

# Comprehensive Annual Financial Report



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



# Comprehensive Annual Financial Report

Prepared by the Office of the Chief  
Operating Officer/Vice Chancellor  
for Administration and Finance  
Joseph F. Vivona



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# Introductory Section



## Chancellor's Message

Fiscal Year 2007 found the University System of Maryland (USM) in a strong financial position, highlighted by growth in our unrestricted fund balance, significant enhancement of our endowment, and a reaffirmed “AA” bond rating in recognition of USM’s prudent management practices. I applaud the Board of Regents as well as the USM Office of Administration and Finance for these—and other—accomplishments outlined in this report.

Working closely with new leadership in Annapolis, we aligned our budget priorities with those expressed by the Governor and General Assembly. As a result of this strengthening partnership with state government, USM received a \$72 million increase in state funds for FY 2008 for a total state budget appropriation of \$1.02 billion, an 8.9 percent increase over the FY 2007 base. USM also received one of its largest capital budget allocations ever, \$172 million.



Our efforts have not only increased public support, but private giving as well. As our \$1.7 billion federated Capital Campaign progresses, we see a growing number of high-value, high-profile commitments. The impact of this support—both public and private—is impressive, allowing us to advance our key goals of access, affordability and excellence.

**ACCESS:** In response to an anticipated surge in undergraduate enrollment, all three of our designated growth institutions — Towson University, Salisbury University, and University of Maryland University College — met or exceeded their enrollment goals, as did the University of Maryland Eastern Shore. In addition, University of Baltimore welcomed freshman students for the first time since 1975. Moreover, the projects featured in the capital budget will allow us to continue our efforts to address capacity issues.

**AFFORDABILITY:** For the second straight year, we implemented a System-wide tuition freeze for in-state undergraduate students. In addition, we are continuing to improve the balance between need- and merit-based scholarships. In FY 2006, need-based aid to USM undergraduate students stood at just under \$19 million. In the FY 2008 budget, that number stands at more than \$31 million, a **two-thirds** increase in just two years. And, of course, we continue to reap the benefits of our system wide Effectiveness and Efficiency initiative (E&E).

**EXCELLENCE:** By any standard, USM has attained true national excellence. USM programs and institutions—Towson, College Park, Coppin, Salisbury, University of Maryland, Baltimore, etc.— are cited frequently in the pages of *The Princeton Review*, *Kiplinger's Personal Finance*, and *U.S. News & World Report* as among the very best and/or most innovative. In addition, Bowie State, University of Maryland, Baltimore County, and Coppin have been cited for achievements in the area of technology. Presidents, faculty and students from throughout the system have also received national recognition and honors.

