22,308,119</td>
<td>22,362,998</td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bookstore</td>
<td>5,638,912</td>
<td>5,382,222</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>1,067,706</td>
<td>1,114,075</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>$339,102,573</td>
<td>$309,423,415</td>
</tr>
</tbody>
</table>

**Operating income (loss):**

<table>
<thead>
<tr>
<th>Units 2012</th>
<th>Units 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>(5,180,770)</td>
<td>(13,676,402)</td>
</tr>
</tbody>
</table>

**NONOPERATING REVENUES (EXPENSES):**

<table>
<thead>
<tr>
<th>Component</th>
<th>Units 2012</th>
<th>Units 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>32,759,494</td>
<td>31,190,196</td>
</tr>
<tr>
<td>Pell grants</td>
<td>26,139,724</td>
<td>26,248,884</td>
</tr>
<tr>
<td>Gifts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income (loss)</td>
<td>2,183,380</td>
<td>$1,145,367</td>
</tr>
<tr>
<td>Public service</td>
<td>103,309</td>
<td>3,131,232</td>
</tr>
<tr>
<td>Academic support</td>
<td>(851)</td>
<td>2,182,819</td>
</tr>
<tr>
<td>Student services</td>
<td>(875)</td>
<td>3,130,557</td>
</tr>
<tr>
<td>Institutional support</td>
<td></td>
<td>(741)</td>
</tr>
<tr>
<td>Other revenues (expenses), gains and (losses)</td>
<td>(740,079)</td>
<td>(71,246)</td>
</tr>
<tr>
<td>Other affiliated foundation revenues</td>
<td>7,792</td>
<td>7,494</td>
</tr>
<tr>
<td>Other affiliated foundation expenses</td>
<td>(1,136,792)</td>
<td>(2,191,471)</td>
</tr>
<tr>
<td>Transfers (to) from other University System of Maryland institutions</td>
<td>(479,449)</td>
<td>(286,064)</td>
</tr>
<tr>
<td><strong>Total nonoperating revenues (expenses)</strong></td>
<td>61,862,509</td>
<td>116,688</td>
</tr>
<tr>
<td><strong>Increase in net assets</strong></td>
<td>56,681,739</td>
<td>116,688</td>
</tr>
<tr>
<td><strong>Net assets - beginning of period</strong></td>
<td>324,123,121</td>
<td>21,236,222</td>
</tr>
<tr>
<td><strong>Net assets - end of period</strong></td>
<td>$380,804,860</td>
<td>$21,352,908</td>
</tr>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES:</td>
<td>Years ended June 30,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$295,451,727</td>
<td>$280,386,709</td>
</tr>
<tr>
<td>Research contracts and grants</td>
<td>10,953,546</td>
<td>8,238,705</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(195,209,197)</td>
<td>(178,764,837)</td>
</tr>
<tr>
<td>Payments to suppliers and contractors</td>
<td>(138,566,851)</td>
<td>(117,263,882)</td>
</tr>
<tr>
<td>Loans issued to students</td>
<td>(96,784)</td>
<td>(131,581)</td>
</tr>
<tr>
<td>Collections of loans to students</td>
<td>193,452</td>
<td>172,531</td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Bookstore</td>
<td>6,134,695</td>
<td>5,972,589</td>
</tr>
<tr>
<td>- Parking facilities</td>
<td>166,616</td>
<td>331,542</td>
</tr>
<tr>
<td>- Other</td>
<td>720</td>
<td>5,810</td>
</tr>
<tr>
<td>Other receipts</td>
<td>16,726,048</td>
<td>18,307,664</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td><strong>5,733,962</strong></td>
<td><strong>15,235,250</strong></td>
</tr>
</tbody>
</table>

| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES |  |
| State appropriations                  | 32,759,494  | 31,190,196   |
| Pell grants                           | 28,139,724  | 26,348,696   |
| **Net cash provided by noncapital financing activities** | **60,899,218** | **57,438,882** |

| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES |  |
| Proceeds from sales of capital assets | 808,612      | 79,422       |
| Purchases of capital assets          | (27,501,939) | (24,531,887) |
| Principal paid on debt and capital leases | (2,176)     | (1,025)     |
| Interest paid on debt and capital leases | (4,082)   | (503,785)   |
| Transfers (to) from other University System of Maryland institutions | (27,123,409) | (24,959,451) |
| **Net cash provided (used) by capital and related financing activities** | **(27,123,409)** | **(24,959,451)** |

| CASH FLOWS FROM INVESTING ACTIVITIES: |  |
| Proceeds from sales and maturities of investments | 9,057        | 9,533        |
| Interest on investments                   | 2,183,058    | 3,107,445    |
| Investment expense                        | (851)        | (679)        |
| **Net cash provided by investing activities** | **2,191,554** | **3,116,303** |
| Net increase in cash and cash equivalents | 41,701,325   | 50,830,984   |
| Cash and cash equivalents - beginning of the year | 200,229,434  | 149,398,450  |
| **Cash and cash equivalents - end of the year** | **$241,930,759** | **$200,229,434** |
### UNIVERSITY OF MARYLAND, BALTIMORE COUNTY

