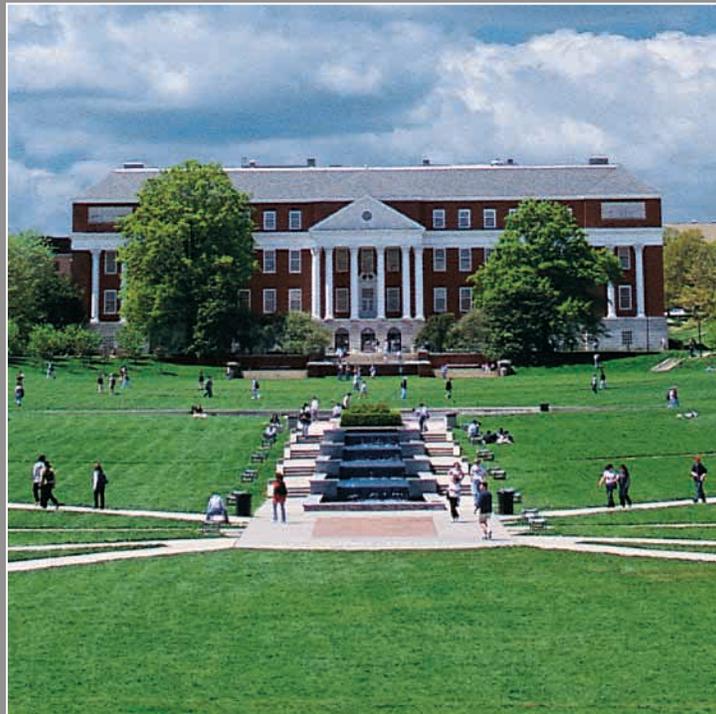


University System of Maryland



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2001





Cover Photo: The ODK Fountain, dedicated in 1997 following a five-year renovation of McKeldin Mall, recognizes University of Maryland chapter members of the national student leadership honorary. With its five cascading pools the fountain is an inviting place to linger and drink in the beauty of the 1,200 acre campus.

University System of Maryland



COMPREHENSIVE
ANNUAL
FINANCIAL REPORT

For the year ended June 30, 2001

University System of Maryland is a component unit of the State of Maryland.

*Prepared by the Office of the Vice Chancellor for Administration and Finance
Joseph F. Vivona, Vice Chancellor*

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University System of Maryland

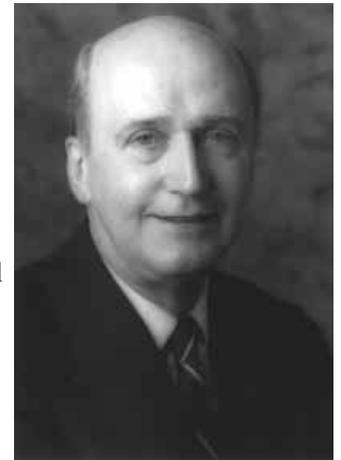


INTRODUCTORY SECTION



The Lewis J. Ort Library at Frostburg State University. FSU is the only four-year institution of the University System of Maryland west of the Baltimore-Washington metropolitan area. The University has been nationally recognized for its student programs in community service and leadership.

A Message from the Chancellor



This report highlights a number of the University System of Maryland's accomplishments over the past fiscal year, including substantial growth in our unrestricted fund balance and our endowment and reconfirmation of our AA and AA+ bond ratings. The USM's continued status as one of the most highly rated university systems in the nation saves our institutions millions of dollars each year in debt service costs.

Fiscal year 2001 saw record increases for the USM budget. Thanks to the continued support of Governor Parris Glendening and the Maryland General Assembly, the USM General Fund Appropriation grew to more than \$877 million, an increase of 10% over last year's budget. The USM Capital Budget Appropriation for FY 2001 was \$243 million, the largest increase ever for Maryland higher education. Approved projects include an aquaculture ecology lab at the University of Maryland Center for Environmental Science, a regional sports complex at Towson University, a food science and technology center at the University of Maryland Eastern Shore, new science buildings at Bowie State University and Salisbury University, and numerous other new buildings and renovations.

I am also pleased to report that progress is already being made in meeting the goals of the USM's 10-year strategic plan, *The USM in 2010: Responding to the Challenges that Lie Ahead*, approved by the USM Board of Regents in July 2000. The report addresses the major demographic and economic challenges facing the USM and Maryland over the next decade, including labor shortages; the baby boom echo; and an increasingly diverse population. The USM's progress is fully documented in *The USM Strategic Agenda*, a workplan which outlines issues from the strategic plan and lists follow-up actions and progress. A few of the follow-up actions that have been completed include: new enrollment projections; mission statements for USM institutions; the creation of an Admissions Policy Review Committee; the completion of a partnership agreement with the U.S. Office of Civil Rights; an update of the USM Minority Achievement Plan; a revised Policy on Appointment, Rank and Tenure; a tuition study; and new daytime programs at the Universities at Shady Grove.

Finally, I am pleased to report that our seven-year, \$700 million fundraising Campaign for the University System of Maryland has already surpassed its original goal. Private giving to the System's 13 institutions reached \$150 million in Fiscal Year 2001, bringing the total amount raised by the "Make a Lasting Impression" campaign to \$761 million, with almost a year left to go. The Campaign may approach \$900 million in donations before it concludes on June 30, 2002.

The financial achievements detailed in the report would not have been possible without the sound leadership of USM's dedicated Board of Regents, as well as the careful management of USM Office of Administration and Finance. Their stewardship, combined with the extraordinary levels of support Governor Parris N. Glendening and the Maryland General Assembly have shown for higher education, has helped position the University System and its institutions in the forefront of public higher education nationally.

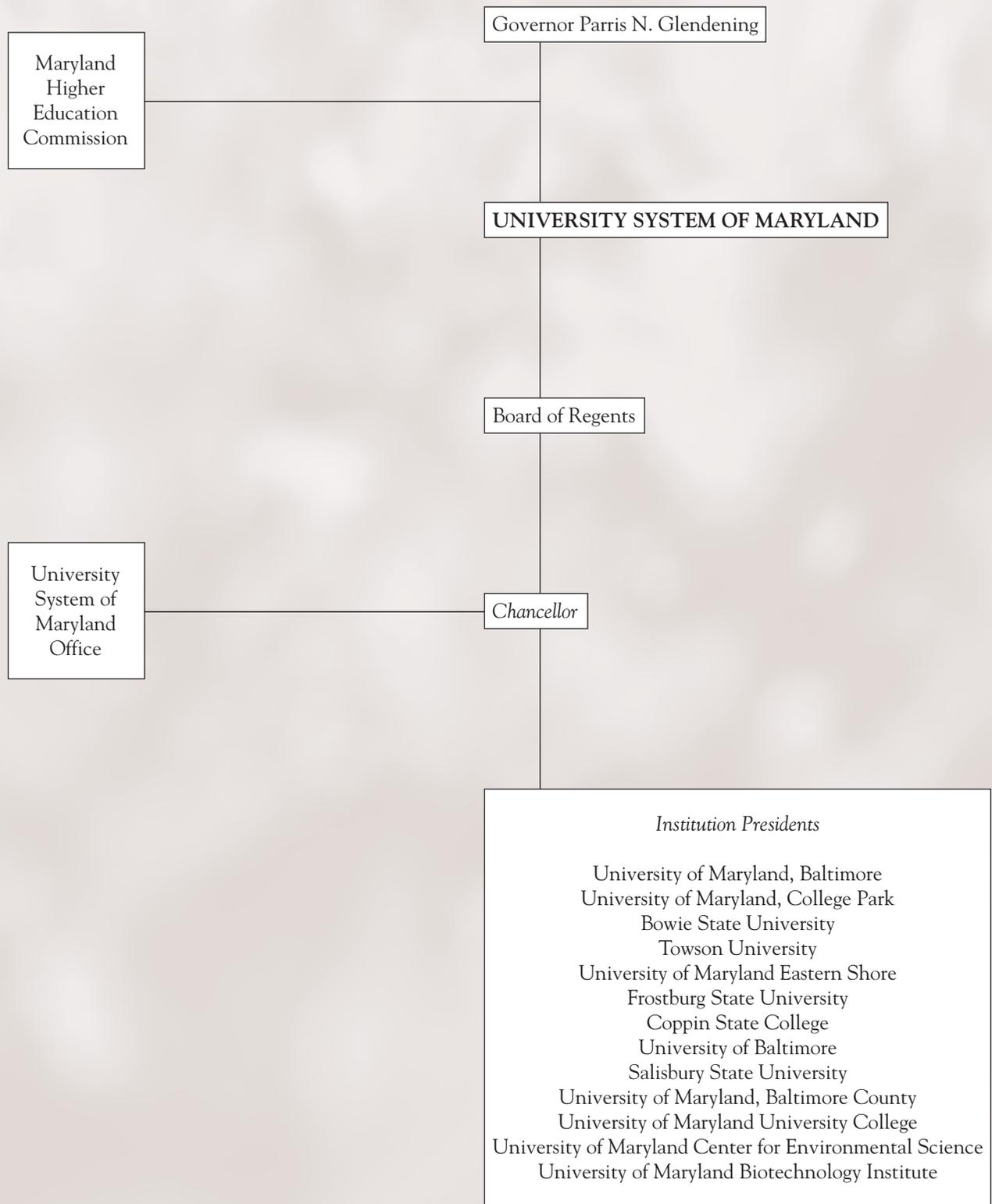
For more than a decade, it has been my privilege to serve as chancellor of the USM as it has risen in national prominence and fiscal strength. Over the past ten years, the USM Operating Budget has nearly doubled, growing from \$1.4 billion in FY 1991 to \$2.7 billion in FY 2002. And over the past 12 years our institutions have raised more than \$1 billion in private giving. Though I will retire in April 2002, with the continued support of Maryland's leadership, I have no doubt that even greater success lies ahead.

Sincerely,

A handwritten signature in black ink that reads "Don Langenberg". The signature is written in a cursive, flowing style.

Donald N. Langenberg
Chancellor, University System of Maryland

Organizational Chart



Officials of the University System of Maryland

Board of Regents

July 1, 2000—June 30, 2001

Nathan A. Chapman, Jr., *Chairman*
Lance W. Billingsley
Thomas B. Finan, Jr., *Assistant Treasurer*
Patricia S. Florestano
Louise Michaux Gonzales, *Treasurer*
Nina Rodale Houghton
The Honorable Steny H. Hoyer, *Secretary*
Leronia A. Josey
Clifford M. Kendall
Jeong H. Kim (resigned February 2001)
Admiral Charles R. Larson, (USN Ret.), *Vice Chairman*
Lillian H. Lincoln (resigned September 2000)
Bruce L. Marcus
The Honorable Hagner R. Mister, *ex officio*
David H. Nevins
Kevin Oxendine, *Student Regent*
The Hon. James C. Rosapepe
The Hon. Joseph D. Tydings
William T. Wood, *Assistant Secretary*



The cupola on UMUC's Adelphi, Maryland, headquarters has become a widely recognized symbol of adult education throughout the state of Maryland and around the world. Last year, the university had over 78,500 students in 29 countries. Most are adults who work full time.

Officers of the University System of Maryland

Donald N. Langenberg, *Chancellor*
Charles R. Middleton, *Vice Chancellor for Academic Affairs*
Joseph F. Vivona, *Vice Chancellor for Administration and Finance*
John K. Martin, *Vice Chancellor for Advancement*

Presidents of the Institutions of the University System of Maryland

Donald F. Boesch, *University of Maryland Center for Environmental Science*
Calvin W. Burnett, *Coppin State College*
Janet Dudley-Eshbach, *Salisbury State University*
Catherine R. Gira, *Frostburg State University*
Gerald A. Heeger, *University of Maryland University College*
Freeman A. Hrabowski III, *University of Maryland, Baltimore County*
Jennie C. Hunter-Cevera, *University of Maryland Biotechnology Institute*
Calvin W. Lowe, *Bowie State University*
C.D. Mote, Jr., *University of Maryland, College Park*
Mark L. Perkins, *Towson University*
David J. Ramsay, *University of Maryland, Baltimore*
Dolores R. Spikes, *University of Maryland Eastern Shore*
H. Mebane Turner, *University of Baltimore*

November 13, 2001

Dr. Donald N. Langenberg
Chancellor
University System of Maryland

Chancellor Langenberg:

We are pleased to convey to you the Comprehensive Annual Financial Report for the University System of Maryland (the System) for the year ended June 30, 2001. The report of our independent public auditors, Ernst & Young, LLP, which appears on page 24, expresses an unqualified opinion on the general purpose financial statements.

INTRODUCTION

The Comprehensive Annual Financial Report includes the general purpose financial statements for the year ended June 30, 2001, as well as other information useful in obtaining a complete understanding of the System's fiscal environment. Responsibility for the accuracy of the data, and for the completeness and fairness of its presentation, including all disclosures, rests with the Office of Administration and Finance. We believe that all of the information is accurate in all material respects and fairly sets forth the System's financial position and revenues, expenditures, transfers and other changes in fund balances, and includes all of the disclosures necessary to enable the reader to gain the maximum understanding of the System's operations for the year ended June 30, 2001.

This report is organized into three distinct sections, as follows:

This **Introductory Section**, which includes the Chancellor's transmittal to the Board of Regents, this letter conveying the report to you, a listing of System officials and the presidents of the institutions, and an organization chart. It is intended to acquaint the reader with the organizational structure of the System, the nature and scope of its operations, its financial activities, and the significant factors contributing to the current fiscal environment.

The **Financial Section** contains the general purpose financial statements, report of independent auditors, combining schedules for each fund group, and schedules comparing estimated and actual revenues and budgeted and actual expenditures, on a budgetary basis of accounting. The general purpose financial statements are prepared in accordance with generally accepted accounting principles appropriate for public colleges and universities, as set forth in the American Institute of Certified Public Accountants Industry Audit Guide, *Audits of Colleges and Universities*, and *College and University Business Administration*, published by the National Association of College and University Business Officers, thereby enabling a comparison of the System's financial position, and revenues, expenditures, transfers, and other changes in fund balances, with those of other peer institutions.

The **Statistical Section** presents selected financial, statistical, and demographic information intended to provide readers with a broader understanding of the trends in the financial affairs of the System.

The financial statements include the institutions and centers of the University System of Maryland, an agency of the government of the State of Maryland. With the exception of the University of Maryland, Baltimore County Research Park Foundation, which is presented using the discrete method, the fifteen affiliated foundations of the System and its constituent institutions do not meet the criteria for inclusion in the reporting entity, and accordingly, are excluded from the general purpose financial statements and other schedules in this report.

The University of Maryland Medical System, a private, independent, and self-governing corporation which separated from the University of Maryland (a predecessor of the University System of Maryland) on July 1, 1984, also does not satisfy any of the criteria for inclusion in the reporting entity. The System has a contractual relationship with the University of Maryland Medical System in which the System is reimbursed for facilities and personnel resources utilized by the University of Maryland Medical System.

Economic Condition and Outlook

The Maryland economy includes a significant public sector component, which historically has partially mitigated the effect of business cycles. The State is a significant focus for research on biotechnology, which, given recent events, is likely to continue to receive significant amounts of resources. These factors are expected to offset the general slowdown in the economy seen over the past year.

The State has established a goal to increase attendance at colleges and universities among Maryland residents from 32% to 40%. The University System has positioned itself well for the future, with a promising outlook for continued enrollment growth. Enrollment projections continue to show significant growth through 2009, at which point student numbers should stabilize. Program enhancements, combined with a commitment to moderate tuition rate increases, have made System institutions more affordable for both in-state and out-of-state students.

State funding for operational and capital needs is subject to an appropriation process influenced by System institution successes and needs, in an overall context of the projected state-wide revenue base. Changes in the State's expectations for future revenue are likely to have implications for the System as well, and the System and its institutions are preparing for likely reductions in overall appropriations, as well as State funding.

The System continues to be a national leader in sponsored research, especially in biotechnology and other sciences. New contract and grant awards continue to increase at an average rate of about 10% per year, with University of Maryland, College Park and University of Maryland, Baltimore in particular taking steps to strengthen relationships with several Federal agencies.

The System's institutions continue to identify and create new and innovative relationships with non-governmental entities, some of which the institutions themselves organize, to more effectively and efficiently accomplish objectives.



Salisbury University President Janet Dudley-Eshbach and alumnus J. Michael Scarborough "cut the ribbon" to open the one-of-a-kind Scarborough Leadership Center, an 8,000 square foot facility that will bring leadership programs, academic honor societies and fraternities/sororities together under one roof. Scarborough ('76), president and CEO of The Scarborough Group, a pioneer in the 401(k) advice industry, contributed \$800,000 toward the construction of the facility.