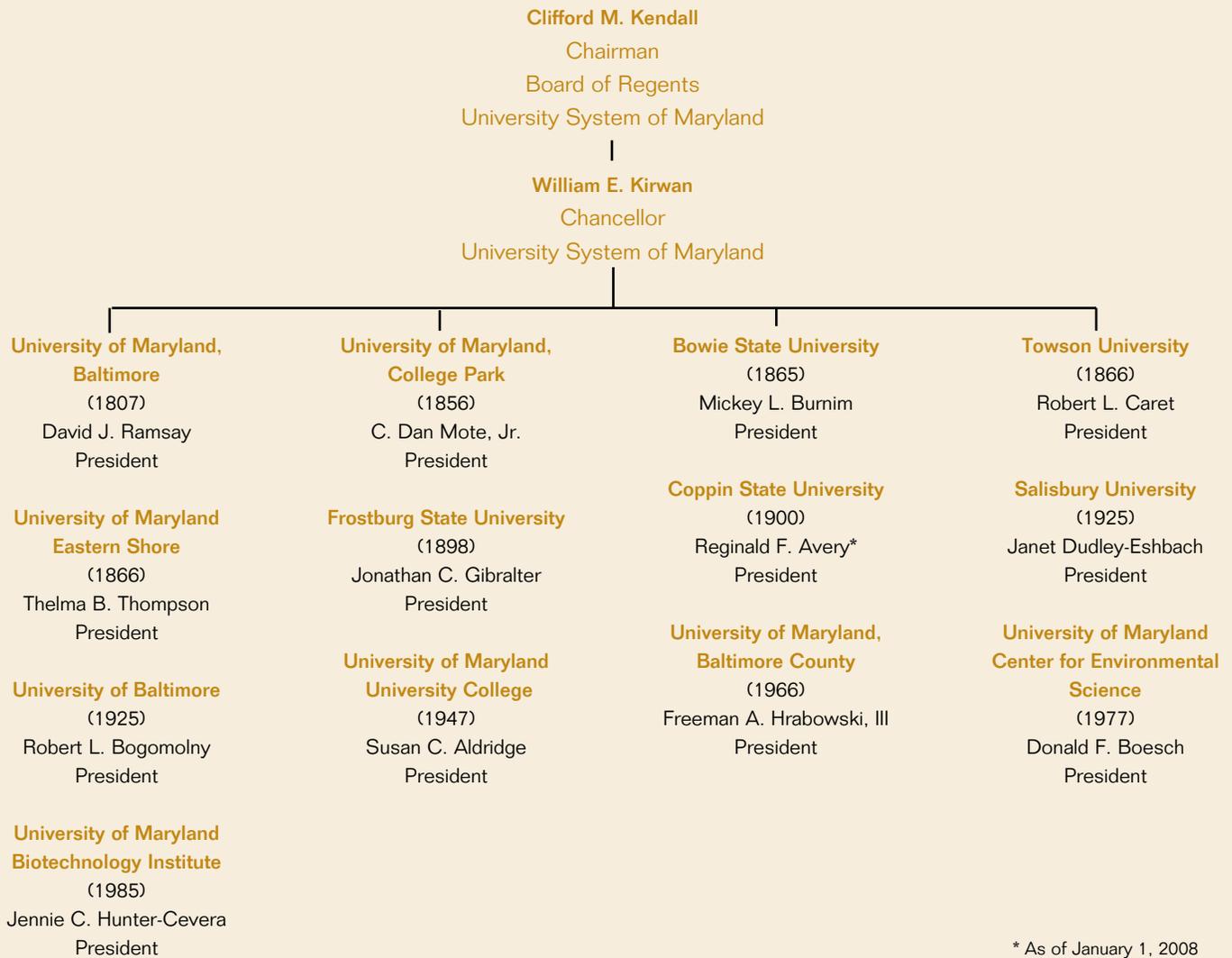
As I enter my sixth year as USM Chancellor, I remain greatly impressed by the entire USM “family.” The members of the Board of Regents, the presidents and vice presidents leading our institutions, the faculty and staff that bring excellence to our campuses, and the students and alumni that we serve all share a common commitment to a high quality higher education system that is affordable and accessible. This commitment has helped create a system that will benefit this state for years, indeed for generations to come.

A handwritten signature in black ink that reads "W E Kirwan". The signature is written in a cursive, slightly stylized font.

William E. Kirwan  
Chancellor

# Organizational Chart

## University System of Maryland



\* As of January 1, 2008

## Officials of the University System of Maryland

July 1, 2006 - June 30, 2007

### BOARD OF REGENTS

Clifford M. Kendall, *Chair*  
Robert L. Pevenstein, *Vice Chair*  
Robert L. Mitchell, *Secretary*  
James T. Brady  
Thomas B. Finan, Jr.  
Patricia S. Florestano, *Assistant Treasurer*  
R. Michael Gill  
Alicia Coro Hoffman  
Orlan M. Johnson, *Assistant Secretary*  
The Honorable Francis X. Kelly, Jr.  
Cheryl Gordon Krongard  
The Honorable Marvin Mandel  
David H. Nevins  
A. Dwight Pettit  
The Honorable Lewis R. Riley, *ex officio*  
Caitlin Heidemann, *Student Regent*



### OFFICERS OF THE UNIVERSITY SYSTEM OF MARYLAND

William E. Kirwan, *Chancellor*  
Irwin Goldstein, *Senior Vice Chancellor for Academic Affairs*  
Joseph F. Vivona, *Chief Operating Officer/Vice Chancellor for Administration and Finance*  
Leonard R. Raley, *Vice Chancellor for Advancement*

### PRESIDENTS OF THE INSTITUTIONS OF THE UNIVERSITY SYSTEM OF MARYLAND

Donald F. Boesch, *University of Maryland Center For Environmental Science*  
Sadie Gregory\*, *Coppin State University*  
Jonathan C. Gibraltar, *Frostburg State University*  
Susan C. Aldridge, *University of Maryland University College*  
Mickey L. Burnim, *Bowie State University*  
Freeman A. Hrabowski, III, *University of Maryland, Baltimore County*  
Jennie C. Hunter-Cevera, *University of Maryland Biotechnology Institute*  
Janet Dudley-Eshbach, *Salisbury University*  
C. Dan Mote, Jr., *University of Maryland, College Park*  
David J. Ramsay, *University of Maryland, Baltimore*  
Robert L. Caret, *Towson University*  
Thelma B. Thompson, *University of Maryland Eastern Shore*  
Robert L. Bogomolny, *University of Baltimore*

\* interim president



## OFFICE OF ADMINISTRATION AND FINANCE

October 26, 2007

Dr. William E. Kirwan  
Chancellor  
University System of Maryland

Chancellor Kirwan:

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, 2007. The report of our independent public accountants, Abrams, Foster, Nole & Williams P.A., which appears on page 17, expresses an unqualified opinion on the financial statements.