**BALANCE SHEET**

**JUNE 30, 2012 AND 2011**

<table>
<thead>
<tr>
<th>Component</th>
<th>Institution</th>
<th>Units</th>
<th>Component</th>
<th>Institution</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$81,285,485</td>
<td>$629,027</td>
<td>$54,432,718</td>
<td>$637,920</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>14,517,391</td>
<td>2,878,706</td>
<td>25,187,437</td>
<td>4,568,507</td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>379,954</td>
<td>52,122</td>
<td>362,713</td>
<td>54,135</td>
<td></td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>417,696</td>
<td>446,878</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses, deferred charges and other assets</td>
<td>123,889</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inter-institutional balances</td>
<td>(948,387)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total current assets</td>
<td>97,655,218</td>
<td>3,559,855</td>
<td>80,628,974</td>
<td>5,260,562</td>
<td></td>
</tr>
</tbody>
</table>

| Noncurrent assets: | | | | | |
| Restricted cash and cash equivalents | 1,426,894 | 1,267,629 | |
| Accounts receivable, net | 1,583,662 | 58,071,565 | 1,610,974 | 58,309,864 |
| Other investments | 18,796,002 | 17,997,223 | |
| Notes receivable, net | 1,557,164 | 1,857,057 | |
| Capital assets, net | 320,345,024 | 2,905,722 | 287,842,297 | 2,965,454 |
| Total noncurrent assets | 324,912,744 | 80,741,343 | 292,577,957 | 82,104,246 |
| Total assets | $422,567,962 | $84,301,198 | $373,206,931 | $87,364,808 |

| Liabilities | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | $21,018,854 | $391,709 | $20,487,998 | $449,629 |
| Accrued workers' compensation, current portion | 186,310 | 46,211 | 188,850 | 46,752 |
| Accrued vacation costs, current portion | 7,331,220 | 7,610,006 | |
| Revenue bonds and notes payable, current portion | 3,467,945 | 47,850 | 3,185,114 | 46,357 |
| Deferred revenue | 12,739,894 | 6,172,558 | 11,871,515 | 5,805,800 |
| Total current liabilities | 47,744,223 | 6,612,117 | 47,553,483 | 6,301,586 |

| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 1,015,690 | 1,029,537 | |
| Accrued vacation costs | 3,403,330 | 3,598,344 | |
| Endowments invested on behalf of primary government | 1,583,660 | 1,610,971 | |
| Other payables | 980,739 | 1,085,454 | |
| Revenue bonds and notes payable | 92,321,188 | 379,415 | 93,018,528 | 427,265 |
| Total noncurrent liabilities | 96,740,208 | 2,943,814 | 97,646,409 | 3,127,690 |
| Total liabilities | $144,484,431 | 9,555,931 | $145,199,892 | 9,429,276 |

| Net assets | | | | |
| Unrestricted | 52,995,411 | 15,633,827 | 36,859,300 | 15,952,794 |
| Invested in capital assets, net | 221,555,892 | 187,428,655 | |
| Restricted: | | | | |
| Nonexpendable: | 130,474 | 25,488,803 | 130,474 | 22,767,233 |
| Scholarships and fellowships | 710,598 | | 543,313 | |
| Other | 19,661,959 | | 24,658,895 | |
| Expendable: | | | | |
| Scholarships and fellowships | 4,060,900 | 4,433,333 | |
| Research | 2,630,327 | 2,362,508 | |
| Loans | 1,974,860 | 2,303,935 | |
| Capital projects | 1,426,894 | 1,267,629 | |
| Other | 6,558,853 | 17,046 | 7,117,456 | |
| Total net assets | 278,083,331 | 74,745,267 | 228,007,039 | 77,935,532 |
| Total liabilities and net assets | $422,567,962 | $84,301,198 | $373,206,931 | $87,364,808 |
UNIVERSITY OF MARYLAND, BALTIMORE COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2012 AND 2011