Year End Highlights

USM Institutions Continue their Rise to National Eminence

As demonstrated by significant grant awards and national rankings and recognition, USM institutions are fulfilling their mandate to achieve national eminence. Highlights of the past year include:

Annual Survey by Black Issues in Higher Education—Institutions of the University System of Maryland (USM) placed in the nation's top five in 15 categories in *Black Issues in Higher Education's* annual survey of top awarders of graduate degrees to minorities, including African-Americans. Three institutions—the University of Baltimore, Bowie State University, and the University of Maryland, Baltimore—finished first in the respective categories of Law & Legal Studies (number of African-American master's graduates), Computer and Information Science (number of African-American master's graduates) and African-American First Professional—All Disciplines Combined (among traditionally white universities). The issue was published in July 2001.

The University of Maryland, College Park was cited nearly 40 times in the July survey. Its best finish was in Physical Sciences (Hispanic doctorates), where it placed second only to Texas A&M University and tied with the University of California at San Diego and the University of Washington, Seattle Campus. UMCP and Towson University tied for fifth place among producers of African-American master's recipients in English, Literature and Letters. The University of Maryland University College received a third-place ranking in the production of African-American master's degree recipients in Business Management and Administrative Services, and a fourth place in the same discipline for master's degrees for all minorities. The University of Maryland, Baltimore placed in the top 10 in five different categories, including a fifth place in African-American First Professional—All Disciplines Combined (among all universities surveyed).

The USM's historically black institutions also were cited repeatedly in the graduate survey. Besides Bowie's first-place finish in Computer and Information Science, the institution was referenced in 13 other categories, including a fourth place for All Disciplines Combined—African-American Masters (Historically Black Colleges and Universities) and a tie for third place among all universities for Communications—African-American Master's. Coppin State College was ranked 23rd in the former category, while the University of Maryland Eastern Shore was tied for 13th in the category of Computer and Information Science—African-American Master's.

In the publication's undergraduate survey, both UMCP and UMUC ranked in the top 100 for total minority baccalaureates for all disciplines combined, and both of those institutions, plus Bowie State University, Coppin State College, and University of Maryland Eastern Shore, ranked in the top 100 for African American Baccalaureates.

Peer Comparisons—Data collected by the Office of Administration and Finance indicate that USM institutions perform on par or better than comparable institutions according to several measures. The report indicates that while USM institutions receive fewer resources, they perform “at, or higher than, the peers' average.”

A sampling of the findings:

- Bowie State University's graduation and retention rates are higher than any of its peers.
- Coppin State College has the third-highest retention rate among its peers.
- Frostburg State University's graduation rate is higher than its peers' average rate.
- Salisbury State University has the highest SAT average, the highest retention rate, and the third-highest graduation rate among its peers.
- Towson University has the second-highest retention and graduation rates of its peers.
- The University of Baltimore has the second-highest level of alumni giving among its peers.
- The University of Maryland, Baltimore's School of Medicine has the second-highest level of research grants per basic research faculty and the third highest per clinical faculty.

Year End Highlights *(continued)*

- UMBC's SAT score and retention rate are higher than its peers' average.
- The average SAT score is higher at UMCP than at the University of Illinois, and close to the average at the University of North Carolina at Chapel Hill.
- The University of Maryland Eastern Shore's retention and graduation rates are higher than its peers' average.

NCPPE Report Card—Maryland's public and private institutions of higher learning received generally very good grades—including "A's" in the level of participation and benefits to the state's economy—in the National Center for Public Policy and Higher Education's (NCPPE) first state report card, *Measuring Up 2000*. Maryland and its institutions received an A for participation (percentage of the population ages 18-24 enrolled in education or training beyond high school) and an A for benefits (a high percentage of college graduates strengthens a state's economy), a B+ for preparation (the way a state readies high school students for college), a B- for completion (graduation rates), and a D for affordability (tuition levels).

U.S. News & World Report—Several USM institutions placed well in the 2002 edition of *America's Best Colleges*, published in September by *U.S. News & World Report*. Towson University and Salisbury University were ranked in the top 10 in the category of Top Public Northern Universities—Master's, while University of Maryland, College Park climbed three places to 21st among the nation's best public universities, tying with Purdue and Ohio State universities. Three institutions, Frostburg State, Salisbury, and Towson, finished in the second tier in the category Northern Universities—Master's, with Frostburg moving up from the third tier in this category. *U.S. News* has published the annual rankings since 1983.

In April 2001, *U.S. News* published its annual rankings of the top graduate schools. UMB tied for 50th among the rankings of Top Law Schools and tied for 43rd among Top Medical Schools. UMCP ranked 29th in the listing of Top Business Schools, 18th among Top Engineering Schools, and 22nd among Top Education Schools.

In the rankings of Top Ph.D. Programs, UMCP tied with Johns Hopkins University for the No. 24 slot in Economics, and ranked 34th in English, 27th in History, 21st in Mathematics, 14th in Physics (with a No. 1 ranking in Nonlinear Dynamics/Chaos Theory), 29th in Political Science, 24th in Sociology, and 11th in Computer Science.

Kiplinger's 100 Best Buys in Public Higher Education—Four institutions were listed among *Kiplinger's 100 Best Buys in Public Higher Education*: University of Maryland, College Park; University of Maryland, Baltimore County; Salisbury University; and Towson University.

Title II Teacher Quality Enhancement Grant—This past fiscal year, the University System was awarded a \$4.2 million, five-year grant by the U.S. Department of Education for teacher training. Under the grant program, the USM, in collaboration with Prince George's Community College and the Prince George's County Public Schools, will work to improve teacher education and train teachers for "high-need" school districts.



Coppin State College is among the top 50 colleges and universities nationwide in graduating African Americans with baccalaureate degrees, in all disciplines combined, according to an annual survey by Black Issues in Higher Education.

Record-Setting Operating and Capital Budgets Pass

In January, Governor Glendening proposed record increases for the USM budget: a 14% increase in General Fund support, \$228 million in PAYGO, and \$102 million in the Capital Budget. Thanks to the support of the Governor and the General Assembly, the USM received a 10% increase in its Total Appropriation, raising the total to more than \$877 million. The USM also received a record-setting Capital Budget Appropriation totaling more than \$243 million. This represents the largest capital budget for higher education in the history of the State. In fact, the entire USM capital budget request was approved, with the exception of one project. Approved projects include new science buildings at Bowie State University and Salisbury University, a regional sports complex at Towson University, a food science and technology center at University of Maryland Eastern Shore, an aquaculture ecology lab at University of Maryland Center for Environmental Science, and numerous other new buildings and renovations.

Year End Highlights *(continued)*

Search Begins for New USM Chancellor

In May 2001 the USM Board of Regents announced the formation of a search and screening committee to consider candidates for chancellor of the system. The new chancellor will succeed Donald N. Langenberg, who will retire on April 30, 2002.

The search committee includes members of the USM Board of Regents, presidents of USM institutions, USM faculty and staff, and members of the public. The committee will review nominations and applications for the position, conduct interviews with candidates it determines are most qualified, and forward three to five candidates to the full Board of Regents, which will make the final selection. The search committee is being assisted by R. William "Bill" Funk, managing director of Korn/Ferry International's education and not-for-profit executive search practice.

Study Calls for Revitalization of Coppin State College

A study team established as part of an agreement between Maryland and the U.S. Department of Education Office of Civil Rights recommended in September 2001 that the state make a major commitment over the next 10 years to revitalize Coppin State College. The recommendations are contained in a report to the USM Board of Regents and the Maryland Higher Education Commission (MHEC). John S. Toll, president of Washington College and former chancellor of the USM, led the study team.

The team noted that Coppin has a particularly important mission to supply higher education in the inner city, where it is most needed. The proportion of Coppin students who need federal financial aid is the highest of any USM campus and a much higher proportion of its graduates become employed in the City of Baltimore as teachers, nurses, police, social workers, and other essential professionals. The report recommended major improvements in Coppin's facilities and increased operating funds to make up for the fact that Coppin has fallen far behind every other USM campus.

An agreement with the Office of Civil Rights calls for the USM Board of Regents and Coppin State College to consider the findings and recommendations of the study team as Coppin's operating and capital budgets are prepared. MHEC is to assist in the development, approval and strengthening of new or existing academic programs at Coppin.

USM Campaign Passes Original \$700 Million Goal

In FY 2001, the Campaign for the University System of Maryland raised \$149.8 million, well above its original goal of \$141.6 million. With a year left to go (the Campaign will conclude at the end of FY 2002), the Campaign had raised \$761 million total, well above its original goal of \$700 million. By any measure, it is already a rousing success, and may approach the \$900 million mark by June 30, 2002.

Revised Residency Policy for USM Institutions

In fall 2000, in response to a Maryland Court of Appeals decision declaring that part of the USM's residency policy violated Article 24 of the Maryland Declaration of Rights, the Board of Regents revised the policy which determines whether students pay in-state or out-of-state tuition rates. In response to the Court's decision, the Board deleted the provision that automatically denied in-state status to students who are financially dependent on a non-resident parent, guardian, or spouse. Instead, the new policy denies in-state status to students who are "residing in the State of Maryland primarily for the purpose of attending an educational institution."

Salisbury University Name Change

After approval from the Board of Regents last fall and the passage of legislation by the General Assembly this spring, "Salisbury State University" officially became "Salisbury University" on July 1, 2001. The name change is intended to communicate the broader scope of the university's academic programs, help the campus reach a wider audience, and aid in fund raising. This is the university's fourth name since it opened in 1925 as the Maryland State Normal School at Salisbury.

Year End Highlights *(continued)*

New Presidents

Mark L. Perkins, chancellor of the University of Wisconsin-Green Bay, was named president of Towson University in February 2001. Perkins succeeded Hoke L. Smith, who served as Towson's president for 22 years. Perkins began his new position on July 1, 2001.

In May 2001, the USM Board of Regents announced the formation of a search and screening committee to consider candidates for president of the University of Baltimore. The new president will succeed Dr. H. Mebane Turner, who will retire on June 30, 2002, after 34 years of service, 33 of them as president.

In November 2001, Chancellor Donald N. Langenberg announced the formation of a search and screening committee to find a permanent replacement for Dr. Dolores R. Spikes, president of the University of Maryland Eastern Shore (UMES). In August 2001, Dr. Jackie (Jack) Thomas, executive vice president of UMES, was named interim president after Dr. Spikes decided to resign based on the advice of her physician. Dr. Spikes began her tenure at UMES in 1997.

USM, College Park Establish Internet2 Connection

The USM, the University of Maryland, College Park, and the University Corporation for Advanced Internet Development (UCAID) signed an agreement in October 2001 for the University System of Maryland Academic Telecommunications System (UMATS) to connect to the national Internet2 Abilene backbone as a Sponsored Educational Group Participant (SEGP).

The USM/UMATS connectivity is the result of a policy announced by UCAID earlier this year that allows state education networks and regional networking organizations expanded access to the high-performance research and educational backbone through partnerships with Internet2 member universities. The UMATS connection is sponsored by UMCP, one of the founding members of the Internet2 initiative. The newly established connectivity will allow all USM institutions to have access to the latest in national and international network capabilities. Through this agreement, faculty and students at all USM institutions will be able to connect with colleagues and special resources at Internet2 member institutions and institutions connected through similar SEGP agreements in other states. In addition, the agreement enables other educational institutions in Maryland to connect to Abilene as well through the UMATS backbone, including elementary schools, secondary schools, community colleges, and libraries. By connecting to UMATS, any educational entity in Maryland can offer this capability to its faculty and students.

Collective Bargaining

In May 2001, Governor Glendening signed legislation granting certain employees within the University System the right to choose an exclusive employee representative for the purposes of collective bargaining. On July 3, 2001, Governor Glendening announced the appointees to Maryland's first State Higher Education Labor Relations Board, which will oversee the collective bargaining process. The USM Board of Regents voted in February 2001 to support the Governor's collective bargaining legislation.

Partnership Agreement with the Office of Civil Rights

In December 2000, a partnership agreement was adopted by the Office of Civil Rights and the State of Maryland. In the agreement, Maryland committed to enhancing the State's four HBCU's and to "a process for Coppin's revitalization," beginning with an independent study of the campus.

In February 2001, the Board of Regents approved a plan for enhancing the System's three HBCU's by augmenting the institutions' operating budgets annually from fiscal year 2003 through fiscal year 2007, and by accelerating selected capital projects to ensure the institutions have adequate classroom, laboratory, and other space. The funding is intended to achieve a variety of objectives, including improving student admissions-management strategies, financial-aid administration, and institutional-development programs. The enhancement plan is part of the agreement with the Office of Civil Rights.

Institutional Milestones

Bowie State University has become a “laptop university,” giving over 700 laptops to freshman this year. Each successive freshman class also will be required to have laptops, thereby infusing this technology throughout the undergraduate school within four years. All entering freshman also have access to the BSU Internet and web-enhanced courses. Students may view assignments, lecture notes and discussions, chat with professors and classmates, and share other information and ideas pertinent to their classes on-line.

Coppin State College is among the top 50 colleges and universities nationwide in graduating African Americans with baccalaureate degrees in all disciplines combined, according to an annual survey by *Black Issues in Higher Education*. The same survey found that Coppin State is 25th among historically black colleges and universities in the production of African Americans with baccalaureate degrees in all disciplines combined.

Frostburg State University jumped from the third tier to the second tier in the most recent edition of *U.S. News and World Report’s* “America’s Best Colleges” for northern master’s degree granting universities. The university also broke ground on a new \$33 million, three-story Compton Science Center and had a ribbon cutting for a new business center (in cooperation with Allegany County).

A rarity among public universities nationwide, all four of **Salisbury University’s** schools have multimillion dollar endowments: the Perdue School of Business, the Henson School of Science and Technology, the Fulton School of Liberal Arts and the Seidel School of Education and Professional Studies. The university recently opened the one-of-a-kind Scarborough Leadership Center, a 8,000 square foot facility dedicated to providing programs and activities that will develop leadership qualities and skills in students.

The October 2000 issue of *Kiplinger’s Personal Finance Magazine* named **Towson University** to its list of Top 100 Values in Public Education. The university ranked 8th in the Top Public Northern Universities-Master’s category in *U.S. News & World Report’s* 2002 American’s Best Colleges issue. The July 6, 2001, issue of *Black Issues in Higher Education* gave Towson a fifth-place national ranking (with University of Maryland, College Park) in the number of African Americans receiving master’s degrees in its English Language/Literature/Letters category.

With the support of major gifts from the MBNA Foundation and a number of MBNA’s senior officers, the **University of Baltimore** and the Merrick School of Business established the MBNA Information Institute, expanding the university’s research efforts in information science. The new Institute houses the Information Systems Research Center and the MBNA e-learning Center.

The Center for Vaccine Development at the **University of Maryland School of Medicine** is testing smallpox vaccines to determine if the available supply of vaccine can be given in smaller doses and still be effective. Stretching the nation’s current supply of smallpox vaccine (15 million doses) may become critical in the event of a bioterrorist attack with weaponized smallpox. The Center is testing healthy individuals between 18 and 32 years of age to see if a 10 percent dose is effective.

The **University of Maryland, Baltimore County** was named 2000 “Chess College of the Year” by *Chess Life* magazine and is home to the four-time Pan-American Intercollegiate Team Chess champions. UMBC is ranked in top tier of the nation’s research universities—Doctoral/Research Universities-Extensive—by the Carnegie Foundation and is the only Maryland university rated a “Best Value” by the *Kaplan/Newsweek* 2001 College Catalog.

The newly opened Clarice Smith Performing Arts Center redefines the artistic and physical landscape of the campus of the **University of Maryland, College Park**. The Center features six outstanding performance halls. The 318,000 square-foot performing arts center is located on 17 acres on the university campus and is the largest single building ever constructed by the State of Maryland. Next year, the university will open the new Comcast Center sports arena, with seating for more than 17,000 spectators.



Towson University’s new B.S. degree in electronic business is an interdisciplinary program that prepares students to meet the explosive growth of Web-based retailing, marketing, electronic supply chain management, Web publishing and Internet publishing.

Institutional Milestones *(continued)*

The **University of Maryland Eastern Shore** has been ranked by the National Professional Grounds Management Society as the Second Most Beautiful Campus in the United States for two consecutive years. Within the last decade, UMES has added 17 new degree-granting programs to its academic roster. Graduates of these programs often choose to remain on the Delmarva Peninsula, procuring careers in their areas of professional study to benefit the region, particularly the Lower Eastern Shore.

In addition to its traditional-classroom offerings, **University of Maryland University College**, the state's second largest university, is highly recognized for its approximately 70 academic programs and comprehensive array of student services offered online. The University is the recipient of the first Sloan Asynchronous Learning Network (ALN) Consortium Award for Excellence in Institution-Wide ALN Programming and a University Continuing Education Association award for the Web site UMUC designed to demonstrate new online technologies for "virtual" classrooms. The Maryland Higher Education Commission projects that UMUC enrollments stateside will nearly triple by 2010.

The **University of Maryland Biotechnology Institute** is making great strides on a variety of research initiatives, including: safe, new ways to deliver an AIDS vaccine; aquaculture systems to grow more nutritious, gourmet fish in city warehouses; innovative "photoflash gene expression" for drug design studies; new, heat-tough enzymes for myriad industrial and medical processes; and a state-of-the-art database model for protein structure/function studies.

The **University of Maryland Center for Environmental Science** is the largest single institution studying the Chesapeake Bay and its watershed. Although focusing the majority of its research on the Bay, UMCES' activities are also global, involving research from the South Pacific to the Serengeti Plain and from the poles to the tropics. UMCES is the national leader in interdisciplinary research on coastal environments, including programs on the ecology of Pfiesteria.



Coppin State College, which is the first and only higher education institution in the State to manage a public school, is in its fourth year of operating nearby Rosemont Elementary School.

Financial Information

Internal Control Structure and Budgetary Control

Management of the System is responsible for establishing and maintaining an effective system of internal control. The system of internal control is designed to ensure that certain organizational objectives are met. Accordingly, organizational structure, policies, and procedures have been established to safeguard assets, ensure the reliability of accounting data, promote efficient operations and ensure compliance with established governmental laws, regulations and policies, System policies, and other requirements of resource providers to whom the System is accountable.

As a recipient of Federal financial awards, the System is responsible for ensuring compliance with all applicable laws and regulations relating to such assistance. This is accomplished through a combination of State and System policies and procedures, and other facets of the System's internal control structure. The System undergoes an annual examination of its Federal financial assistance programs in accordance with United States Office of Management and Budget Circular A-133.

The Maryland Constitution requires the Governor to submit to the General Assembly an annual balanced budget for the System. Each constituent unit within the System is provided with a level of appropriation for current unrestricted fund and current restricted fund activities. The legislated appropriation level limits total annual current fund expenditures. Budgetary controls are incorporated into the System's accounting systems, as well as the State financial management system, to ensure that expenditure constraints imposed by the legislated budget are observed within each budgetary unit. Periodic financial reports which compare actual and projected results with estimated and budgeted amounts are provided to the Board of Regents.

General University System of Maryland Functions

(amounts expressed in thousands)

Current fund revenues by source for the year ended June 30, 2001, and the changes as compared with the year ended June 30, 2000 are summarized below.

Current Funds Revenues By Source	Amount	Percent of Total	Increase (Decrease) Over 2000 Amounts	
			Amount	Percent
State appropriations ¹	\$798,693	31.1%	\$78,724	10.9%
Gifts, grants and contracts ²	687,140	26.8	95,669	16.2
Tuition and fees ³	594,118	23.1	48,408	8.9
Sales and services revenues	425,761	16.6	38,075	9.8
Investment income ⁴	39,932	1.6	10,991	40.0
Other sources	19,223	0.8	1,539	8.7
Total	\$2,564,867	100.0%	\$273,406	11.9%

1. State appropriations increased significantly to help keep tuition increases to a minimum, provide for new facilities, fund personnel cost increases, and enable Regents' and institutional initiatives.
2. Growth in state and local contracts and grants at UMCP and federal contracts and grants at UMB account for most of the increase in gifts, grants, and contracts revenues.
3. Significantly increased levels of distance education enrollment at UMUC, combined with a modest increase in tuition rates, and higher enrollments at TU and UB, account for the higher level of tuition and fees revenues.
4. The increase in investment income reflects the increase in average cash balances during the year.

Financial Information *(continued)*

Current fund expenditures by program category for the year ended June 30, 2001, and the changes as compared with the year ended June 30, 2000 are summarized below.

Current Funds Expenditures By Function & Transfers	Amount	Percent of Total	Increase (Decrease) Over 2000 Amounts	
			Amount	Percent
Instruction	\$723,122	28.4%	\$75,703	11.7%
Research	479,013	18.8	64,998	15.7
Public Service	128,642	5.1	6,306	5.2
Academic Support	189,608	7.5	28,709	17.8
Student Services	89,385	3.5	6,480	7.8
Institutional Support	241,707	9.5	51,075	26.8
Operation and Maintenance of Plant	136,132	5.3	3,133	2.4
Scholarships and Fellowships	139,020	5.5	9,835	7.6
Auxiliary Enterprises	239,592	9.4	21,153	9.7
Hospital	36,213	1.4	2,797	8.4
Mandatory Transfers	63,837	2.5	2,216	3.6
Nonmandatory Transfers	78,789	3.1	(1,214)	(1.5)
Total	<u>\$2,545,060</u>	<u>100.0%</u>	<u>\$271,191</u>	<u>11.9%</u>

- Instruction-related expenditures reflect increases in payroll and related costs, largely in the general instructional activities, most significantly at UMCP.
- Research expenditures increased due to higher levels of collaborative efforts with start-up entities under the Maryland Industrial Partnership program.
- Academic support expenditures increased significantly at UMCP, reflecting the state's investment in library facilities and personnel, as well as costs associated with the growing educational center at Shady Grove in Montgomery County.
- Institutional support increased at UMB, where administrative streamlining, such as the implementation of a procurement card program, has resulted in higher current costs. At UMCP, several activities previously categorized as Auxiliary Enterprises are now grouped under Institutional Support, while a major organizational restructuring resulted in several new administrative offices at UMUC.
- Auxiliary Enterprises expenditures have increased the most at UMCP, where contractual services associated with business-type activities have expanded.



Towson University's unique advising program for freshmen, First Year Experience, assigns students to advisers who introduce them to useful programs and services throughout their first year. The program encourages sound educational choices in addition to friendships and ties to the university.

Financial Information *(continued)*

Fund Groups

Unrestricted Current Funds—consists of operating funds derived from academic and business-type activities which have no external constraints placed on their use.

Instruction—includes expenditures for formally organized and (or) separately budgeted instructional activities, including both those instructional activities carried out during the academic year, and those carried on outside of the normal academic term (for example, summer sessions and interim sessions).

Research—includes expenditures for activities specifically organized to produce research, including those research institutes and centers that are separately budgeted.

Public Service—includes expenditures for activities which provide non-instructional services beneficial to individuals and groups external to the System.

Academic Support—includes expenditures to provide direct support services for the System's primary missions: instruction, research, and public service. Academic administration, including expenditures for academic deans, library, and academic computing support are some of the activities which fall in the Academic Support category.

Student Services—includes expenditures for activities whose primary purpose is the enhancement of students' emotional and physical well-being, and intellectual, cultural, and social development outside the context of the formal instructional program. Examples of these activities include student activities, student organizations, student aid administration, student health service, and the offices of admissions and registrar.

Institutional Support—includes expenditures for activities carried out to provide for both the day-to-day functioning and the long-range planning of the institutions, units, and the System. Institutional administration and administrative computing support represent a significant portion of expenditures in the Institutional Support functional category.

Operation and Maintenance of Plant—includes expenditures for building maintenance, custodial services, utilities, landscape and grounds maintenance, and repair and renovation activities.

Auxiliary Enterprises—includes expenditures for residence halls and food services, intercollegiate athletics, parking facilities, book stores, and student unions. These activities receive no direct State support and, accordingly, user charges are designed to cover the costs of these activities.

Scholarships and Fellowships—includes expenditures made in the form of outright grants to students selected by the institutions of the System.

Hospital—includes expenditures for direct patient care and health care supportive services. The University of Maryland, Baltimore, through contractual arrangements primarily with the State of Maryland, operates hospital and critical care facilities. The revenues attributable to these activities are largely reported as contract and grant revenues.

Restricted—Restricted current funds consist of those funds expendable for operating purposes but restricted by their providers to a specifically designated purpose.

Loan Funds—This fund group comprises resources available for loans to students, faculty, or staff. The largest portion of these funds has been provided through the federal Perkins loan program.

Agency Funds—These funds are held by the institution as custodian or fiscal agent for others, particularly separately organized student groups.

Financial Information *(continued)*

Endowment Funds—Endowment funds are those gifts whose principal is intended to be invested to provide current and future earnings for current operations of the institutions and units of the System.

Use of these funds is limited by donors, as 76% of the recorded value of Endowment Funds are pure endowments, of which only the income, and not principal, may be spent on a current basis. In almost all cases the object or purpose of the spending is also specified. A majority of endowment funds are restricted for scholarships and awards in specific academic areas.

The following table shows the growth in the fund, investment returns, and spendable income over the past ten years (amounts in thousands).

Year ended June 30	Investment Return	Endowment Fund Market Value	Spendable Income
1992	15.1%	\$ 63,060	\$ 2,421
1993	33.1%	80,419	2,434
1994	(1.4%)	77,381	3,229
1995	19.7%	87,390	3,497
1996	28.1%	109,309	3,600
1997	37.1%	146,078	6,121
1998	33.4%	186,504	7,716
1999	36.5%	249,218	9,672
2000	(9.1%)	211,630	9,275
2001	14.9%	226,978	10,028

Spendable income is used for the following purposes:

Research	32.3%
Scholarships	31.5
Unrestricted purposes	18.3
Professorships	10.5
All other	7.4
Total	<u>100.0%</u>

Plant Funds—The Plant Funds group consists of the following four subfund groups:

Unexpended Plant Funds—include unexpended resources, less any associated liabilities, for facilities projects other than plant renewal or replacement.

Renewals and Replacements—include unexpended resources, less any associated liabilities, available for plant renewal and replacement.

Retirement of indebtedness—includes resources set aside for the payment of the System's obligations under debt agreements.

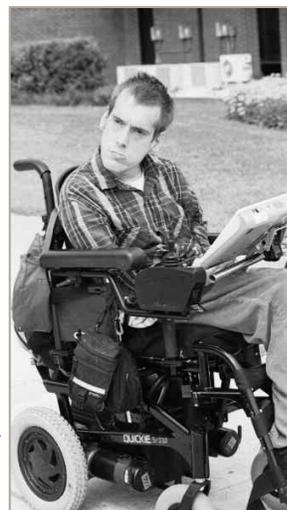
Investment in Plant—includes the recorded cost of plant facilities, less any associated liabilities.

The System has adopted practices and policies on the funding of construction projects and periodic renewal and replacement of plant facilities.

Financial Information *(continued)*

Practices for funding of construction projects include the use of existing System-wide cash through inter-institutional or inter-fund borrowing arrangements, and use of proceeds of debt obligations.

The policy for facilities renewal provides that within a five-year period, appropriation requests be increased to provide funds equal to 2% of the replacement value of facilities. During the past several years, facilities renewal funding has been below 1% of replacement value. The System is currently requesting increased funds for facilities renewal through a combination of operating and capital budget resources which should be much closer to the 2% target.



Bowie State University hosts a diverse student population.

Debt Administration

The System finances the construction or acquisition of many of its new auxiliary enterprise facilities, and certain academic facilities, through the issuance of University System of Maryland debt obligations. The System, with the assistance of its legal and financial consultants, continually monitors the market for government securities in order to achieve the most favorable financing arrangements, both for new facilities and for the refinancing of existing debt.

During the year ended June 30, 2001, the System issued \$90,000,000 of 2000 Series A revenue bonds and \$75,000,000 of 2001 Series A revenue bonds. Both issues of bonds have been assigned ratings of Aa3 by Moody's Investor's Service, Inc., AA+ by Standard & Poor's Corporation, and AA by Fitch Investors Service, Inc. The System also issued \$17,800,000 of variable rate Certificates of Participation to finance the construction of an addition to the School of Business at the University of Maryland, College Park.

Cash Management

The State Finance and Procurement Article of the Annotated Code provides that all receipts, and all disbursements, except for those involving accounts overseas and small working fund accounts, Endowment Funds, and trust funds associated with debt instruments, be made using a bank account under the management of the State Treasurer. The State Treasurer performs all cash management activities for System cash balances on deposit in State bank accounts. The State Treasurer invests surplus cash balances, primarily in repurchase agreements and United States Treasury and agency obligations. A portion of the earnings on surplus cash balances is passed on to the System and reported as investment income.

Risk Management

The System participates in a statewide risk management program. As a part of this program, the State makes available blanket insurance coverage provided by a private insurance company for certain risks of loss. As a participant in the statewide insurance program, the System is assessed a charge by the State.

The System is involved in several legal proceedings. Such proceedings arise from time to time in the normal course of its operations. In the opinion of the State Attorney General, such proceedings are not likely to have a material adverse impact on the financial position of the System.

Financial Information *(continued)*

Other Information

In accordance with State statute, each unit of the System undergoes an audit by the State of Maryland Legislative Auditor at least every two years. Additionally, University System of Maryland internal auditors perform fiscal, compliance and performance audits at your direction and that of the Board of Regents. The reports resulting from these audits are shared with the management of those units of the System.

Board of Regents policy requires you to submit annual general purpose financial statements for the System which have been audited by independent auditors. The report of Ernst & Young LLP has been included with the general purpose financial statements in the financial section of this report. Ernst & Young LLP also performs audits to meet the requirements of OMB Circular A-133, the results of which are detailed in a separate report.

This Comprehensive Annual Financial Report has been prepared using the guidance found in Governmental Accounting, Auditing and Financial Reporting, published by the Government Finance Officers Association of the United States and Canada (GFOA). The objectives of the comprehensive annual financial report are to present a clear and complete picture of the System's financial affairs, enhance the information conveyed through the traditional governmental college and university financial reporting model, and address comprehensive annual financial report user needs.

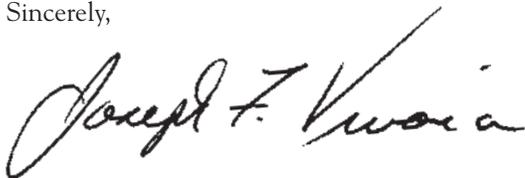
The GFOA administers the Certificate of Achievement for Excellence in Financial Reporting Program to recognize and encourage excellence in financial reporting by state and local governmental units. To be eligible for a Certificate of Achievement, the comprehensive annual financial report should enhance the reader's understanding of the entity's finances and the other information presented in general purpose financial statements, be efficiently organized and presented, and adhere to certain generally accepted terminology and formatting conventions.

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the University System of Maryland for its Comprehensive Annual Financial Report for the year ended June 30, 2000. In order to be awarded a Certificate of Achievement, the public college or university must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. The report must satisfy both generally accepted accounting principles and legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report in a timely manner would not have been possible without the efforts and dedication of the employees of the Office of Administration and Finance of the University System of Maryland Office, the financial management of each of the institutions and units of the System, and the expertise and guidance of Ernst & Young LLP.

Sincerely,



Joseph F. Vivona
Vice Chancellor for
Administration and Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

University System of Maryland

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2000

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Imelda Arave

President

Jeffrey L. Essler

Executive Director

University System of Maryland



F I N A N C I A L S E C T I O N



The University of Maryland Center for Vaccine Development derives its strength from an international staff of molecular biologists, immunologists, internists, pediatricians, epidemiologists, biostatisticians, and entomologists.

Report of Independent Auditors

Board of Regents, University System of Maryland

We have audited the accompanying balance sheet of the University System of Maryland (the System), a component unit of the State of Maryland, as of June 30, 2001, and the related statements of changes in fund balances and current funds revenues, expenditures, and other changes for the year then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the component unit included as discretely presented amounts in the System's financial statements. The financial statements of the component unit were audited by other auditors whose report thereon has been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included for the component unit, is solely based on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the System as of June 30, 2001, and its changes in fund balances and current funds revenues, expenditures and other changes for the year then ended, in conformity with accounting principles generally accepted in the United States.

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2001, the System changed its capitalization threshold on real property fixed issues.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the System taken as a whole. The accompanying supplemental data contained on pages 42 to 76 of this report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and, therefore, express no opinion thereon.

November 13, 2001



General Purpose Financial Statements



This major University of Maryland Eastern Shore structure was completed in 1993. It contains classrooms as well as 24 guest rooms, conference rooms, and dining facilities for the hotel/restaurant management program. It honors the Eastern Shore philanthropist and prominent aviation chairman, Richard A. Henson.