<table>
<thead>
<tr>
<th>Component</th>
<th>2012 (Units)</th>
<th>2011 (Units)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$104,199,029</td>
<td>$95,336,877</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(19,821,254)</td>
<td>(17,764,356)</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>42,430,364</td>
<td>61,625,549</td>
</tr>
<tr>
<td>State and local grants and contracts</td>
<td>22,587,743</td>
<td>20,862,550</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>17,853,967</td>
<td>15,763,169</td>
</tr>
<tr>
<td>Sales and services of educational departments</td>
<td>3,979,810</td>
<td>6,729,479</td>
</tr>
<tr>
<td><strong>Auxiliary enterprises:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>14,934,496</td>
<td>14,404,931</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(3,557,661)</td>
<td>(3,188,474)</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>12,414,747</td>
<td>12,116,601</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(2,032,948)</td>
<td>(1,821,985)</td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>9,245,264</td>
<td>8,620,801</td>
</tr>
<tr>
<td>Bookstore</td>
<td>6,218,787</td>
<td>6,111,701</td>
</tr>
<tr>
<td>Less: scholarship allowances</td>
<td>(23,523)</td>
<td>(21,082)</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>3,242,069</td>
<td>3,013,938</td>
</tr>
<tr>
<td>Other auxiliary enterprises revenues</td>
<td>14,530,855</td>
<td>13,404,219</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>231,196,500</td>
<td>243,073,491</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>98,938,377</td>
<td>98,731,964</td>
</tr>
<tr>
<td>Research</td>
<td>57,412,999</td>
<td>71,472,906</td>
</tr>
<tr>
<td>Public service</td>
<td>17,056,157</td>
<td>16,828,475</td>
</tr>
<tr>
<td>Academic support</td>
<td>22,823,149</td>
<td>21,956,973</td>
</tr>
<tr>
<td>Student services</td>
<td>13,877,979</td>
<td>13,002,177</td>
</tr>
<tr>
<td>Institutional support</td>
<td>26,485,090</td>
<td>25,633,316</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>23,178,520</td>
<td>25,264,201</td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>14,888,796</td>
<td>15,975,318</td>
</tr>
<tr>
<td><strong>Auxiliary enterprises:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>7,038,644</td>
<td>10,712,447</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>11,364,895</td>
<td>11,074,414</td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>7,718,405</td>
<td>7,499,418</td>
</tr>
<tr>
<td>Bookstore</td>
<td>5,914,370</td>
<td>5,802,129</td>
</tr>
<tr>
<td>Parking Facilities</td>
<td>386,573</td>
<td>386,573</td>
</tr>
<tr>
<td>Other auxiliary enterprises expenses</td>
<td>10,678,700</td>
<td>12,996,111</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>317,714,614</td>
<td>336,899,849</td>
</tr>
<tr>
<td><strong>NONOPERATING REVENUES (EXPENSES):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations</td>
<td>95,569,552</td>
<td>93,388,937</td>
</tr>
<tr>
<td>Pell grants</td>
<td>12,988,526</td>
<td>11,550,953</td>
</tr>
<tr>
<td>Gifts</td>
<td>5,462</td>
<td>5,309,721</td>
</tr>
<tr>
<td><strong>Investment income</strong></td>
<td>759,214</td>
<td>1,226,502</td>
</tr>
<tr>
<td><strong>Less: Investment expense</strong></td>
<td>(5,961)</td>
<td>(6,718)</td>
</tr>
<tr>
<td>Interest on indebtedness</td>
<td>(3,894,134)</td>
<td>(2,122,531)</td>
</tr>
<tr>
<td>Other revenues (expenses), gains and (losses)</td>
<td>(430,268)</td>
<td>(208,461)</td>
</tr>
<tr>
<td>Other affiliated foundation revenues</td>
<td>2,386,496</td>
<td>2,095,753</td>
</tr>
<tr>
<td>Other affiliated foundation expenses</td>
<td>(11,606,922)</td>
<td>(5,686,056)</td>
</tr>
<tr>
<td>Transfers (to) from other University System of Maryland institutions</td>
<td>(4,843,394)</td>
<td>(2,264,098)</td>
</tr>
<tr>
<td><strong>Total nonoperating revenues (expenses)</strong></td>
<td>100,148,997</td>
<td>101,574,584</td>
</tr>
<tr>
<td><strong>Income before other revenues</strong></td>
<td>13,630,883</td>
<td>(3,190,265)</td>
</tr>
<tr>
<td><strong>OTHER REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital appropriations</td>
<td>36,076,439</td>
<td>24,503,329</td>
</tr>
<tr>
<td>Capital gifts and grants</td>
<td>369,170</td>
<td>488,011</td>
</tr>
<tr>
<td><strong>Total other revenues</strong></td>
<td>36,445,609</td>
<td>24,991,340</td>
</tr>
<tr>
<td><strong>Increase (decrease) in net assets</strong></td>
<td>50,076,492</td>
<td>32,829,566</td>
</tr>
<tr>
<td>Net assets - beginning of year</td>
<td>228,007,039</td>
<td>77,935,532</td>
</tr>
<tr>
<td>Net assets - end of year</td>
<td>278,083,531</td>
<td>74,745,267</td>
</tr>
<tr>
<td>Description</td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>-------------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$84,784,817</td>
<td>$77,972,264</td>
</tr>
<tr>
<td>Research contracts and grants</td>
<td>95,307,980</td>
<td>101,658,039</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>$(200,260,192)</td>
<td>$(205,500,236)</td>
</tr>
<tr>
<td>Payments to suppliers and contractors</td>
<td>$(100,847,492)</td>
<td>$(107,880,197)</td>
</tr>
<tr>
<td>Loans issued to students</td>
<td>$(180,806)</td>
<td>$(237,321)</td>
</tr>
<tr>
<td>Collections of loans to students</td>
<td>509,881</td>
<td>233,585</td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential facilities</td>
<td>11,133,717</td>
<td>9,181,708</td>
</tr>
<tr>
<td>Dining facilities</td>
<td>10,159,943</td>
<td>8,823,436</td>
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<tr>
<td>Intercollegiate athletics</td>
<td>9,047,896</td>
<td>12,306,869</td>
</tr>
<tr>
<td>Bookstore</td>
<td>6,062,873</td>
<td>6,127,031</td>
</tr>
<tr>
<td>Parking facilities</td>
<td>3,172,787</td>
<td>3,031,956</td>
</tr>
<tr>
<td>Other</td>
<td>14,220,335</td>
<td>13,484,354</td>
</tr>
<tr>
<td>Other receipts</td>
<td>8,881,948</td>
<td>16,935,243</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by operating activities</strong></td>
<td>$(58,006,513)</td>
<td>$(63,861,969)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations</td>
<td>95,569,552</td>
<td>93,388,037</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private gifts for endowment purposes</td>
<td>5,462</td>
<td></td>
</tr>
<tr>
<td>Pell grants</td>
<td>12,988,526</td>
<td>11,550,953</td>
</tr>
<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
<td>108,563,540</td>
<td>104,939,990</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds of capital debt</td>
<td>10,729,334</td>
<td>13,419,755</td>
</tr>
<tr>
<td>Capital appropriations</td>
<td>36,076,439</td>
<td>24,503,329</td>
</tr>
<tr>
<td>Purchases of capital assets</td>
<td>$(49,367,685)</td>
<td>$(43,846,181)</td>
</tr>
<tr>
<td>Principal paid on debt and capital leases</td>
<td>$(14,500,708)</td>
<td>$(12,785,843)</td>
</tr>
<tr>
<td>Interest paid on debt and capital leases</td>
<td>(4,354,656)</td>
<td>(2,709,517)</td>
</tr>
<tr>
<td>Transfers (to) from other University System of Maryland institutions</td>
<td>$(2,908,284)</td>
<td>2,295,283</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by capital and related financing activities</strong></td>
<td>$(24,325,560)</td>
<td>$(19,126,174)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>32,029</td>
<td>95,727</td>
</tr>
<tr>
<td>Interest on investments</td>
<td>754,497</td>
<td>994,443</td>
</tr>
<tr>
<td>Investment expense</td>
<td>(5,961)</td>
<td>(6,718)</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td></td>
<td>(100,000)</td>
</tr>
<tr>
<td><strong>Net cash provided by investing activities</strong></td>
<td>780,565</td>
<td>983,452</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td>27,012,032</td>
<td>22,935,199</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents - beginning of the year</strong></td>
<td>55,700,347</td>
<td>32,765,148</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents - end of the year</strong></td>
<td>$82,712,379</td>
<td>$55,700,347</td>
</tr>
</tbody>
</table>
# UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
## BALANCE SHEET
### JUNE 30, 2012 AND 2011

### ASSETS

<table>
<thead>
<tr>
<th>Component</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$10,895,739</td>
<td>$7,714,155</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>$5,307,335</td>
<td>$7,361,462</td>
</tr>
<tr>
<td>Prepaid expenses, deferred charges and other assets</td>
<td>(736)</td>
<td>(2,083)</td>
</tr>
<tr>
<td>Inter-institutional balances</td>
<td>204</td>
<td>905</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>16,202,338</td>
<td>15,073,534</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>37,479</td>
<td></td>
</tr>
<tr>
<td>Endowment investments</td>
<td>944,951</td>
<td>956,699</td>
</tr>
<tr>
<td>Other investments</td>
<td>1,198,097</td>
<td>1,107,070</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>72,476,777</td>
<td>60,861,604</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>72,476,777</td>
<td>60,861,604</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$88,679,115</td>
<td>$75,935,138</td>
</tr>
</tbody>
</table>

### LIABILITIES

<table>
<thead>
<tr>
<th>Component</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$2,010,382</td>
<td>$2,754,442</td>
</tr>
<tr>
<td>Accrued workers' compensation, current portion</td>
<td>7,595</td>
<td>10,517</td>
</tr>
<tr>
<td>Accrued vacation costs, current portion</td>
<td>553,209</td>
<td>504,127</td>
</tr>
<tr>
<td>Revenue bonds and notes payable, current portion</td>
<td>1,119,117</td>
<td>1,107,324</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>331,073</td>
<td>675,004</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>4,021,376</td>
<td>5,141,414</td>
</tr>
<tr>
<td>Accrued workers' compensation</td>
<td>41,405</td>
<td>57,334</td>
</tr>
<tr>
<td>Accrued vacation costs</td>
<td>2,019,855</td>
<td>2,169,253</td>
</tr>
<tr>
<td>Revenue bonds and notes payable</td>
<td>10,249,729</td>
<td>9,549,575</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>12,310,989</td>
<td>11,776,162</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>16,332,365</td>
<td>16,917,576</td>
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</tbody>
</table>

### NET ASSETS

<table>
<thead>
<tr>
<th>Component</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>$11,238,819</td>
<td>$8,812,857</td>
</tr>
<tr>
<td>Invested in capital assets, net</td>
<td>61,107,931</td>
<td>50,204,705</td>
</tr>
<tr>
<td>Nonexpendable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>169,694</td>
<td>152,666</td>
</tr>
<tr>
<td>Research</td>
<td>4,731</td>
<td>4,314</td>
</tr>
<tr>
<td>Other</td>
<td>130,901</td>
<td>165,351</td>
</tr>
<tr>
<td>Expendable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>446,023</td>
<td>490,766</td>
</tr>
<tr>
<td>Research</td>
<td>288,858</td>
<td>261,528</td>
</tr>
<tr>
<td>Other</td>
<td>720,381</td>
<td>785,333</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>72,346,750</td>
<td>59,017,562</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$88,679,115</td>
<td>$75,935,138</td>
</tr>
</tbody>
</table>

Total liabilities and net assets
<table>
<thead>
<tr>
<th>Component</th>
<th>Institution</th>
<th>Unitss</th>
<th>Component</th>
<th>Institution</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING REVENUES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>$18,071,855</td>
<td></td>
<td>$18,915,433</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State and local grants and contracts</td>
<td>4,939,351</td>
<td></td>
<td>4,851,561</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>2,063,775</td>
<td></td>
<td>1,386,808</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and services of educational departments</td>
<td>2,542,609</td>
<td></td>
<td>2,044,727</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>27,617,590</td>
<td></td>
<td>27,198,529</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OPERATING EXPENSES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>43,829,490</td>
<td></td>
<td>44,501,221</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>375,230</td>
<td></td>
<td>252,030</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>44,204,720</td>
<td></td>
<td>44,753,251</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>(16,587,130)</td>
<td></td>
<td>(17,554,722)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NONOPERATING REVENUE (EXPENSES):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations</td>
<td>19,299,245</td>
<td></td>
<td>18,371,238</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gifts</td>
<td>$381,252</td>
<td>$616,770</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>104,690</td>
<td>861,363</td>
<td>221,088</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on indebtedness</td>
<td>(285,693)</td>
<td>(348,837)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other affiliated foundation revenues</td>
<td>15,311</td>
<td>(261,370)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers (to) from other University System of Maryland institutions</td>
<td>538,809</td>
<td>1,094,476</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total nonoperating revenues (expenses)</td>
<td>19,657,051</td>
<td>(117,662)</td>
<td>19,798,240</td>
<td>576,488</td>
<td></td>
</tr>
<tr>
<td>Income (loss) before other revenues</td>
<td>3,069,921</td>
<td>(117,662)</td>
<td>2,423,518</td>
<td>576,488</td>
<td></td>
</tr>
<tr>
<td>OTHER REVENUE:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital appropriations</td>
<td>10,259,267</td>
<td></td>
<td>161,253</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total other revenue</td>
<td>10,259,267</td>
<td></td>
<td>161,253</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in net assets</td>
<td>13,329,188</td>
<td>(117,662)</td>
<td>2,584,771</td>
<td>576,488</td>
<td></td>
</tr>
<tr>
<td>Net assets - beginning of year</td>
<td>59,017,562</td>
<td>2,085,558</td>
<td>56,432,791</td>
<td>1,626,732</td>
<td></td>
</tr>
<tr>
<td>Net assets - end of year</td>
<td>$72,346,750</td>
<td></td>
<td>$59,017,562</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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## UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
### STATEMENT OF CASH FLOWS
#### YEARS ENDED JUNE 30, 2012 AND 2011