University System of Maryland

BALANCE SHEET

June 30, 2001

(amounts expressed in thousands)

	Current Funds			Loan Funds	Agency Funds	Endowment and Similar Funds	Plant Funds	Component Unit
	Unrestricted	Restricted	Total					
ASSETS:								
Cash and cash equivalents	\$320,234	\$3,554	\$323,788	\$3,676	\$2,943	\$2,001	\$245,712	\$137
Investments	2,511		2,511		300	224,235	7,518	
Accounts receivable (net of allowance for doubtful accounts of \$7,811)	54,938	99,896	154,834	763	1,655		35	4
Accrued interest receivable					25	742	507	
Notes receivable (net of allowance for doubtful notes of \$7,503)		5,693	5,693	61,114				
Inventories	9,355		9,355					
Prepaid expenses and deferred charges	6,876		6,876					2,749
Investment in plant							3,415,185	
Due from other funds	40,121	4,563	44,684	324	240		1,754	
Total assets	\$434,035	\$113,706	\$547,741	\$65,877	\$5,163	\$226,978	\$3,670,711	\$2,890
LIABILITIES & FUND BALANCES:								
Accounts payable and accrued liabilities	\$119,927	\$34,483	\$154,410	\$292	\$368	\$209	\$35,774	\$472
Accrued workers' compensation	20,736	37	20,773					
Accrued vacation costs	97,273	1,241	98,514					
Due to other funds	9,272	35,252	44,524	7	1,489		982	
Revenue bonds							722,307	
Notes payable and other long-term debt							74,865	837
Obligations under capital lease agreements							5,512	
Deferred revenue	56,435		56,435					444
Funds held for others					3,306			
Total liabilities	303,643	71,013	374,656	299	5,163	209	839,440	1,753
COMMITMENTS & CONTINGENCIES								
FUND BALANCES:								
Unrestricted, allocated:								
Encumbrances	26,485		26,485					
Loans to students				1,414				
Unexpended plant funds							87,414	
Renewals and replacements							48,235	
Retirement of indebtedness							415	
Unrestricted, unallocated	103,907		103,907					1,137
Endowment and similar funds						226,769		
Net investment in plant							2,661,222	
Restricted:								
Sponsored research		42,693	42,693					
U.S. government loan programs				64,164				
Unexpended plant funds							33,985	
Total fund balances	130,392	42,693	173,085	65,578		226,769	2,831,271	1,137
Total liabilities and fund balances	\$434,035	\$113,706	\$547,741	\$65,877	\$5,163	\$226,978	\$3,670,711	\$2,890

The accompanying notes are an integral part of this balance sheet.

University System of Maryland

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES & OTHER CHANGES

For the year ended June 30, 2001
(amounts expressed in thousands)

	Current Funds		Total
	Unrestricted	Restricted	
REVENUES:			
Tuition and fees	\$594,118		\$594,118
State appropriations	798,693		798,693
Federal grants and contracts	66,721	\$330,532	397,253
State and local grants and contracts	11,116	128,900	140,016
Private gifts, grants and contracts	22,803	127,068	149,871
Investment income:			
Endowment	2,550	10,569	13,119
Other	26,791	22	26,813
Sales and services of educational departments	106,212		106,212
Sales and services of public service activities	14,030		14,030
Sales and services of auxiliary enterprises	305,519		305,519
Other	19,223		19,223
Total revenues	1,967,776	597,091	2,564,867
EXPENDITURES & MANDATORY TRANSFERS:			
Instruction	680,245	42,877	723,122
Research	134,957	344,056	479,013
Public service	35,810	92,832	128,642
Academic support	185,265	4,343	189,608
Student services	86,880	2,505	89,385
Institutional support	236,944	4,763	241,707
Operation and maintenance of plant	136,130	2	136,132
Scholarships and fellowships	78,338	60,682	139,020
Auxiliary enterprises	239,474	118	239,592
Hospital	4,078	32,135	36,213
Total expenditures	1,818,121	584,313	2,402,434
Mandatory transfers	(63,837)		(63,837)
Total expenditures and mandatory transfers	1,881,958	584,313	2,466,271
OTHER TRANSFERS & ADDITIONS (DEDUCTIONS):			
Nonmandatory transfers	(82,522)	3,733	(78,789)
Excess of restricted receipts over transfers to revenues		(13,642)	(13,642)
Total transfers and other additions (deductions)	(82,522)	(9,909)	(92,431)
Net increase in fund balances	\$3,296	\$2,869	\$6,165

The accompanying notes are an integral part of this statement.

University System of Maryland

STATEMENT OF CHANGES IN FUND BALANCE For the year ended June 30, 2001 (amounts expressed in thousands)

	Current Funds			Loan Funds	Endowment and Similar Funds	Plant Funds	Component Unit
	Unrestricted	Restricted	Total				
REVENUES AND OTHER ADDITIONS:							
Educational and general revenues	\$1,651,826		\$1,651,826				
Auxiliary enterprises revenues	315,950		315,950				
State appropriations—restricted						\$100,299	
Government grants and contracts— restricted		\$532,372	532,372			10,476	
Private gifts, grants and contracts— restricted		134,341	134,341	\$17	\$671	4,113	
Investment income—restricted		5,677	5,677	18	22,939	6,655	
Interest on notes receivable				1,455			
Expended for plant facilities (including \$51,997 charged to current funds expenditures)						319,188	
U.S. government advances				1,067			
Retirement of indebtedness						36,744	
Other sources				119		214	
Total revenues and other additions	1,967,776	672,390	2,640,166	2,676	23,610	477,689	
EXPENDITURES AND OTHER DEDUCTIONS:							
Educational and general expenditures	1,578,647	584,195	2,162,842				
Auxiliary enterprises expenditures	239,474	118	239,592				
Indirect costs recovered		88,941	88,941				
Loan cancellations, write-offs and refunds, net of recoveries				1,313			
Retirement of indebtedness						36,744	
Interest on indebtedness						34,122	
Expended for plant facilities (including non-capitalized expenditures of \$41,950)						309,141	
Disposal of property, plant and equipment						56,181	
Other				700	825		\$305
Total expenditures and other deductions	1,818,121	673,254	2,491,375	2,013	825	436,188	305

University System of Maryland

STATEMENT OF CHANGES IN FUND BALANCE (continued) For the year ended June 30, 2001 (amounts expressed in thousands)

	Current Funds			Loan Funds	Endowment and Similar Funds	Plant Funds	Component Unit
	Unrestricted	Restricted	Total				
Net increase (decrease) in fund balances before transfers	\$149,655	(\$864)	\$148,791	\$663	\$22,785	\$41,501	(\$305)
TRANSFERS AMONG FUNDS— ADDITIONS (DEDUCTIONS)							
Mandatory:							
Debt service	(63,474)		(63,474)			63,474	
Loan fund matching grant	(363)		(363)	363			
Nonmandatory:							
Renewals and replacements	(40,479)	(314)	(40,793)			40,793	
Other	(42,043)	4,047	(37,996)	(133)	(7,457)	45,586	
Total transfers among funds	(146,359)	3,733	(142,626)	230	(7,457)	149,853	
Net increase (decrease) in fund balances	3,296	2,869	6,165	893	15,328	191,354	(305)
FUND BALANCES, June 30, 2000	127,096	39,824	166,920	64,685	211,441	2,761,699	1,442
Adjustment for change in accounting principle (see note 1)						(121,782)	
FUND BALANCES, June 30, 2001	\$130,392	\$42,693	\$173,085	\$65,578	\$226,769	\$2,831,271	\$1,137

The accompanying notes are an integral part of this statement.



One of the newest structures on the campus, the Student Services Center reflects the University of Maryland Eastern Shore's commitment to a student-centered campus. It houses a student dining room; a 6 lane bowling alley; a 500 seat movie theater/auditorium; a grand ballroom; game rooms; lounge areas; and a host of student, staff and administrative offices.

Organization and Purpose

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

The System comprises eleven degree-granting institutions, two research components 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 components 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 financial statements of the System have been prepared in accordance with the accounting guidance and reporting practices applicable to colleges and universities, as outlined in the pronouncements of the Governmental Accounting Standards Board (GASB), and the American Institute of Certified Public Accountants Industry Audit Guide, *Audits of Colleges and Universities*.

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 GASB Statement #14, *The Financial Reporting Entity*.

The System has recognized, as affiliated foundations, fifteen organizations created and operated in support of the interests of the System or any of the institutions which comprise the System. Members of the Board of Directors of one affiliated foundation, the University of Maryland, Baltimore County Research Park Corporation, Inc., are selected with the approval of the System's Board of Regents, and as a result, meet the criteria for inclusion in the financial reporting entity. Complete financial statements of the University of Maryland, Baltimore County Research Park Corporation, Inc. may be requested at UMBC Research Park Corporation, 1450 South Rolling Road, Baltimore, Maryland 21227. None of the other affiliated foundations satisfy the criteria for inclusion in the financial reporting entity.

The University of Maryland, Baltimore operates 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 revenues derived from these activities are reported primarily as contract and grant revenues.

Accrual Basis—The financial statements of the System have been prepared on the accrual basis of accounting. The Statement of Current Funds Revenues, Expenditures and Other Changes is a statement of financial activities of the Current Funds for the reporting period. It does not purport to present the results of operations or the net income for the period as would a statement of income.

To the extent that Current Funds resources are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures in the case of acquisitions of moveable equipment and library holdings, (2) transfers of a mandatory nature for payments in liquidation of long-term construction and equipment loans and (3) transfers of a nonmandatory nature for all other cases.

Fund Accounting—In order to ensure observance of limitations and restrictions placed on the use of the resources available to the System, the accounts of the System are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into Funds according to the activities or objectives specified.

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

Plant—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. Consistent with generally accepted accounting principles for public colleges and universities, depreciation on plant assets is not recorded.

Encumbrances—Unrestricted fund balances allocated for encumbrances represent commitments for purchases of goods or services not yet received as of the balance sheet date.

Pending changes in accounting principles—In June 1999, the GASB issued GASB Statement Number 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, and in November 1999, GASB Statement Number 35, *Basic Financial Statements—and Management’s Discussion and Analysis—for Public Colleges and Universities*. These Statements establish financial reporting standards for public colleges and universities, with changes in both measurement and display of financial statement elements. In June 2001, GASB Statement Number 37, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments: Omnibus*, and GASB Statement Number 38, *Certain Financial Statement Note Disclosures*, were issued.

The System is in the process of assessing the impact of these Statements and will present its financial statements for the year ended June 30, 2002 in accordance with the new requirements.

1. CHANGE IN ACCOUNTING PRINCIPLE

On July 1, 2000, the System increased the amount used for determining whether real property fixed assets should be capitalized, or charged to expenditures in order to keep the types of assets being capitalized consistent over time with changes in general price levels. To recognize the change, the System removed \$121,781,000 of assets recorded in Invested in Plant in the Plant Fund.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

At June 30, 2001, Cash and Cash Equivalents consist of the following (amounts in thousands):

Demand and time deposits	\$2,183
Cash and short-term investments on deposit with the State Treasurer	464,549
Mutual funds and money market funds, at fair value	111,388
	<hr/>
Total	<u>\$578,120</u>

At June 30, 2001, the carrying amount of the System’s demand and time deposits for all Funds was \$2,183,000, as compared to bank balances of \$5,957,000. The difference is primarily caused by items in-transit. Of the bank balances, \$5,106,000 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 \$851,000 was uninsured and uncollateralized.

At June 30, 2001, Investments consist of the following, stated at fair value (amounts in thousands):

U.S. & state government obligations	\$3,680
Repurchase agreements	7,519
Corporate equity securities	182,903
Corporate debt securities	27,321
Asset-backed securities	12,913
Foreign government obligations	228
	<hr/>
Total	<u>\$234,564</u>

The System's investments are categorized, in accordance with GASB Statement Number 3, as being insured or registered, or securities held by the System or its agent in the System's name. Mutual funds and money market funds are not subject to categorization under GASB Statement Number 3.

The Annotated Code of Maryland requires the System to maintain its cash balances, except for assets associated with Endowment and Similar Funds, or proceeds of System financing arrangements, on deposit with the State Treasurer. The State Treasurer maintains these and other State funds on a pooled basis in accordance with the Annotated Code of Maryland. Thus, the System's share of this pool cannot be categorized in accordance with GASB Statement Number 3.

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 not 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 not 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.

Assets associated with Endowment and Similar Funds are invested in accordance with the terms of donor agreements in those instances where such agreements place constraints on allowable investments.

The System invests a portion of its Endowment and Similar Funds in various forms of asset-backed securities, as a means of enhancing portfolio-wide risk-adjusted returns. The values of asset-backed securities are generally based on the future cash flows associated with the underlying pools of assets. Accordingly, asset-backed securities are subject to market risk due to fluctuations in interest rates, prepayment risks, and various liquidity factors related to the specific underlying pools of assets. At June 30, 2001, the System had investments in asset-backed securities of \$12,913,000, representing 5.5% of total investments, including collateralized mortgage obligations of \$11,014,000 and mortgage pass-through securities of \$1,899,000.

3. INVESTMENT IN PLANT

At June 30, 2001, the components of Investment in Plant are as follows (amounts in thousands):

Land	\$59,990
Improvements other than buildings	150,709
Buildings	2,258,671
Contents	608,603
Facilities recorded under capital lease agreements	4,136
Construction in progress	333,076
	<hr/>
Total	<u>\$3,415,185</u>

Total interest expense incurred on revenue bonds, long-term debt and obligations under capital lease agreements during the year ended June 30, 2001 was \$36,922,000. Interest expense of \$2,800,000 associated with projects not yet completed was recorded as construction in progress during the year. The remaining \$34,122,000 is reported as interest on indebtedness.

4. DUE TO / FROM OTHER FUNDS

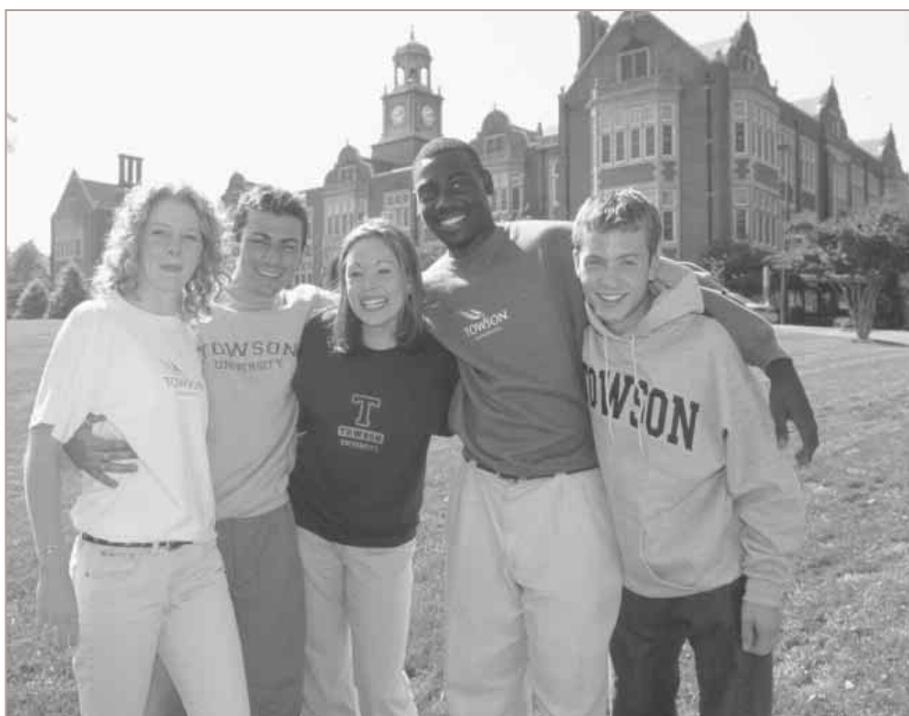
Amounts due from other Funds and amounts due to other Funds (collectively, interfund balances) between Current Funds—Unrestricted and Current Funds—Restricted represent timing differences between the expenditure of resources for restricted purposes and reimbursement from Federal and other agencies.

Interfund balances between Current Funds—Unrestricted and Plant Funds, Loan Funds and Agency Funds represent pooled resources transferred among fund groups to eliminate temporary cash deficits.

At June 30, 2001, the amounts due from, and payable to, other funds, are detailed below (amounts in thousands).

DUE TO OTHER FUNDS

	Current Funds		Loan Funds	Agency Funds	Plant Funds	Total
	Unrestricted	Restricted				
DUE FROM OTHER FUNDS:						
Current Funds—Unrestricted	\$3,769	\$34,024	\$7	\$1,489	\$832	\$40,121
Current Funds—Restricted	4,563					4,563
Restricted	174				150	324
Loan Funds	40	200				240
Plant Funds	726	1,028				1,754
Total	\$9,272	\$35,252	\$7	\$1,489	\$982	\$47,002



"Towson University is grounded in the idea of learning and the development of the whole person. We understand the relationship between our environment and the nature and quality of the learning experience. This is our legacy, this is who we are, and we should be proud of it."
Mark L. Perkins,
President

5. REVENUE BONDS, NOTES PAYABLE AND OTHER LONG-TERM DEBT

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 \$875,000,000.

Auxiliary Facility and Tuition Revenue Bonds

At June 30, 2001, Auxiliary Facility and Tuition Revenue Bonds (Revenue Bonds) consisted of the following (amounts in thousands):

	Interest Rates	Maturity Dates	Principal Outstanding
1989 Series B	6.8% - 6.9%	2001-2004	\$8,879
1992 Series A	5.8% - 6.0%	2002-2004	9,300
1992 Series B	6.0% - 6.1%	2002-2003	4,115
1992 Series C	5.5%	2002-2022	2,089
1993 Series A	4.8% - 5.5%	2002-2013	37,640
1993 Series B	6.6% - 7.0%	2002-2013	14,130
1993 Refunding Series C	4.3% - 5.1%	2001-2014	119,695
1995 Series A	5.0% - 5.6%	2002-2016	45,850
1996 Series A	5.4% - 5.7%	2002-2017	48,130
1997 Series A	5.0% - 5.1%	2002-2018	54,850
1998 Series A	5.0%	2002-2019	85,715
1999 Series A	4.0% - 4.5%	2002-2019	114,590
1999 Series B	4.1% - 5.0%	2001-2008	13,245
2000 Series A	4.5% - 5.7%	2001-2020	90,000
2001 Series A	3.7% - 5.0%	2002-2021	75,000
			<u>723,228</u>
Unamortized discount			(921)
			<u>\$722,307</u>

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

On July 20, 2000, the System issued \$90,000,000 of University System of Maryland Auxiliary Facility and Tuition Revenue Bonds, 2000 Series A (the 2000 Series A bonds). The 2000 Series A bonds consist of serial bonds maturing through the year ending June 30, 2020 with stated rates of interest of from 4.5% to 5.75%, and were issued at an aggregate premium of \$205,000. On June 11, 2001, the System issued \$75,000,000 of University System of Maryland Auxiliary Facility and Tuition Revenue Bonds, 2001 Series A (the 2001 Series A bonds). The 2001 Series A bonds consist of serial bonds maturing through the year ending June 30, 2021 with stated rates of interest of from 3.75% to 5% and were issued at a discount of \$437,000.

At June 30, 2001, cash and cash equivalents in the amount of \$79,865,000 were held by the trustee as unexpended proceeds of the Revenue Bonds.

University System of Maryland

NOTES TO FINANCIAL STATEMENTS

Year ended June 30, 2001
(continued)

Notes Payable and Other Long-term Debt

Notes payable and other long-term debt consist of the following at June 30, 2001 (amounts in thousands):

Equipment Loan Program Obligations, less unamortized discount of \$26	\$53,024
Certificates of Participation	17,800
Other	4,041
	<hr/>
Notes payable and other long-term debt	<u>\$74,865</u>



Towson University's College of Science and Mathematics offers small classes and hands-on laboratories. Advanced courses and labs are often limited to 16 or fewer students.

Equipment Loan Program Obligations

Equipment Loan Program Obligations (the Equipment Obligations) include debt issued in 1992 pursuant to an Indenture of Trust, an agreement entered into with a trustee for the benefit of holders of Equipment Obligations, dated June 1, 1992, and amounts issued during 1996, 1997 and 2000 under a separate agreement dated April 1, 1995. Under the terms of the 1992 Indenture of Trust agreement, a minimum of 80% of the equipment purchased or refinanced through the use of the proceeds of the Equipment Obligations is subject to a lien until full payment of the related Equipment Obligations has been made. At June 30, 2001, equipment with a recorded value of \$45,210,000 was subject to the lien created by the June 1, 1992 Indenture of Trust, and unexpended proceeds in the amount of \$24,292,000 were held by the trustee.

Certificates of Participation

The System issued \$17,800,000 of variable rate demand 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 will be made annually on June 1 beginning in 2003 and ending 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 include amounts borrowed to finance equipment acquisitions.

Future principal and interest payments are as follows (amounts in thousands):

Year ended June 30,	Auxiliary Facility and Tuition Revenue Bonds		Notes Payable and Other Long-term Debt		Total Payments
	Principal	Interest	Principal	Interest	
2002	\$40,631	\$37,837	\$2,495	\$4,083	\$85,046
2003	41,263	36,628	2,636	3,948	84,475
2004	42,037	34,923	2,972	3,802	83,734
2005	41,143	31,008	3,281	3,634	79,066
2006	44,950	27,161	2,946	3,450	78,507
2007 and thereafter	513,204	165,650	60,561	24,340	763,755
Total	<u>\$723,228</u>	<u>\$333,207</u>	<u>\$74,891</u>	<u>\$43,257</u>	<u>\$1,174,583</u>

6. LEASES

Obligations Under Capital Leases

The System (the University of Maryland Biotechnology Institute) leases a facility under an agreement recorded as a capital lease. The obligation is recorded at the present value of future minimum lease payments using a discount rate of 6.8%.

Future minimum payments on obligations under capital lease agreements are as follows (amounts in thousands):

Year ending June 30,	Total
2002	\$512
2003	512
2004	512
2005	512
2006	512
2007 and thereafter	7,424
Total future lease payments	9,984
Interest component	(4,472)
Present value of future lease payments	\$5,512

Operating Leases

The System and its constituent units lease facilities and equipment under agreements reported as operating leases. Many 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 with an initial or remaining noncancelable term in excess of one year are as follows (amounts in thousands):

Year ending June 30,	Minimum Annual Lease Payments
2002	\$6,869
2003	5,334
2004	4,733
2005	4,326
2006	1,691
2007 and thereafter	1,430
Total	\$24,383

Operating lease expenditures for the year ended June 30, 2001 were \$7,632,000.

The System has entered into lease agreements with developers at 4 of its institutions. These agreements provide the developers the use of System land for periods of 30 to 40 years. In each agreement, the developer will construct and manage the properties to provide housing services to students.

7. RETIREMENT AND PENSION PLANS

Most System employees participate in the State's Retirement and Pension Systems (the State Systems), which is an agent, multiple-employer public employee retirement system. While the State Systems is an agent, multiple-employer public employee retirement system, the University System of Maryland accounts for the plan as a cost-sharing multiple-employer public employee retirement system, as a separate valuation is not performed for the University System of Maryland, and the only obligation to the plan is its required annual contributions. The State Systems prepare a Comprehensive Annual Financial Report, which can be obtained from the State Retirement and Pension Systems at 120 East Baltimore Street, Baltimore, Maryland 21202.

Certain employees participate in an optional program with the Teachers Insurance and Annuity Association—College Retirement Equities Fund (TIAA-CREF).

State Systems

Plan Description

The State Systems are defined benefit plans with unfunded accrued actuarial liabilities. The State Systems, which are administered in accordance with Article 73B of the Annotated Code of Maryland, are managed by a Board of Trustees, and are included in the State of Maryland financial reporting entity.

Participants in the State Systems may receive retirement benefits after satisfying age and length of service requirements. Retirement benefits under each of the State Systems plans are based on the length of service and the average of the highest three consecutive years' compensation. Retirement benefits are paid on a monthly basis.

All four State Systems plans provide retirement, death and disability benefits in accordance with State statutes.

Funding Policy

The System's required contributions are based upon actuarial valuations. Effective July 1, 1980, in accordance with the law governing the State Systems, all benefits of the State Systems 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 Systems. The contribution from the employees is 5% for participants in the State Systems 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 Systems pension plans. Contributions are deducted from participant's salary and wage payments and are remitted to the State Systems on a regular, periodic basis.

The System made its required contributions during the years ended June 30, 2001, 2000, and 1999 of \$22,781,000, \$31,574,000, and \$32,722,000, respectively.

TIAA-CREF

Some employees participate in the optional TIAA-CREF programs, which are defined contribution money purchase plans funded currently each year. 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' total salaries each month and that the employee may elect to contribute 5% of total annual salary or 5% of total annual salary in excess of the Social Security wage base. The System's contribution along with that of the employee is immediately and fully vested. The contributions for the year ended June 30, 2001 were \$57,292,000, which consisted of \$29,638,000 from the System and \$27,654,000 from employees.

8. OTHER POSTEMPLOYMENT BENEFITS

Former System employees who are receiving retirement benefits may participate in the State health care insurance plans. These plans, which provide insurance coverage for medical, dental and hospital costs, are funded currently by the payment of premiums to the carriers and, under State policy, are jointly contributory. Depending on the health care insurance plan selected, retired employees contribute up to \$55 monthly towards the cost of premiums. System costs for premiums paid to the State health care insurance plans for the approximately 3,200 retired employees receiving these benefits amounted to \$17,376,000 for the year ended June 30, 2001.

9. ENDOWMENT FUNDS

The balances of the fund groups making up the Endowment and Similar Funds at June 30, 2001 are as follows (amounts in thousands):

Endowments	\$172,192
Quasi-endowments	54,577
Total	<u>\$226,769</u>

10. CONSTRUCTION COMMITMENTS

The estimated costs to complete construction in progress at June 30, 2001 is \$312,349,000, of which \$56,918,000 is available from bond proceeds, \$175,783,000 is to be derived from State appropriations and grants, and \$79,648,000 which will be provided from System funds.

11. BUDGETING AND BUDGETARY CONTROL

The Constitution of Maryland requires the Governor to submit to the General Assembly an annual balanced budget for the following fiscal year for all agencies, including the institutions and component units of the System. The budget for the System is prepared and adopted for Current Unrestricted Funds and Current Restricted Funds for each institution and component units. All System budgetary expenditures for Current Unrestricted Funds and Current Restricted Funds are made pursuant to the appropriations in the annual budget, as amended.

Total budgeted (as amended) and actual (budgetary basis) expenditures for the year ended June 30, 2001 are as follows (amounts in thousands):

	Final Budget	Actual
Current Unrestricted Funds	\$1,972,161	\$1,947,911
Current Restricted Funds	608,576	577,966
Total	<u>\$2,580,737</u>	<u>\$2,525,877</u>

Expenditures under the System's budgetary basis of accounting do not include the effect of changes in certain liabilities, principally the provisions for annual leave and workers' compensation costs, and the effects of other adjustments made to the System's accounting records, which are maintained on a modified accrual basis, in order to prepare financial statements on an accrual basis.

12. CONTINGENT LIABILITIES

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.

13. 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 of Maryland, 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 reevaluated 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 year ended June 30, 2001.

As of June 30, 2001, the System has recorded \$20,773,000 in liabilities associated with workers' compensation.

14. SUBSEQUENT EVENTS

On November 13, 2001, the System issued \$58,390,000 of University System of Maryland Auxiliary Facility and Tuition Revenue Bonds, 2001 Series B (the 2001 Series B bonds). The 2001 Series B bonds consist of serial bonds maturing through the year ended June 30, 2022 with stated rates of interest of from 3.5% to 4.625%, and were issued at an aggregate premium of \$198,000. Of the proceeds of the 2001 Series B, approximately \$30,485,000 will be used to fund new construction and renovation projects, while \$28,433,000 will be used to advance refund an aggregate of \$26,620,000 of outstanding principal of the 1992 Series A, and 1996 Series A revenue bonds.



The Center for Learning and Technology, the newest building on Bowie State University's campus, opened in Fall 2000.

Combining Financial Statements and Schedules



Maryland's landmark "M" serves as much more than a traffic roundabout. Its seasonal plantings offer year-round pleasure as it symbolizes the entrance to the University of Maryland, flagship institution of the University System of Maryland.

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

USM Legend for Combining Schedules

UMB - University of Maryland, Baltimore
 UMCP - University of Maryland, College Park
 BSU - Bowie State University
 TU - Towson University

UMES - University of Maryland Eastern Shore
 FSU - Frostburg State University
 CSC - Coppin State College
 UB - University of Baltimore

Combining Balance Sheet

UNRESTRICTED

June 30, 2001

(amounts expressed in thousands)

	UMB	UMCP	BSU	TU	UMES	FSU
ASSETS:						
Cash and cash equivalents	\$74,411	\$125,581		\$25,953	\$3,913	\$7,427
Investments		2,318				
Accounts receivable	4,384	10,439	\$2,257	2,630	6,885	531
Inventories		1,997	50	1,942		812
Prepaid expenses and deferred charges	195	2,769		1,288		54
Due from other funds	11,216	2,875	4,912	103	1,180	732
Inter-institutional balances			(1,327)			
Total assets	\$90,206	\$145,979	\$5,892	\$31,916	\$11,978	\$9,556
LIABILITIES & FUND BALANCES:						
Accounts payable and accrued liabilities	\$27,575	\$28,865	\$2,365	\$14,129	\$6,195	\$4,414
Accrued workers' compensation	4,413	6,784	425	2,335	969	712
Accrued vacation costs	31,558	34,816	1,375	5,956	2,096	1,975
Due to other funds	137		734			
Deferred revenue	1,908	22,448		5,872	239	589
Total liabilities	65,591	92,913	4,899	28,292	9,499	7,690
FUND BALANCES:						
Unrestricted, allocated: Encumbrances		23,792		5		461
Unrestricted, unallocated	24,615	29,274	993	3,619	2,479	1,405
Total fund balances	24,615	53,066	993	3,624	2,479	1,866
Total liabilities and fund balances	\$90,206	\$145,979	\$5,892	\$31,916	\$11,978	\$9,556

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

SU - Salisbury University
 UMUC - University of Maryland University College
 UMBC - University of Maryland, Baltimore County

UMCES - University of Maryland Center for
 Environmental Science
 UMBI - University of Maryland Biotechnology Institute
 USM Office - University System of Maryland Office

CSC	UB	SU	UMUC	UMBC	UMCES	UMBI	USM Office	TOTAL
\$2,272	\$12,223	\$12,790	\$26,385	\$18,331	\$25	\$6,846	\$4,077	\$320,234
			193					2,511
1,949	1,632	577	20,645	2,970		8	31	54,938
32	46	865	3,132	479				9,355
2	45		1,553	970				6,876
	973	273	2,445	8,119	4,934	2,359		40,121
(718)							2,045	
\$3,537	\$14,919	\$14,505	\$54,353	\$30,869	\$4,959	\$9,213	\$6,153	\$434,035
\$2,094	\$3,104	\$5,644	\$14,216	\$7,644	\$1,379	\$838	\$1,465	\$119,927
491	448	1,039	1,005	1,330	707		78	20,736
1,536	1,821	2,507	5,102	4,666	1,420	1,333	1,112	97,273
		273	2,813	4,597			718	9,272
822	1,925	1,429	16,818	4,385				56,435
4,943	7,298	10,892	39,954	22,622	3,506	2,171	3,373	303,643
		2,227						26,485
(1,406)	7,621	1,386	14,399	8,247	1,453	7,042	2,780	103,907
(1,406)	7,621	3,613	14,399	8,247	1,453	7,042	2,780	130,392
\$3,537	\$14,919	\$14,505	\$54,353	\$30,869	\$4,959	\$9,213	\$6,153	\$434,035

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

Combining Statement of Changes in Fund Balances

UNRESTRICTED
For the year ended June 30, 2001
(amounts expressed in thousands)

	UMB	UMCP	BSU	TU	UMES	FSU
REVENUES AND OTHER ADDITIONS:						
Educational and general revenues	\$285,680	\$626,121	\$39,384	\$146,009	\$36,063	\$47,889
Auxiliary enterprises revenues	16,482	131,258	6,936	52,829	13,703	16,297
Total revenues and other additions	302,162	757,379	46,320	198,838	49,766	64,186
EXPENDITURES AND OTHER DEDUCTIONS:						
Educational and general expenditures	270,850	598,303	37,430	133,970	33,954	45,927
Auxiliary enterprises expenditures	11,618	93,508	5,861	42,003	8,821	15,043
Transfers to (from) other University System of Maryland institutions	729	(920)	884	3,334	(148)	(23)
Total expenditures and other deductions	283,197	690,891	44,175	179,307	42,627	60,947
Net increase (decrease) in fund balances before transfers	18,965	66,488	2,145	19,531	7,139	3,239
TRANSFERS—ADDITIONS (DEDUCTIONS):						
Mandatory:						
Debt service	(6,032)	(26,042)	(1,536)	(9,187)	(3,746)	(1,830)
Loan fund matching grant	(138)	(28)		(136)		(3)
Nonmandatory:						
Renewals and replacements	(274)	(36,564)			(1,347)	(738)
Other	(15,239)	(275)	(441)	(9,373)	(1,595)	(1,055)
Total transfers	(21,683)	(62,909)	(1,977)	(18,696)	(6,688)	(3,626)
Net increase (decrease) in fund balances	(2,718)	3,579	168	835	451	(387)
FUND BALANCES, JUNE 30, 2000	27,333	49,487	825	2,789	2,028	2,253
FUND BALANCES, JUNE 30, 2001	\$24,615	\$53,066	\$993	\$3,624	\$2,479	\$1,866