<table>
<thead>
<tr>
<th>Cash Flows From Operating Activities</th>
<th>Years ended June 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>Research contracts and grants</td>
<td>$26,785,177</td>
<td>$24,514,738</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(26,686,543)</td>
<td>(25,663,455)</td>
</tr>
<tr>
<td>Payments to suppliers and contractors</td>
<td>(15,435,095)</td>
<td>(15,997,051)</td>
</tr>
<tr>
<td>Other receipts</td>
<td>2,542,809</td>
<td>2,044,727</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by operating activities</strong></td>
<td>(12,793,852)</td>
<td>(15,101,041)</td>
</tr>
</tbody>
</table>

| Cash Flows From Noncapital Financing Activities |       |       |
|-----------------------------------------------|-------|
|                                               |       |       |
| State appropriations                          | 19,299,245 | 18,371,238 |
| **Net cash provided by noncapital financing activities** | 19,299,245 | 18,371,238 |

| Cash Flows From Capital and Related Financing Activities |       |       |
|---------------------------------------------------------|-------|
| Proceeds of capital debt                              | 2,763,347 | 1,002,570 |
| Capital appropriations                                | 10,259,267 | 161,253 |
| Purchases of capital assets                           | (14,026,202) | (674,649) |
| Principal paid on debt and capital leases             | (2,135,646) | (2,396,706) |
| Interest paid on debt and capital leases             | (383,403) | (457,395) |
| Transfers (to) from other University System of Maryland institutions | 694,138 | 1,119,632 |
| **Net cash provided (used) by capital and related financing activities** | (3,429,499) | (1,245,594) |

| Cash Flows From Investing Activities                |       |       |
|-----------------------------------------------------|-------|
| Interest on investments                             | 104,690 | 861,363 |
| **Net cash provided by investing activities**       | 104,690 | 861,363 |
| Net increase in cash and cash equivalents           | 3,181,584 | 2,885,966 |
| Cash and cash equivalents - beginning of the year  | 7,714,155 | 4,828,188 |
| **Cash and cash equivalents - end of the year**     | $10,895,739 | $7,714,155 |

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# BALANCE SHEET

**JUNE 30, 2012 AND 2011**

## ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Institution</th>
<th>Component</th>
<th>Units</th>
<th>Institution</th>
<th>Component</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$124,950,163</td>
<td>$691,243</td>
<td></td>
<td>$109,365,736</td>
<td>$588,327</td>
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<td>Accounts receivable, net</td>
<td>1,483,451</td>
<td>761,802</td>
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<td>993,076</td>
<td>948,423</td>
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<td>Prepaid expenses, deferred charges and other assets</td>
<td>11,156,451</td>
<td>8,961,779</td>
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<td>Inter-institutional balances</td>
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<tr>
<td><strong>Total current assets</strong></td>
<td>$137,590,065</td>
<td>$1,585,063</td>
<td>$119,320,591</td>
<td>$1,598,762</td>
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<td><strong>Noncurrent assets:</strong></td>
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<td>Restricted cash and cash equivalents</td>
<td>60,428,852</td>
<td>41,653</td>
<td>50,045,751</td>
<td>69,819</td>
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<td></td>
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<tr>
<td>Accounts receivable, net</td>
<td>4,409,410</td>
<td>4,233,497</td>
<td>537,841</td>
<td>4,233,497</td>
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<td></td>
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<tr>
<td>Endowment investments</td>
<td>21,875,318</td>
<td>13,135,341</td>
<td>9,317,340</td>
<td>9,317,340</td>
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<tr>
<td>Other investments</td>
<td>390,600</td>
<td>390,600</td>
<td>288,036</td>
<td>288,036</td>
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<td></td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>86,491,159</td>
<td>86,491,159</td>
<td>89,468,458</td>
<td>89,468,458</td>
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<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>$177,807,133</td>
<td>$79,269,030</td>
<td>$186,120,195</td>
<td>$78,946,907</td>
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<tr>
<td><strong>Total assets</strong></td>
<td>$315,397,198</td>
<td>$80,854,093</td>
<td>$305,440,786</td>
<td>$80,545,669</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## LIABILITIES

|                | Institution | Component | Units | Institution | Component | Units | |
|----------------|-------------|-----------|-------|-------------|-----------|-------| |
| **Current liabilities:** |             |           |       |             |           |       | |
| Accounts payable and accrued liabilities | $10,043,738 | $1,315,071 | $8,350,371 | $383,078 |       |       |
| Accrued workers' compensation, current portion | 14,105 | 13,632 |       |       |       |       |
| Accrued vacation costs, current portion | 582,972 | 537,841 |       |       |       |       |
| Revenue bonds and notes payable, current portion | 4,409,410 | 4,233,497 |       |       |       |       |
| Deferred revenue | 334 | 334 |       |       |       |       |
| **Total current liabilities** | $15,050,225 | $1,315,405 | $13,135,341 | $383,078 |       |       |
| **Noncurrent liabilities:** |             |           |       |             |           |       | |
| Accrued workers' compensation | 76,895 | 74,317 |       |       |       |       |
| Accrued vacation costs | 947,399 | 1,085,357 |       |       |       |       |
| Endowments invested on behalf of primary government | 9,011,252 | 9,317,340 | 9,317,340 | 9,317,340 |       |       |
| Other payables | 101,404,537 | 113,888,735 | 43,439,690 | 43,439,690 |       |       |
| Revenue bonds and notes payable |           |           |       |       |       |       |
| **Total noncurrent liabilities** | $102,428,831 | $52,450,942 | $115,048,409 | $53,160,529 |       |       |
| **Total liabilities** | $117,479,056 | $53,766,347 | $128,183,750 | $53,543,607 |       |       |

## NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Institution</th>
<th>Component</th>
<th>Units</th>
<th>Institution</th>
<th>Component</th>
<th>Units</th>
</tr>
</thead>
<tbody>
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<td>Unrestricted</td>
<td>$132,265,076</td>
<td>$4,897,192</td>
<td>$116,652,722</td>
<td>$3,387,384</td>
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<td>Invested in capital assets, net</td>
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<td>54,935,427</td>
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<tr>
<td>Restricted:</td>
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</tr>
<tr>
<td>Nonexpendable:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>347,604</td>
<td>7,345,820</td>
<td>347,604</td>
<td>6,947,219</td>
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<td>Research</td>
<td>204,793</td>
<td>204,793</td>
<td>196,302</td>
<td>196,302</td>
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<td></td>
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<tr>
<td>Other</td>
<td>947,399</td>
<td>947,399</td>
<td>7,524,442</td>
<td>7,524,442</td>
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<td></td>
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<tr>
<td>Expendable:</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>212,033</td>
<td>2,750,180</td>
<td>294,574</td>
<td>2,855,532</td>
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<td>Research</td>
<td>1,781,348</td>
<td>1,781,348</td>
<td>1,521,703</td>
<td>1,521,703</td>
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<tr>
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<td>8,856,046</td>
<td>8,856,046</td>
<td>3,660,753</td>
<td>3,660,753</td>
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<tr>
<td>Other</td>
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<td>830,626</td>
<td>4,441,878</td>
<td>4,441,878</td>
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<tr>
<td><strong>Total net assets</strong></td>
<td>$197,918,142</td>
<td>$27,087,746</td>
<td>$177,257,036</td>
<td>$27,002,062</td>
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<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$315,397,198</td>
<td>$80,854,093</td>
<td>$305,440,786</td>
<td>$80,545,669</td>
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<tr>
<td>Years ended June 30,</td>
<td>Components</td>
<td>Institution</td>
<td>Units</td>
<td>Component</td>
<td>Institution</td>
<td>Units</td>
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<td>-------------</td>
<td>-------</td>
<td>-----------</td>
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<tr>
<td>OPERATING REVENUES:</td>
<td>Federal grants and contracts</td>
<td>$3,155,530</td>
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<td>$2,839,479</td>
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<td></td>
<td>State and local grants and contracts</td>
<td>90,363</td>
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<td>83,688</td>
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<td></td>
<td>Nongovernmental grants and contracts</td>
<td>107,159</td>
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<td>99,959</td>
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<td></td>
<td>Other operating revenues</td>
<td>201,205</td>
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<td>195,770</td>
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<tr>
<td></td>
<td>Total operating revenues</td>
<td>3,554,257</td>
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<td>3,218,896</td>
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<tr>
<td>OPERATING EXPENSES:</td>
<td>Academic support</td>
<td>6,030,370</td>
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<td>5,901,098</td>
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<td>Institutional support</td>
<td>13,418,838</td>
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<td>13,359,807</td>
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<td></td>
<td>Total operating expenses</td>
<td>19,449,208</td>
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<td>19,260,905</td>
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<tr>
<td>Operating income (loss)</td>
<td></td>
<td></td>
<td></td>
<td>(15,894,951)</td>
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<tr>
<td>NONOPERATING REVENUES (EXPENSES):</td>
<td>State appropriations</td>
<td>15,417,326</td>
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<td>19,084,849</td>
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<tr>
<td></td>
<td>Gifts</td>
<td></td>
<td></td>
<td>$1,391,238</td>
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<td>$732,575</td>
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<td>Investment income</td>
<td>$1,478,951</td>
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<td>1,168,955</td>
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<td>3,236,813</td>
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<tr>
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<td>Less: Investment expense</td>
<td>(34,474)</td>
<td></td>
<td>(41,140)</td>
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<td>572,967</td>
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<td>Interest on indebtedness</td>
<td>(7,170,624)</td>
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<td>(6,299,234)</td>
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<td>Other revenues (expenses), gains and (losses)</td>
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<td>3,063,753</td>
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<td>3,774,593</td>
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<tr>
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<td>Other affiliated foundation revenues</td>
<td>3,216,560</td>
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<td></td>
<td>Other affiliated foundation expenses</td>
<td>(5,691,069)</td>
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<td>(5,140,345)</td>
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<tr>
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<td>Transfers (to) from other University System of Maryland institutions</td>
<td>23,623,124</td>
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<td>17,124,096</td>
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<td>36,546,431</td>
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<td>2,593,136</td>
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<td>Income before other revenue</td>
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<td>20,038,171</td>
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<td>20,504,422</td>
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<td>Other revenue:</td>
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<td>85,684</td>
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<td>85,684</td>
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<td>Capital appropriations</td>
<td>622,935</td>
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<tr>
<td></td>
<td>Total other revenue</td>
<td>622,935</td>
<td></td>
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<td></td>
<td>Increase in net assets</td>
<td>20,661,106</td>
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<td>20,504,422</td>
<td></td>
<td>2,593,136</td>
</tr>
<tr>
<td></td>
<td>Net assets - beginning of year</td>
<td>177,257,036</td>
<td></td>
<td>186,752,614</td>
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<td>24,408,508</td>
</tr>
<tr>
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<td>Net assets - end of year</td>
<td>$197,918,142</td>
<td></td>
<td>$177,257,038</td>
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<td>$27,002,062</td>
</tr>
<tr>
<td></td>
<td>Years ended June 30,</td>
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<tr>
<td>-------------------------------</td>
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<tr>
<td></td>
<td>2012</td>
<td>2011</td>
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<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES:</strong></td>
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<td>Research contracts and grants</td>
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<td>Payments to employees</td>
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<td>(13,072,805)</td>
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<td>Payments to suppliers and contractors</td>
<td>(2,643,874)</td>
<td>(2,052,292)</td>
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<td>Other receipts (payments)</td>
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<td>3,839,165</td>
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<tr>
<td>Net cash provided (used) by operating activities</td>
<td>(8,356,435)</td>
<td>(8,537,106)</td>
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<tr>
<td><strong>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</strong></td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>State appropriations</td>
<td>15,417,326</td>
<td>19,084,849</td>
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</tr>
<tr>
<td>Net cash provided by noncapital financing activities</td>
<td>15,417,326</td>
<td>19,084,849</td>
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<tr>
<td><strong>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</strong></td>
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<td>Proceeds of capital debt</td>
<td>70,961,182</td>
<td>68,104,262</td>
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<td>Purchases of capital assets</td>
<td>(143,883)</td>
<td>(2,203,392)</td>
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<tr>
<td>Principal paid on debt and capital leases</td>
<td>(13,291,324)</td>
<td>(5,437,335)</td>
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<td>Interest paid on debt and capital leases</td>
<td>(8,085,521)</td>
<td>(7,207,082)</td>
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<td></td>
</tr>
<tr>
<td>Transfers (to) from other University System of Maryland institutions</td>
<td>(47,691,158)</td>
<td>(102,945,580)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Net cash provided (used) by capital and related financing activities</td>
<td>1,743,296</td>
<td>(47,692,122)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES:</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>37,620,025</td>
<td>91,404,921</td>
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<tr>
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<td>2,172,621</td>
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<td>Investment expense</td>
<td>(34,474)</td>
<td>(41,140)</td>
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<tr>
<td>Purchases of investments</td>
<td>(21,875,315)</td>
<td>(37,288,646)</td>
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</tr>
<tr>
<td>Net cash provided by investing activities</td>
<td>17,163,341</td>
<td>56,247,756</td>
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</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
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<td>19,103,377</td>
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<tr>
<td>Cash and cash equivalents - beginning of the year</td>
<td>159,411,487</td>
<td>140,308,110</td>
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<tr>
<td>Cash and cash equivalents - end of the year</td>
<td>$185,379,015</td>
<td>$159,411,487</td>
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</tr>
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</table>
### UNIVERSITY SYSTEM OF MARYLAND