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

CSC	UB	SU	UMUC	UMBC	UMCES	UMBI	USM Office	TOTAL
\$29,199	\$48,273	\$54,369	\$150,462	\$133,195	\$18,417	\$23,358	\$13,407	\$1,651,826
4,358	3,920	24,776	7,474	37,917				315,950
33,557	52,193	79,145	157,936	171,112	18,417	23,358	13,407	1,967,776
27,475	46,460	52,508	147,643	128,947	17,942	21,572	15,666	1,578,647
3,146	1,852	19,540	6,890	31,192				239,474
459	1,698	(674)	292	833	(508)	26	(5,982)	
31,080	50,010	71,374	154,825	160,972	17,434	21,598	9,684	1,818,121
2,477	2,183	7,771	3,111	10,140	983	1,760	3,723	149,655
(923)	(1,226)	(5,823)	(15)	(5,764)	(569)	(770)	(11)	(63,474)
	(36)	(3)	(13)	(6)				(363)
		(3)	(301)	(1,088)	(164)			(40,479)
(356)		(456)	(2,089)	(5,745)	(17)	(1,429)	(3,973)	(42,043)
(1,279)	(1,262)	(6,285)	(2,418)	(12,603)	(750)	(2,199)	(3,984)	(146,359)
1,198	921	1,486	693	(2,463)	233	(439)	(261)	3,296
(2,604)	6,700	2,127	13,706	10,710	1,220	7,481	3,041	127,096
(\$1,406)	\$7,621	\$3,613	\$14,399	\$8,247	\$1,453	\$7,042	\$2,780	\$130,392

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

Combining Statement of Current Funds Revenues, Expenditures and Other Changes

UNRESTRICTED
For the year ended June 30, 2001
(amounts expressed in thousands)

	UMB	UMCP	BSU	TU	UMES	FSU
REVENUES:						
Tuition and fees	\$43,638	\$199,293	\$17,213	\$76,275	\$11,865	\$18,776
State appropriations	139,884	333,111	21,311	64,180	22,474	26,569
Federal grants and contracts	25,155	28,298	533	44	353	96
State and local grants and contracts	1,640	5,134	33			93
Private gifts, grants and contracts	5,907	12,152	2	1,562	3	282
Investment income:						
Endowment		2,474		40		
Other	5,254	12,547		1,421	806	869
Sales and services of educational departments	64,202	29,204		2,143	193	701
Sales and services of public service activities						
Sales and services of auxiliary enterprises	16,482	121,782	6,936	52,829	13,669	15,782
Other		13,384	292	344	403	1,018
Total revenues	302,162	757,379	46,320	198,838	49,766	64,186
EXPENDITURES AND MANDATORY TRANSFERS:						
Instruction	144,529	254,979	15,663	56,685	12,692	22,222
Research	22,704	66,461	140	744	1,026	
Public service	331	24,930	2	2,107	2	37
Academic support	29,003	67,746	3,655	19,688	2,960	6,083
Student services	2,384	25,362	2,496	11,103	1,706	3,202
Institutional support	39,103	61,301	8,691	22,871	7,207	7,500
Operation and maintenance of plant	23,016	57,543	4,631	8,505	5,834	4,558
Scholarships and fellowships	5,702	39,981	2,152	12,267	2,527	2,325
Auxiliary enterprises	11,618	93,508	5,861	42,003	8,821	15,043
Hospital	4,078					
Total expenditures	282,468	691,811	43,291	175,973	42,775	60,970
Mandatory transfers	(6,170)	(26,070)	(1,536)	(9,323)	(3,746)	(1,833)
Total expenditures and mandatory transfers	288,638	717,881	44,827	185,296	46,521	62,803
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):						
Nonmandatory transfers	(15,513)	(36,839)	(441)	(9,373)	(2,942)	(1,793)
Transfers (to) from other University System of Maryland institutions	(729)	920	(884)	(3,334)	148	23
Total transfers and other additions (deductions)	(16,242)	(35,919)	(1,325)	(12,707)	(2,794)	(1,770)
Net increase (decrease) in fund balances	(\$2,718)	\$3,579	\$168	\$835	\$451	(\$387)

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

CSC	UB	SU	UMUC	UMBC	UMCES	UMBI	USM Office	TOTAL
\$10,363	\$23,208	\$25,290	\$119,842	\$48,355				\$594,118
18,623	23,476	28,100	13,512	66,474	\$12,777	\$16,244	\$11,958	798,693
75	121		356	5,917	2,533	3,240		66,721
36	635		80	2,462	700	303		11,116
	127		1	1,202	123	1,435	7	22,803
				36				2,550
100	468	956	1,657	1,434		710	569	26,791
	186	140	2,554	3,224	2,239	1,426		106,212
			11,051	2,979				14,030
4,358	3,920	24,399	7,474	37,888				305,519
2	52	260	1,409	1,141	45		873	19,223
33,557	52,193	79,145	157,936	171,112	18,417	23,358	13,407	1,967,776
10,275	20,974	24,328	54,493	63,405				680,245
	272	258	485	3,353	17,942	21,572		134,957
			8,285	116				35,810
2,565	8,278	6,098	21,924	14,276			2,989	185,265
3,184	3,867	4,333	21,060	8,183				86,880
7,984	7,737	9,956	32,526	19,391			12,677	236,944
3,075	4,046	6,343	7,016	11,563				136,130
392	1,286	1,192	1,854	8,660				78,338
3,146	1,852	19,540	6,890	31,192				239,474
								4,078
30,621	48,312	72,048	154,533	160,139	17,942	21,572	15,666	1,818,121
(923)	(1,262)	(5,826)	(28)	(5,770)	(569)	(770)	(11)	(63,837)
31,544	49,574	77,874	154,561	165,909	18,511	22,342	15,677	1,881,958
(356)		(459)	(2,390)	(6,833)	(181)	(1,429)	(3,973)	(82,522)
(459)	(1,698)	674	(292)	(833)	508	(26)	5,982	
(815)	(1,698)	215	(2,682)	(7,666)	327	(1,455)	2,009	(82,522)
\$1,198	\$921	\$1,486	\$693	(\$2,463)	\$233	(\$439)	(\$261)	\$3,296

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

Combining Balance Sheet

RESTRICTED

June 30, 2001

(amounts expressed in thousands)

	UMB	UMCP	BSU	TU	UMES	FSU
ASSETS:						
Cash and cash equivalents						\$385
Accounts receivable	\$28,805	\$30,085	\$3,333	\$4,308	\$5,694	290
Notes receivable					5,693	
Due from other funds			1			
Total assets	\$28,805	\$30,085	\$3,334	\$4,308	\$11,387	\$675
LIABILITIES & FUND BALANCES:						
Accounts payable and accrued liabilities	\$9,158	\$12,287	\$409	\$418	\$879	\$200
Accrued worker's compensation						
Accrued vacation costs						64
Due to other funds	11,216	2,875	2,925	103	901	
Total liabilities	20,374	15,162	3,334	521	1,780	264
FUND BALANCES:						
Restricted: Sponsored research	8,431	14,923		3,787	9,607	411
Total liabilities and fund balances	\$28,805	\$30,085	\$3,334	\$4,308	\$11,387	\$675

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

CSC	UB	SU	UMUC	UMBC	UMCES	UMBI	USM Office	TOTAL
\$1,795		\$899					\$475	\$3,554
110	\$973	369	\$609	\$13,924	\$6,163	\$5,215	18	99,896
				4,562				5,693
								4,563
\$1,905	\$973	\$1,268	\$609	\$18,486	\$6,163	\$5,215	\$493	\$113,706
\$1,795		\$168	\$211	\$7,944	\$424	\$572	\$18	\$34,483
110				37				37
				496	571			1,241
	\$973	200	426	8,106	5,168	2,359		35,252
1,905	973	368	637	16,583	6,163	2,931	18	71,013
		900	(28)	1,903		2,284	475	42,693
\$1,905	\$973	\$1,268	\$609	\$18,486	\$6,163	\$5,215	\$493	\$113,706

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

Combining Statement of Changes in Fund Balances

RESTRICTED
For the year ended June 30, 2001
(amounts expressed in thousands)

	UMB	UMCP	BSU	TU	UMES	FSU
REVENUES AND OTHER ADDITIONS:						
Government grants and contracts—restricted	\$138,894	\$211,419	\$9,068	\$21,143	\$15,989	\$5,402
Private gifts, grants and contracts—restricted	75,379	37,372	426	2,368	728	137
Investment income—restricted	1,976	3,377		21	59	8
Total revenues and other additions	216,249	252,168	9,494	23,532	16,776	5,547
EXPENDITURES AND OTHER DEDUCTIONS:						
Educational and general expenditures	185,306	217,428	9,494	20,241	15,733	5,213
Auxiliary enterprises expenditures				39	9	38
Indirect costs recovered	32,389	38,452		337	750	140
Total expenditures and other deductions	217,695	255,880	9,494	20,617	16,492	5,391
Net increase (decrease) in fund balances before transfers	(1,446)	(3,712)		2,915	284	156
TRANSFERS—ADDITIONS (DEDUCTIONS):						
Nonmandatory:						
Renewals and replacements		(314)				
Other	1,790	2,554		28	(93)	(7)
Total transfers	1,790	2,240		28	(93)	(7)
Net increase (decrease) in fund balances	344	(1,472)		2,943	191	149
FUND BALANCES, JUNE 30, 2000	8,087	16,395		844	9,416	262
FUND BALANCES, JUNE 30, 2001	\$8,431	\$14,923		\$3,787	\$9,607	\$411

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

CSC	UB	SU	UMUC	UMBC	UMCES	UMBI	USM Office	TOTAL
\$9,965	\$5,882	\$5,674	\$8,663	\$68,904	\$17,205	\$13,990	\$174	\$532,372
448	543	514	591	7,776	1,265	6,427	367	134,341
			4				232	5,677
10,413	6,425	6,188	9,258	76,680	18,470	20,417	773	672,390
10,400	5,617	5,518	8,831	67,629	15,115	16,664	1,006	584,195
13			18	1				118
	808		445	8,834	3,355	3,431		88,941
10,413	6,425	5,518	9,294	76,464	18,470	20,095	1,006	673,254
		670	(36)	216		322	(233)	(864)
								(314)
			8	(500)			267	4,047
			8	(500)			267	3,733
		670	(28)	(284)		322	34	2,869
		230		2,187		1,962	441	39,824
		\$900	(\$28)	\$1,903		\$2,284	\$475	\$42,693

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

Combining Statement of Current Funds Revenues, Expenditures and Other Changes

RESTRICTED
For the year ended June 30, 2001
(amounts expressed in thousands)

	UMB	UMCP	BSU	TU	UMES	FSU
REVENUES:						
Federal grants and contracts	\$80,345	\$145,274	\$8,045	\$11,184	\$10,833	\$3,640
State and local grants and contracts	31,701	33,943	1,024	10,333	4,171	1,551
Private gifts, grants and contracts	69,855	40,231	425	2,500	619	136
Investment income:						
Endowment	4,037	6,170			119	8
Other				22		
Total revenues	185,938	225,618	9,494	24,039	15,742	5,335
EXPENDITURES AND MANDATORY TRANSFERS:						
Instruction	14,132	13,466	1,585		4,482	27
Research	106,713	164,056	2,603	6,458	5,493	
Public service	26,243	23,386		7,297	754	2,548
Academic support	1,259	1,054	1,004		224	4
Student services	42	389	503	28	307	14
Institutional support		267	1,495		597	8
Operation and maintenance of plant						
Scholarships and fellowships	4,782	14,810	2,304	6,458	3,876	2,612
Auxiliary enterprises				39	9	38
Hospital	32,135					
Total expenditures	185,306	217,428	9,494	20,280	15,742	5,251
Mandatory transfers						
Total expenditures and mandatory transfers	185,306	217,428	9,494	20,280	15,742	5,251
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):						
Nonmandatory transfers	1,790	2,240		28	(93)	(7)
Excess of restricted receipts over transfers to revenue	(2,078)	(11,902)		(844)	284	72
Total transfers and other additions (deductions)	(288)	(9,662)		(816)	191	65
Net increase (decrease) in fund balances	\$344	(\$1,472)		\$2,943	\$191	\$149

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

CSC	UB	SU	UMUC	UMBC	UMCES	UMBI	USM Office	TOTAL
\$8,358	\$1,572	\$2,897	\$7,792	\$29,888	\$9,729	\$10,867	\$108	\$330,532
2,047	3,603	2,180	427	31,032	4,243	2,476	169	128,900
8	442	441	590	7,075	1,143	3,321	282	127,068
			4				231	10,569
								22
10,413	5,617	5,518	8,813	67,995	15,115	16,664	790	597,091
2,459	64		3,550	3,112				42,877
10	4,194	3,468		19,282	15,115	16,664		344,056
				32,604				92,832
608	44		28	10			108	4,343
909	111	133	69					2,505
1,484	2		12				898	4,763
			2					2
4,930	1,202	1,917	5,170	12,621				60,682
13			18	1				118
								32,135
10,413	5,617	5,518	8,849	67,630	15,115	16,664	1,006	584,313
10,413	5,617	5,518	8,849	67,630	15,115	16,664	1,006	584,313
			8	(500)			267	3,733
		670		(149)		322	(17)	(13,642)
		670	8	(649)		322	250	(9,909)
		\$670	(\$28)	(\$284)		\$322	\$34	\$2,869

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

Combining Balance Sheet

LOAN FUNDS

June 30, 2001

(amounts expressed in thousands)

	UMB	UMCP	BSU	TU	UMES	FSU
ASSETS:						
Cash and cash equivalents	\$1,437	\$840		\$91	\$56	\$25
Accounts receivable				717		
Notes receivable	26,591	11,105	\$476	12,825	42	1,320
Due from other fund groups	137		158			
Total assets	\$28,165	\$11,945	\$634	\$13,633	\$98	\$1,345
LIABILITIES AND FUND BALANCES:						
Accounts payable and accrued liabilities	\$59					
Due to other funds						
Total liabilities	59					
FUND BALANCES:						
Unrestricted, allocated:						
Loans to students	728	\$666				
Restricted:						
U.S. government loan programs	27,378	11,279	\$634	\$13,633	\$98	\$1,345
Total fund balances	28,106	11,945	634	13,633	98	1,345
Total liabilities and fund balances	\$28,165	\$11,945	\$634	\$13,633	\$98	\$1,345

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

CSC	UB	SU	UMUC	UMBC	TOTAL
\$788	\$114	\$144	\$6	\$175	\$3,676
	46				763
1,180	3,142	1,197	1,357	1,879	61,114
				29	324
\$1,968	\$3,302	\$1,341	\$1,363	\$2,083	\$65,877
\$228	\$4	\$1			\$292
				\$7	7
228	4	1		7	299
		2		18	1,414
\$1,740	\$3,298	1,338	\$1,363	2,058	64,164
1,740	3,298	1,340	1,363	2,076	65,578
\$1,968	\$3,302	\$1,341	\$1,363	\$2,083	\$65,877

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

Combining Statement of Changes in Fund Balances

LOAN FUNDS
For the year ended June 30, 2001
(amounts expressed in thousands)

	UMB	UMCP	BSU	TU	UMES	FSU
REVENUES AND OTHER ADDITIONS:						
Private gifts, grants and contracts—restricted		\$17				
Investment income—restricted		13				
Interest on notes receivable	\$588	243	\$30	\$297	\$14	\$27
U.S. government advances	417	44		407	3	10
Other sources	61		5	30		6
Total revenues and other additions	1,066	317	35	734	17	43
EXPENDITURES AND OTHER DEDUCTIONS:						
Loan cancellations, writeoffs and refunds, net of recoveries	186	413	11	331	26	(118)
Other	168	257		133		16
Total expenditures and other deductions	354	670	11	464	26	(102)
Net increase (decrease) in fund balances before transfers	712	(353)	24	270	(9)	145
TRANSFERS—ADDITIONS (DEDUCTIONS):						
Mandatory:						
Loan fund matching grant	138	28		136		3
Nonmandatory:						
Other	(150)				17	
Total transfers	(12)	28		136	17	3
Net increase (decrease) in fund balances	700	(325)	24	406	8	148
FUND BALANCES, June 30, 2000	27,406	12,270	610	13,227	90	1,197
FUND BALANCES, June 30, 2001	\$28,106	\$11,945	\$634	\$13,633	\$98	\$1,345