#### COMBINING BALANCE SHEET, NONMAJOR COMPONENT UNITS

**JUNE 30, 2012**

<table>
<thead>
<tr>
<th>Component Units</th>
<th>ASSETS</th>
<th>LIABILITIES</th>
<th>NET ASSETS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cash</td>
<td>Current assets</td>
<td>Other payables</td>
</tr>
<tr>
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<td></td>
</tr>
<tr>
<td>823,453</td>
<td>866,940</td>
<td>1,080,624</td>
<td>9,430</td>
</tr>
<tr>
<td></td>
<td>1,597,484</td>
<td>167,987</td>
<td>1,631</td>
</tr>
<tr>
<td></td>
<td>726,212</td>
<td>93,450</td>
<td>1,334,011</td>
</tr>
<tr>
<td></td>
<td>5,664,564</td>
<td>2,671,392</td>
<td>6,037,640</td>
</tr>
<tr>
<td></td>
<td>1,725,640</td>
<td>1,136</td>
<td>222,107</td>
</tr>
<tr>
<td></td>
<td>6,390,776</td>
<td>2,758,738</td>
<td>7,038,164</td>
</tr>
<tr>
<td></td>
<td>315,005</td>
<td>1,526</td>
<td>648,376</td>
</tr>
<tr>
<td></td>
<td>1,136,154</td>
<td>1,136</td>
<td>222,107</td>
</tr>
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<td></td>
<td>6,390,776</td>
<td>2,758,738</td>
<td>7,038,164</td>
</tr>
</tbody>
</table>

**Notes**

1. The values represent the combined balance sheet of all nonmajor component units of the University System of Maryland as of June 30, 2012.


3. The table includes various financial metrics such as Total current assets, Investments, Accounts payable & accrued expenses, Total liabilities, Other payables, Other liabilities, Total liabilities, and Net assets.

4. The financial statements are presented in a tabular format, showing assets, liabilities, and net assets for each component unit, along with subtotals and grand totals.
### ASSETS

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$400,523</td>
<td>$35,509</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>338,830</td>
<td>$1,141,918</td>
</tr>
<tr>
<td>Other assets</td>
<td>120,935</td>
<td>41,290, 20,583, 3,709, 50, 1,445,918</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>521,458</td>
<td><strong>76,759</strong></td>
</tr>
<tr>
<td>Endowment investments</td>
<td>5,627,107</td>
<td><strong>2,420,855</strong></td>
</tr>
<tr>
<td>Investments</td>
<td>5,627,107</td>
<td><strong>2,667,272</strong></td>
</tr>
<tr>
<td>Other assets</td>
<td>12,252</td>
<td><strong>12,252</strong></td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td>5,627,107</td>
<td><strong>2,689,425</strong></td>
</tr>
<tr>
<td>Other assets</td>
<td>1,000,000</td>
<td><strong>1,000,000</strong></td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>3,369</td>
<td><strong>3,369</strong></td>
</tr>
<tr>
<td>Other assets</td>
<td>1,292</td>
<td><strong>1,292</strong></td>
</tr>
<tr>
<td><strong>Total other assets</strong></td>
<td>2,803</td>
<td><strong>12,252</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>6,151,368</strong></td>
<td><strong>2,756,283</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td>320,272</td>
<td>$743,722</td>
</tr>
<tr>
<td>Long-term debt, current</td>
<td>1,000,000</td>
<td><strong>1,000,000</strong></td>
</tr>
<tr>
<td>Defined income</td>
<td>9,690</td>
<td><strong>9,690</strong></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>75</td>
<td><strong>75</strong></td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>329,962</td>
<td><strong>779,843</strong></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>329,962</td>
<td><strong>779,843</strong></td>
</tr>
<tr>
<td><strong>Total liabilities &amp; net assets</strong></td>
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</table>

### NET ASSETS

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>645,174</td>
<td><strong>2,756,283</strong></td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>402,844</td>
<td><strong>402,844</strong></td>
</tr>
<tr>
<td>Scholarships &amp; fellowships</td>
<td>325,326</td>
<td>177,888</td>
</tr>
<tr>
<td>Research</td>
<td>3,542</td>
<td><strong>3,542</strong></td>
</tr>
<tr>
<td>Other</td>
<td>5,176,232</td>
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</tr>
<tr>
<td>Permanently restricted</td>
<td>38,077</td>
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<td>10,003</td>
<td>11,330,594</td>
</tr>
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<td>Research</td>
<td>3,768,121</td>
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</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>5,821,406</td>
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</tr>
<tr>
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</tr>
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**Notes:**
- **University System of Maryland**
- **COMBINING BALANCE SHEET: NONMAJOR COMPONENT UNITS**
- **JUNE 30, 2011**