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

CSC	UB	SU	UMUC	UMBC	TOTAL
					\$17
		\$5			18
\$39	\$93	27	\$36	\$61	1,455
	109	10	50	17	1,067
	6	2		9	119
39	208	44	86	87	2,676
12		189	86	177	1,313
	99	2		25	700
12	99	191	86	202	2,013
27	109	(147)		(115)	663
	36	3	13	6	363
					(133)
	36	3	13	6	230
27	145	(144)	13	(109)	893
1,713	3,153	1,484	1,350	2,185	64,685
\$1,740	\$3,298	\$1,340	\$1,363	\$2,076	\$65,578

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

Combining Balance Sheet

AGENCY FUNDS

June 30, 2001

(amounts expressed in thousands)

	UMB	BSU	TU	UMES	FSU	UB	SU	USM Office	TOTAL
ASSETS:									
Cash and cash equivalents	\$75		\$1,047		\$634	\$564	\$620	\$3	\$2,943
Investments								300	300
Accounts receivable		\$1,170	82	\$279	119		5		1,655
Accrued interest receivable					25				25
Due from other funds		40					200		240
Total assets	\$75	\$1,210	\$1,129	\$279	\$778	\$564	\$825	\$303	\$5,163
LIABILITIES AND FUND BALANCES:									
Accounts payable and accrued liabilities			\$56		\$194		\$118		\$368
Due to other funds		\$1,210		\$279					1,489
Funds held for others	\$75		1,073		584	\$564	707	\$303	3,306
Total liabilities and fund balances	\$75	\$1,210	\$1,129	\$279	\$778	\$564	\$825	\$303	\$5,163

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

Combining Balance Sheet

ENDOWMENT & SIMILAR FUNDS

June 30, 2001

(amounts expressed in thousands)

	UMB	UMCP	TU	UMES	FSU	CSC	UMUC	UMBC	USM Office	TOTAL
ASSETS:										
Cash and cash equivalents	\$760	\$997	\$55	\$3	\$5	\$77	\$1	\$5	\$98	\$2,001
Investments	86,019	122,374	1,843	487	789	185	204	707	11,627	224,235
Accrued interest receivable	285	404	4	2	3	1	1	2	40	742
Total assets	\$87,064	\$123,775	\$1,902	\$492	\$797	\$263	\$206	\$714	\$11,765	\$226,978
LIABILITIES AND FUND BALANCES:										
Accounts payable and accrued liabilities	\$80	\$114	\$1	\$1	\$1		\$1	\$1	\$10	\$209
FUND BALANCES:										
Endowment and similar funds	86,984	123,661	1,901	491	796	\$263	205	713	11,755	226,769
Total liabilities and fund balances	\$87,064	\$123,775	\$1,902	\$492	\$797	\$263	\$206	\$714	\$11,765	\$226,978

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

Combining Statement of Changes in Fund Balances

ENDOWMENT & SIMILAR FUNDS
For the year ended June 30, 2001
(amounts expressed in thousands)

	UMB	UMCP	TU	UMES	FSU	CSC
REVENUES AND OTHER ADDITIONS:						
Private gifts, grants and contracts—restricted	\$281	\$293				\$97
Investment income—restricted	8,857	12,616	\$114	\$48	\$13	16
Total revenues and other additions	9,138	12,909	114	48	13	113
EXPENDITURES AND OTHER DEDUCTIONS:						
Other	318	451	4	2	4	
Total expenditures and other deductions	318	451	4	2	4	
Net increase in fund balances before transfers	8,820	12,458	110	46	9	113
TRANSFERS—ADDITIONS (DEDUCTIONS)						
Nonmandatory:						
Other	(3,051)	(4,361)	(41)	10	757	(2)
Net increase in fund balances	5,769	8,097	69	56	766	111
FUND BALANCES, June 30, 2000	81,215	115,564	1,832	435	30	152
FUND BALANCES, June 30, 2001	\$86,984	\$123,661	\$1,901	\$491	\$796	\$263

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

UMUC	UMBC	USM Office	TOTAL
			\$671
\$21	\$72	\$1,182	22,939
21	72	1,182	23,610
1	3	42	825
1	3	42	825
20	69	1,140	22,785
(5)	(15)	(749)	(7,457)
15	54	391	15,328
190	659	11,364	211,441
\$205	\$713	\$11,755	\$226,769

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

Combining Balance Sheet

PLANT FUNDS

June 30, 2001

(amounts expressed in thousands)

	UMB	UMCP	BSU	TU	UMES	FSU	CSC
ASSETS:							
Cash and cash equivalents	\$11,116	\$92,578	\$107	\$762	\$8,689	\$64	\$227
Investments							
Accounts receivable		18					
Accrued interest receivable		64		2			
Investment in plant	539,091	1,370,107	103,584	298,395	168,442	77,903	66,746
Due from other funds			8				
Inter-institutional balances		(350)	(38)		(74)	(72)	
Total assets	\$550,207	\$1,462,417	\$103,661	\$299,159	\$177,057	\$77,895	\$66,973
LIABILITIES & FUND BALANCES:							
Accounts payable and accrued liabilities	\$2,288	\$21,553	\$396	\$1,438	\$1,222	\$245	\$221
Due to other funds			250			732	
Revenue bonds	58,583	307,028	6,542	73,393	51,033	16,111	17,205
Notes payable and other long-term debt	1,732	29,975	7,768	4,452	392	19	2,026
Obligations under capital lease agreements							
Total liabilities	62,603	358,556	14,956	79,283	52,647	17,107	19,452
FUND BALANCES:							
Unrestricted, allocated:							
Unexpended plant funds	11,039	31,262	107	347	8,688		228
Renewals and replacements		47,299				180	
Retirement of indebtedness				415			
Net investment in plant	476,488	1,011,283	88,598	219,114	115,721	60,608	47,293
Restricted:							
Unexpended plant funds	77	14,017			1		
Total fund balances	487,604	1,103,861	88,705	219,876	124,410	60,788	47,521
Total liabilities and fund balances	\$550,207	\$1,462,417	\$103,661	\$299,159	\$177,057	\$77,895	\$66,973

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

UB	SU	UMUC	UMBC	UMCES	UMBI	USM Office	TOTAL
	\$621	\$5,039	\$3,403	\$8	\$493	\$122,605	\$245,712
						7,518	7,518
			15			2	35
\$14			14			413	507
71,388	153,981	82,639	333,199	65,251	78,714	5,745	3,415,185
		794		234		718	1,754
	(1,930)			(32)	(20)	2,516	
\$71,402	\$152,672	\$88,472	\$336,631	\$65,461	\$79,187	\$139,517	\$3,670,711
\$113	\$2,386	\$1,313	\$1,611	\$78	\$62	\$2,848	\$35,774
							982
8,318	43,077	42	71,635	5,743		63,597	722,307
215	1,568	408	5,938	671		19,701	74,865
					5,512		5,512
8,646	47,031	1,763	79,184	6,492	5,574	86,146	839,440
	179	5,021	2,779	3	482	27,279	87,414
	442		314				48,235
							415
62,756	105,020	81,670	254,044	58,961	73,120	6,546	2,661,222
		18	310	5	11	19,546	33,985
62,756	105,641	86,709	257,447	58,969	73,613	53,371	2,831,271
\$71,402	\$152,672	\$88,472	\$336,631	\$65,461	\$79,187	\$139,517	\$3,670,711

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

Combining Statement of Changes in Fund Balances

PLANT FUNDS
For the year ended June 30, 2001
(amounts expressed in thousands)

	UMB	UMCP	BSU	TU	UMES	FSU	CSC
REVENUES AND OTHER ADDITIONS:							
State appropriations—restricted	\$20,541	\$37,956	\$4,326	\$14,005	\$1,965	\$2,608	\$204
Government grants and contracts—restricted		10,476					
Private gifts, grants and contracts—restricted	6	3,511		128			
Investment income—restricted		37		216			
Expended for plant facilities	46,681	134,562	8,593	29,678	20,050	4,158	11,138
Retirement of indebtedness	2,660	18,086	880	4,935	1,654	1,035	422
Other sources		185		29			
Total revenues and other additions	69,888	204,813	13,799	48,991	23,669	7,801	11,764
EXPENDITURES AND OTHER DEDUCTIONS:							
Retirement of indebtedness	2,660	18,086	880	4,935	1,654	1,035	422
Interest on indebtedness	3,148	14,320	668	4,130	1,786	797	462
Expended for plant facilities	41,804	137,116	9,842	26,002	20,487	3,848	11,296
Disposal of property, plant and equipment	18,191	12,559	951	1,209	5,017	1,748	
Transfers to (from) other University System of Maryland institutions	(1,175)	(1,670)	(174)	896	(323)	(59)	(319)
Total expenditures and other deductions	64,628	180,411	12,167	37,172	28,621	7,369	11,861
Net increase (decrease) in fund balances before transfers	5,260	24,402	1,632	11,819	(4,952)	432	(97)
TRANSFERS—ADDITIONS (DEDUCTIONS):							
Mandatory:							
Debt service	6,032	26,042	1,536	9,187	3,746	1,830	923
Nonmandatory:							
Renewals and replacements	274	36,878			1,347	738	
Other	16,650	2,082	441	9,386	1,661	305	358
Total transfers	22,956	65,002	1,977	18,573	6,754	2,873	1,281
Net increase in fund balances	28,216	89,404	3,609	30,392	1,802	3,305	1,184
FUND BALANCES, June 30, 2000	460,596	1,057,871	86,635	190,650	124,128	94,988	46,337
Adjustment for change in accounting principle (see note 1)	(1,208)	(43,414)	(1,539)	(1,166)	(1,520)	(37,505)	
FUND BALANCES, June 30, 2001	\$487,604	\$1,103,861	\$88,705	\$219,876	\$124,410	\$60,788	\$47,521

COMBINING FINANCIAL STATEMENTS - BY FUND TYPE

UB	SU	UMUC	UMBC	UMCES	UMBI	USM Office	TOTAL
\$2,489	\$9,015		\$4,668	\$1,422	\$1,100		\$100,299
							10,476
38	23	\$4	342		61		4,113
	28					\$6,374	6,655
3,826	11,618	4,759	35,531	3,653	4,667	274	319,188
786	2,966	1	2,680	282	198	159	36,744
							214
7,139	23,650	4,764	43,221	5,357	6,026	6,807	477,689
786	2,966	1	2,680	282	198	159	36,744
444	2,538	14	2,448	262	378	2,727	34,122
3,007	11,564	3,753	33,356	3,178	3,104	784	309,141
442	3,873	1,819	6,393	571	2,928	480	56,181
(98)	133	(246)	(541)	(41)		3,617	
4,581	21,074	5,341	44,336	4,252	6,608	7,767	436,188
2,558	2,576	(577)	(1,115)	1,105	(582)	(960)	41,501
1,226	5,823	15	5,764	569	770	11	63,474
	3	301	1,088	164			40,793
	456	2,086	6,260	17	1,429	4,455	45,586
1,226	6,282	2,402	13,112	750	2,199	4,466	149,853
3,784	8,858	1,825	11,997	1,855	1,617	3,506	191,354
61,304	113,794	84,884	257,649	61,002	71,996	49,865	2,761,699
(2,332)	(17,011)		(12,199)	(3,888)			(121,782)
\$62,756	\$105,641	\$86,709	\$257,447	\$58,969	\$73,613	\$53,371	\$2,831,271

Schedule of Estimated & Actual Revenues by Institution

BUDGETARY BASIS
For the year ended June 30, 2001
(amounts expressed in thousands)

	CURRENT UNRESTRICTED FUNDS		CURRENT RESTRICTED FUNDS	
	ESTIMATED	ACTUAL	ESTIMATED	ACTUAL
UMB	\$308,011	\$304,119	\$184,761	\$184,761
UMCP	757,378	750,634	229,459	211,369
BSU	46,623	46,236	9,656	9,656
TU	203,472	198,852	21,300	20,613
UMES	48,634	48,306	16,269	15,742
FSU	63,047	63,438	7,193	5,383
CSC	32,563	32,774	10,536	10,339
UB	51,582	52,193	6,929	6,425
SU	76,655	78,344	5,340	5,318
UMUC	156,875	155,828	12,500	9,281
UMBC	170,349	163,018	70,767	66,435
UMCES	17,713	17,836	15,436	14,938
UMBI	23,792	20,991	17,200	16,718
USM Office	15,467	15,161	1,230	988
Totals	\$1,972,161	\$1,947,730	\$608,576	\$577,966

Schedule of Budgeted & Actual Expenditures by Institution

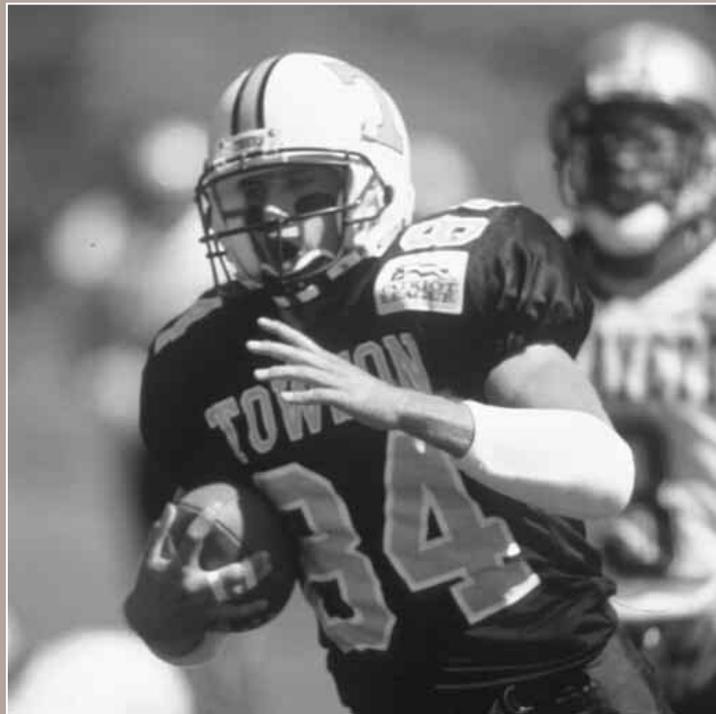
BUDGETARY BASIS
For the year ended June 30, 2001
(amounts expressed in thousands)

	CURRENT UNRESTRICTED FUNDS		CURRENT RESTRICTED FUNDS	
	BUDGETED	ACTUAL	BUDGETED	ACTUAL
UMB	\$308,011	\$302,720	\$184,761	\$184,761
UMCP	757,378	757,378	229,459	211,369
BSU	46,623	46,079	9,656	9,656
TU	203,472	195,157	21,300	20,613
UMES	48,634	47,743	16,269	15,742
FSU	63,047	63,019	7,193	5,383
CSC	32,563	31,765	10,536	10,339
UB	51,582	50,736	6,929	6,425
SU	76,655	76,482	5,340	5,318
UMUC	156,875	154,175	12,500	9,281
UMBC	170,349	169,004	70,767	66,435
UMCES	17,713	17,489	15,436	14,938
UMBI	23,792	21,110	17,200	16,718
USM Office	15,467	15,054	1,230	988
Totals	\$1,972,161	\$1,947,911	\$608,576	\$577,966

University System of Maryland



S T A T I S T I C A L S E C T I O N



During the 2000-2001 academic year, the cumulative grade-point average for all Towson University student-athletes was 2.88; the 2001 six-year graduate rate for scholarship student-athletes was 78 percent. Over 42 percent of Towson's student athletes earned 3.0 or higher grade-point averages during the past year.

Schedule of Current Funds Revenues by Source

LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Current Funds Revenues by Source

	For the year ended June 30,			
	2001	2000	1999	1998
State appropriations	\$798,693	\$719,969	\$651,603	\$602,492
Tuition and fees	594,118	545,710	517,426	487,239
Federal grants and contracts	397,253	353,421	337,310	312,562
State and local grants and contracts	140,016	122,701	102,830	80,722
Private gifts, grants and contracts	149,871	115,349	110,961	103,085
Sales and services of educational departments	106,212	89,391	82,717	75,684
Sales and services of public service activities	14,030	13,288	10,924	11,393
Sales and services of auxiliary enterprises	305,519	285,007	277,181	258,395
Investment income	39,932	28,941	23,806	23,622
Other sources	19,223	17,684	6,848	9,012
Total revenues	\$2,564,867	\$2,291,461	\$2,121,606	\$1,964,206

Schedule of Current Funds Expenditures by Function & Transfer

LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Current Funds Expenditures by Function and Transfer

	For the year ended June 30,			
	2001	2000	1999	1998
Instruction	\$723,122	\$647,419	\$600,345	\$564,925
Research	479,013	414,015	396,827	351,242
Public service	128,642	122,336	103,168	94,422
Academic support	189,608	160,899	140,112	126,775
Student services	89,385	82,905	73,524	70,145
Institutional support	241,707	190,632	156,482	152,726
Operation and maintenance of plant	136,132	132,999	124,996	121,539
Scholarships and fellowships	139,020	129,185	119,649	108,107
Auxiliary enterprises	239,592	218,439	216,577	199,529
Hospital	36,213	33,416	31,105	34,421
Mandatory transfers	63,837	61,621	53,108	47,753
Nonmandatory transfers	78,789	80,003	74,914	71,068
Total expenditures and transfers	\$2,545,060	\$2,273,869	\$2,090,807	\$1,942,652

Note: A change in the display of expenditures for acquisitions of moveable equipment was made during the year ended June 30, 1992, with these expenditures included in the functional expenditure categories, instead of nonmandatory transfers, as was done in previous periods.

Source: The above information was compiled using the audited general purpose financial statements of the University System of Maryland (for the years ended June 30, 1999, 2000 and 2001) and the University of Maryland System (for the years ended June 30, 1992 through 1998).

1997	1996	1995	1994	1993	1992
\$580,430	\$563,253	\$551,481	\$520,776	\$525,898	\$524,301
457,069	424,993	424,475	385,579	359,374	333,258
282,894	251,387	234,067	221,543	214,110	212,167
76,204	66,348	57,919	58,596	52,670	62,533
88,048	81,101	82,165	72,876	64,932	41,248
76,588	69,016	58,321	51,662	47,607	38,828
9,368	8,400	6,939	6,455	5,215	4,403
246,101	222,947	189,620	183,323	191,543	177,788
20,170	18,986	16,255	10,527	11,121	15,010
4,114	7,018	5,340	8,423	8,872	7,939
\$1,840,986	\$1,713,449	\$1,626,582	\$1,519,760	\$1,481,342	\$1,417,475

1997	1996	1995	1994	1993	1992
\$547,431	\$525,831	\$501,839	\$478,964	\$458,472	\$441,630
330,451	274,974	267,989	246,177	227,401	221,237
85,651	76,170	61,029	51,568	46,847	43,661
120,925	116,060	109,319	102,679	100,172	102,019
66,409	63,175	60,244	56,047	51,266	54,439
147,029	140,057	132,277	120,971	118,153	117,224
113,537	109,506	102,583	101,051	94,195	85,163
96,188	88,402	79,795	75,002	70,693	64,291
191,237	174,981	171,358	167,991	175,223	159,258
27,593	22,408	24,596	35,766	33,515	49,556
55,422	50,068	50,636	51,087	47,623	32,110
59,285	56,720	47,521	43,645	40,348	43,162
\$1,841,158	\$1,698,352	\$1,609,186	\$1,530,948	\$1,463,908	\$1,413,750

Schedule of Revenue Bond Debt Service Coverage

LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	<i>For the year ended June 30,</i>									
	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
PLEGGED NET REVENUES:										
Tuition and fees	\$594,118	\$545,710	\$517,426	\$487,239	\$457,069	\$424,993	\$424,475	\$385,579	\$359,374	\$333,258
Auxiliary facilities fees	305,519	296,562	285,158	258,395	246,101	222,947	189,620	183,323	191,543	177,788
Total revenues	899,637	842,272	802,584	745,634	703,170	647,940	614,095	568,902	550,917	511,046
Less: senior debt service							280	368	456	456
Total revenues available for debt service	899,637	842,272	802,584	745,634	703,170	647,940	613,815	568,534	550,461	510,590
Auxiliary enterprise expenses	(239,592)	(218,336)	(216,462)	(199,529)	(191,237)	(174,981)	(171,358)	(167,991)	(175,223)	(159,258)
Net revenues pledged for debt service	\$660,045	\$623,936	\$586,122	\$546,105	\$511,933	\$472,959	\$442,457	\$400,543	\$375,238	\$351,332
REVENUE BOND DEBT SERVICE SUBJECT TO RATE COVENANT										
Revenue bond debt service coverage	8.41	9.44	8.87	9.18	10.26	10.45	9.78	9.84	9.55	10.36

Comparison of actual pledged net revenues with maximum annual debt service requirement in accordance with the Indenture of Trust related to the issuance of the following series of University System of Maryland Auxiliary Facility and Tuition Revenue Bonds:

1989 Series B	1992 Series B	1993 Series B	1996 Series A	1999 Series A
1991 Series A	1992 Series C	1993 Series C	1997 Series A	1999 Series B
1992 Series A	1993 Series A	1995 Series A	1998 Series A	2000 Series A
2001 Series A				

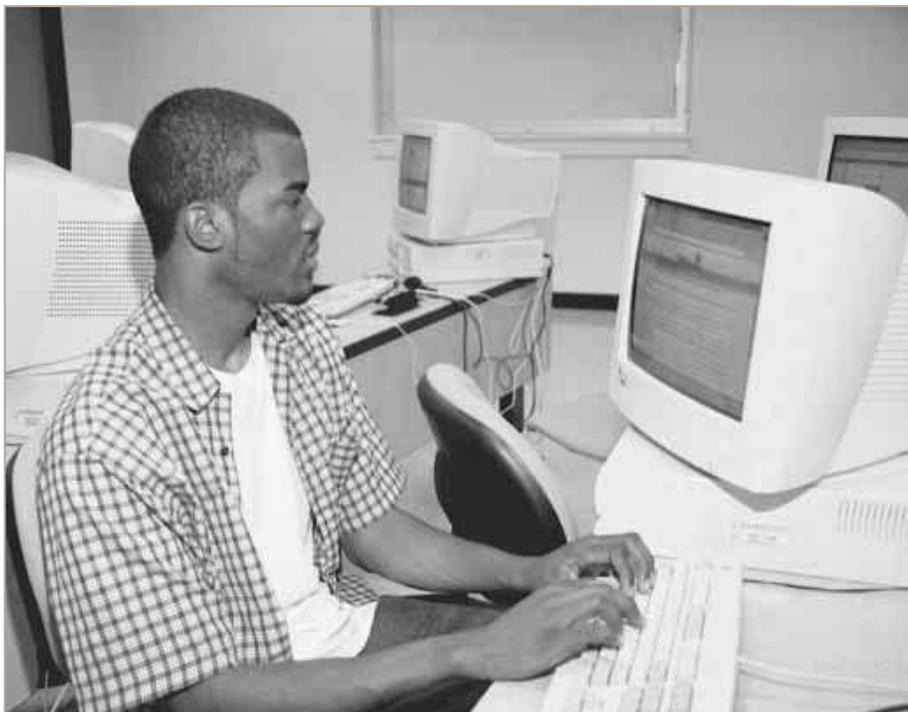
Source: University System of Maryland Office

Computation of Legal Debt Margin

June 30, 2001
(amounts expressed in thousands)

Maximum amount of revenue bonds, other debt, and obligations under capital lease agreements for real property authorized (Annotated Code of the State of Maryland—Article—Education Section 19-102 (c), as amended):	\$875,000
Outstanding revenue bonds, other debt, and obligations under capital lease agreements for real property:	
Auxiliary Facility and Tuition Revenue Bonds	\$722,307
Notes payable on equipment and facilities	53,024
Other	21,841
Obligation under capital lease agreements for real property	5,512
Total debt and capital leases subject to limitation:	\$802,684
Legal debt margin, as of June 30, 2001	\$72,316

Source: University System of Maryland Office



Bowie State University uses technology to improve the quality of education that students receive.

Degrees Awarded

LAST TEN ACADEMIC YEARS

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
UNIVERSITY OF MARYLAND, BALTIMORE										
Bachelor's	351	385	416	423	346	413	497	376	363	296
Master's	708	702	707	693	727	654	569	612	582	509
Doctoral	73	61	71	64	72	57	65	59	59	43
First Professional	623	617	628	597	607	499	474	523	489	517
Total	1,755	1,765	1,822	1,777	1,752	1,623	1,605	1,570	1,493	1,365
UNIVERSITY OF MARYLAND, COLLEGE PARK										
Bachelor's	4,971	5,087	4,977	4,815	4,691	4,537	5,097	5,238	5,563	5,514
Master's	1,634	1,612	1,526	1,454	1,550	1,521	1,524	1,486	1,469	1,352
Doctoral	461	501	474	505	466	480	528	490	506	453
Total	7,066	7,200	6,977	6,774	6,707	6,538	7,149	7,214	7,538	7,319
BOWIE STATE UNIVERSITY										
Bachelor's	513	532	508	485	510	505	460	378	307	266
Master's	480	673	677	718	634	549	375	339	258	198
Total	993	1,205	1,185	1,203	1,144	1,054	835	717	565	464
TOWSON UNIVERSITY										
Bachelor's	2,420	2,609	2,379	2,464	2,474	2,664	2,788	2,744	2,712	2,458
Master's	579	550	522	416	426	423	383	360	278	289
Total	2,999	3,159	2,901	2,880	2,900	3,087	3,171	3,104	2,990	2,747
UNIVERSITY OF MARYLAND, EASTERN SHORE										
Bachelor's	456	458	415	341	346	346	277	234	217	159
Master's	72	82	73	67	54	39	41	58	24	24
Doctoral	1	1	3		3	3	2	2	1	
Total	529	541	491	408	403	388	320	294	242	183
FROSTBURG STATE UNIVERSITY										
Bachelor's	780	824	836	929	876	944	891	893	857	733
Master's	213	213	206	222	189	174	196	173	146	139
Total	993	1,037	1,042	1,151	1,065	1,118	1,087	1,066	1,003	872
COPPIN STATE COLLEGE										
Bachelor's	421	342	339	332	247	313	274	258	235	208
Master's	84	105	107	114	111	88	93	75	62	61
Total	505	447	446	446	358	401	367	333	297	269

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
UNIVERSITY OF BALTIMORE										
Bachelor's	444	440	476	452	588	602	690	690	690	652
Master's	501	452	395	451	452	452	427	367	295	345
First Professional	248	320	303	307	301	309	296	311	286	265
Total	1,193	1,212	1,174	1,210	1,341	1,363	1,413	1,368	1,271	1,262
SALISBURY UNIVERSITY										
Bachelor's	1,056	1,169	1,263	1,205	1,160	1,091	1,219	1,186	958	915
Master's	145	182	167	158	140	145	140	126	150	125
Total	1,201	1,351	1,430	1,363	1,300	1,236	1,359	1,312	1,108	1,040
UNIVERSITY OF MARYLAND, UNIVERSITY COLLEGE										
Associate	1,289	1,486	1,585	1,603	1,560	1,746	1,740	1,834	1,900	1,786
Bachelor's	3,404	3,325	3,352	3,360	3,237	3,185	3,100	3,102	3,130	2,875
Master's	751	838	786	776	1,215	350	321	311	249	227
Total	5,444	5,649	5,723	5,739	6,012	5,281	5,161	5,247	5,279	4,888
UNIVERSITY OF MARYLAND, BALTIMORE COUNTY										
Bachelor's	1,465	1,511	1,423	1,478	1,571	1,553	1,569	1,558	1,555	1,499
Master's	288	270	217	270	269	233	237	213	161	162
Doctoral	46	55	54	57	58	42	34	49	27	27
Total	1,799	1,836	1,694	1,805	1,898	1,828	1,840	1,820	1,743	1,688
UNIVERSITY SYSTEM OF MARYLAND—TOTAL										
Associate	1,289	1,486	1,585	1,603	1,560	1,746	1,740	1,834	1,900	1,786
Bachelor's	16,281	16,682	16,384	16,284	16,046	16,153	16,862	16,657	16,587	15,575
Master's	5,455	5,679	5,383	5,339	5,767	4,628	4,306	4,120	3,674	3,431
Doctoral	581	618	602	626	599	582	629	600	593	523
First Professional	871	937	931	904	908	808	770	834	775	782
Total	24,477	25,402	24,885	24,756	24,880	23,917	24,307	24,045	23,529	22,097

Source: University System of Maryland Office of Academic Affairs

Schedule of Miscellaneous Statistics

June 30, 2001

	UMB	UMCP	BSU	TU	UMES	FSU
Year established	1807	1856	1865	1866	1886	1898
Number of employees:						
Faculty:						
Full-time:						
Tenured	331	1,140	87	324	36	154
On track	231	312	36	143	52	61
Non-tenured	666	1,236	45	92	51	22
Part-time	278	914	159	655	73	107
Management/administrative/other	2,925	8,259	367	1,609	680	574
Total	4,431	11,861	694	2,823	892	918
Financial aid:						
Total number of recipients	4,024	23,043	2,514	9,663	3,131	3,560
Total aid awarded (expressed in thousands)	\$63,655	\$203,037	\$14,540	\$69,636	\$20,992	\$21,908

ACCREDITATION

All of the educational institutions are accredited by the Middle States Association of Colleges and Schools.

In addition, a number of academic programs are accredited by appropriate professional organizations.

Source: University System of Maryland Office—Office of Academic Affairs

CSC	UB	SU	UMUC	UMBC	UMCES	UMBI	USM Office	Systemwide
1900	1925	1925	1947	1966	1973	1984	1988	1988
62	117	158		240	32	36		0
35	14	69		105	15	10		2,717
13	30	48	381	191	102	106		1,083
117	170	151	2,237	398	12	23		2,983
352	492	866	358	1,851	190	204	97	5,294
579	823	1,292	2,976	2,785	351	379	97	18,824
2,728	2,128	4,014	5,898	6,845				67,548
\$17,223	\$21,121	\$24,345	\$32,353	\$50,636				\$539,446



One of the beautiful sites visitors see around the campus of Bowie State University are flags representing the countries from which many of its international students hail.

Enrollment Statistics

LAST TEN ACADEMIC YEARS

	<i>Fall enrollments</i>									
	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
CLASSIFICATION:										
Undergraduate	99,401	97,790	97,237	96,669	97,960	98,898	99,507	100,045	103,262	106,654
Graduate	26,768	3,293	24,652	24,502	24,445	24,978	24,709	24,389	23,438	22,513
First Professional Students	3,207	24,951	3,364	3,502	3,502	3,527	3,476	3,196	3,084	2,994
Total	129,376	126,034	125,253	124,673	125,907	127,403	127,692	127,630	129,784	132,161
ORIGIN:										
In-state	82,320	80,896	80,493	80,333	81,082	82,347	81,515	82,413	82,992	84,063
Out-of-state	22,099	20,080	19,181	18,731	18,536	18,570	18,495	17,685	17,823	17,549
Foreign	8,201	7,509	7,099	6,541	5,991	5,169	4,909	4,947	5,120	4,902
Overseas	16,756	17,549	18,480	19,068	20,298	21,317	22,773	22,585	23,849	25,647
Total	129,376	126,034	125,253	124,673	125,907	127,403	127,692	127,630	129,784	132,161
CAMPUS ENROLLMENTS										
University of Maryland, Baltimore	5,337	5,553	5,703	5,975	6,066	5,747	5,609	5,238	5,064	4,982
University of Maryland, College Park	33,189	32,864	32,925	32,711	33,006	32,908	32,493	32,441	32,923	34,623
Bowie State University	5,061	5,131	5,410	5,704	5,548	5,798	5,422	5,416	4,809	4,437
Towson University	16,729	16,647	15,923	15,524	15,105	14,643	14,551	14,696	15,232	15,403
University of Maryland, Eastern Shore	3,297	3,000	3,206	3,209	3,166	2,878	2,925	2,637	2,430	2,397
Frostburg State University	5,348	5,198	5,260	5,199	5,418	5,427	5,443	5,398	5,295	5,239
Coppin State College	3,890	3,844	3,764	3,540	3,643	3,540	3,380	3,265	2,944	2,816
University of Baltimore	4,674	4,611	4,624	4,609	4,641	5,004	5,204	5,487	5,844	5,983
Salisbury University	6,421	6,060	6,080	6,022	5,947	6,010	6,048	5,956	6,022	5,884
University of Maryland, University College	34,671	32,861	32,236	32,317	33,435	34,981	36,302	36,429	38,567	40,029
University of Maryland, Baltimore County	10,759	10,265	10,122	9,863	9,932	10,467	10,315	10,667	10,654	10,368
Total	129,376	126,034	125,253	124,673	125,907	127,403	127,692	127,630	129,784	132,161

Source: University System of Maryland Office of Academic Affairs





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