---

**ASSETS**

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</tr>
</tbody>
</table>
## Changes in Unrestricted Net Assets

**Revenues**

- Contributions & grants: $1,079,206
- Investment income (loss): $15,252
- Other income: $286,198

**Expenses**

- General & administrative: $240,900
- Fundraising: $345,499
- Other expenses: $349,699

**Change in unrestricted net assets**: $79,680

**Contributions & grants**

- $45,000
- $3,769,159
- $3,765,159
- $1,135,372
- $897,856
- $1,279,937
- $8,778,071
- $303,046

**Investment income (loss)**

- $199,185
- $(137,132)
- $831,823
- $224,031
- $83,549
- $(757,804)
- $32,677
- $5,419

**Total expenses**

- $253,865
- $(51,177)
- $374,999
- $28,994
- $48,434
- $(386,084)
- $(3,835)
- $4,384

**Change in temporarily restricted net assets**

- $174,185
- $(5,645,360)
- $(4,720,447)
- $(393,874)
- $(19,002)
- $(22,395)
- $(25,140)

**Change in permanently restricted net assets**

- $375,044
- $(3,447)
- $(23,149)
- $(3,780)

**Total change in net assets**

- $253,865
- $(51,177)
- $374,999
- $28,994
- $48,434
- $(386,084)
- $(3,835)
- $4,384

**Net assets - beginning of year**

- $5,821,406
- $2,759,283
- $6,649,826
- $1,003,203
- $993,439
- $3,046,490

**Net assets - end of year**

- $8,075,271
- $2,737,213
- $6,388,788
- $1,954,506
- $893,429
- $3,020,819

---

### Changes in Temporarily Restricted Net Assets

**Investment income (loss)**

- $45
- $(137,132)
- $831,823
- $224,031
- $83,549
- $(757,804)
- $32,677
- $5,419

**Other income**

- $55,117
- $(170,002)
- $1,063,962
- $1,560,083

**Assets released from restrictions**

- $(25,000)
- $(54,177)
- $(912,828)
- $(4,799,263)
- $(1,727,792)
- $(1,517,793)
- $(1,539,438)
- $(4,844,731)
- $(1,158,010)

**Change in temporarily restricted net assets**

- $174,185
- $(5,645,360)
- $(4,720,447)
- $(393,874)
- $(19,002)
- $(22,395)
- $(25,140)

---

### Changes in Permanently Restricted Net Assets

**Investment income (loss)**

- $45
- $(137,132)
- $831,823
- $224,031
- $83,549
- $(757,804)
- $32,677
- $5,419

**Other income**

- $55,117
- $(170,002)
- $1,063,962
- $1,560,083

**Assets released from restrictions**

- $(25,000)
- $(54,177)
- $(912,828)
- $(4,799,263)
- $(1,727,792)
- $(1,517,793)
- $(1,539,438)
- $(4,844,731)
- $(1,158,010)

**Change in permanently restricted net assets**

- $174,185
- $(5,645,360)
- $(4,720,447)
- $(393,874)
- $(19,002)
- $(22,395)
- $(25,140)

**Total change in net assets**

- $253,865
- $(51,177)
- $374,999
- $28,994
- $48,434
- $(386,084)
- $(3,835)
- $4,384

---

## Net Assets - Beginning of Year

- $5,821,406
- $2,759,283
- $6,649,826
- $1,003,203
- $993,439
- $3,046,490

## Net Assets - End of Year

- $8,075,271
- $2,737,213
- $6,388,788
- $1,954,506
- $893,429
- $3,020,819

---

## Total Nonmajor Component Units

- $70,717
- $1,716,686
- $29,449,294

---

## Net Change in Nonmajor Component Units

- $174,185
- $(5,645,360)
- $(4,720,447)
- $(393,874)
- $(19,002)
- $(22,395)
- $(25,140)
- $(1,788,508)
### COMBINING STATEMENT OF ACTIVITIES, NONMAJOR COMPONENT UNITS

#### YEAR ENDED JUNE 30, 2011

**Association of Foundation, Inc.**

**Smith School of Business Foundation, Inc.**

**Harry R. Hughes Center for Agro-Ecology, Inc.**

**Bowie State University Foundation, Inc.**

**Towson University Foundation, Inc.**

**Frederick State University Development Foundation, Inc.**

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

**Salisbury University Foundation, Inc.**

**The Ward Foundation, Inc.**

**Maryland affiliate, Inc.**

**University Research Corporation, Inc.**

**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
- Investment income (loss): $281,038
- Other income: $293,674
- Assets released from restrictions: $83,178

**Total revenues:** $1,863,662

**Expenses**

- General & administrative: $412,545
- Fundraising: $154,400
- Other expenses: $153,777

**Total expenses:** $1,835,953

**Change in unrestricted net assets:** $127,909

#### CHANGES IN TEMPORARILY RESTRICTED NET ASSETS

- Other income: $77,055
- Assets released from restrictions: $83,178

**Change in temporarily restricted net assets:** $1,438,521

#### CHANGES IN PERMANENTLY RESTRICTED NET ASSETS

- Investment income (loss): $2,765
- Other income: $13,779
- Assets released from restrictions: $130,237

**Change in permanently restricted net assets:** $137,141

**Total change in net assets:** $1,566,430

**Net assets (deficit) beginning of year:** $4,254,976

**Net assets (deficit) end of year:** $2,688,536

---

**Note:** The table continues with more detailed financial data, including contributions, grants, revenues, expenses, and changes in net assets, broken down by various component units and financial years.
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.
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