### INTRODUCTION

The Comprehensive Annual Financial Report includes the general purpose financial statements for the year ended June 30, 2007, 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, 2007.

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 financial statements, report of independent public accountants, combining statements and schedules comparing estimated and actual revenues and budgeted and actual expenditures, on a budgetary basis of accounting. The financial statements are prepared in accordance with accounting principles generally accepted in the United States.

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. Sixteen not-for-profit entities organized with the purpose of support of institutions of the University System of Maryland, have been identified as component units and presented using the discrete method of presentation.

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,

1807  
University of Maryland,  
Baltimore

1856  
University of Maryland,  
College Park

1865  
Bowie State University

1866  
Towson University

1886  
University of Maryland  
Eastern Shore

1898  
Frostburg State University

1900  
Coppin State University

1925  
Salisbury University

1925  
University of Baltimore

1925  
University of Maryland  
Center for Environmental  
Science

1947  
University of Maryland  
University College

1966  
University of Maryland,  
Baltimore County

1985  
University of Maryland  
Biotechnology Institute

1984, 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.

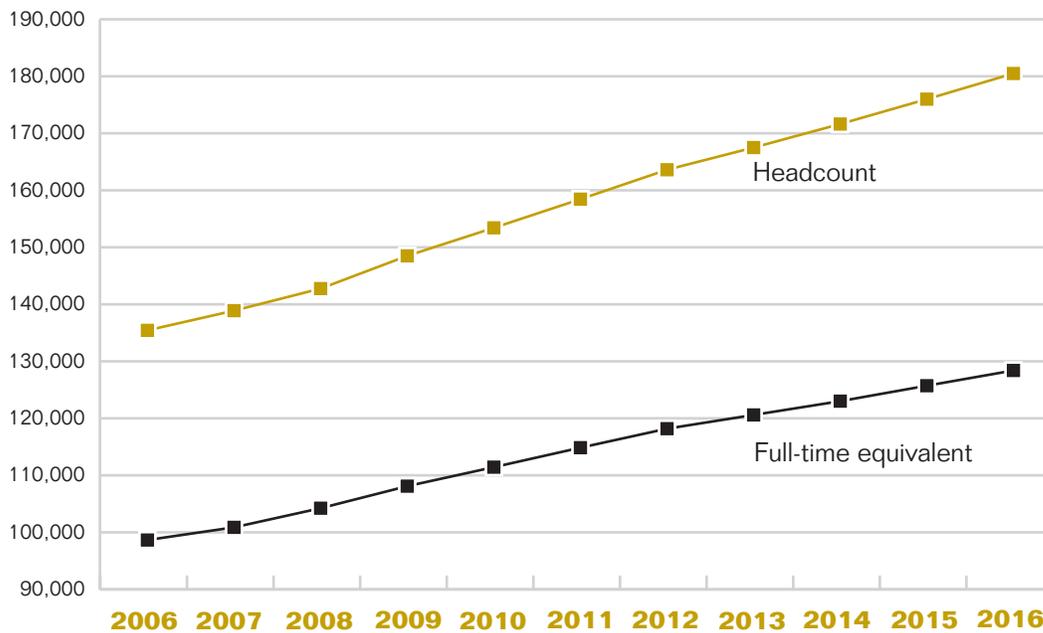
### ECONOMIC CONDITION AND OUTLOOK

The Maryland economy includes a significant public sector component, which historically has partially mitigated the effect of business cycles. A well-educated workforce is a recognized strength of the region that ensures that professional services and technology-based businesses and industries will continue to locate in the area. Recently, economic indicators have suggested a softening in the state economy.

An important element of the System’s future prospects for success will be partnerships with the business community. Both in terms of collaboration to provide services and facilities to campus communities, as well as being a potential source of funding support, System and institutional leadership is focused on aligning institutional and business community interests in ways that benefit both.

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 2016, particularly both full-time and part-time undergraduates, and part-time graduate student categories. 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. It is expected that enrollment will increase from just over 135,000 students in Fall 2006 to more than 180,000 in Fall 2016, an increase of 33.3% over the ten-year period. In Fall 2007, enrollment is expected to increase 2.6%, or an increase of more than 3,400 students.

**ACTUAL FALL 2006 and  
PROJECTED 2007 - 2016 ENROLLMENT  
Headcount and Full-time Equivalent Students**



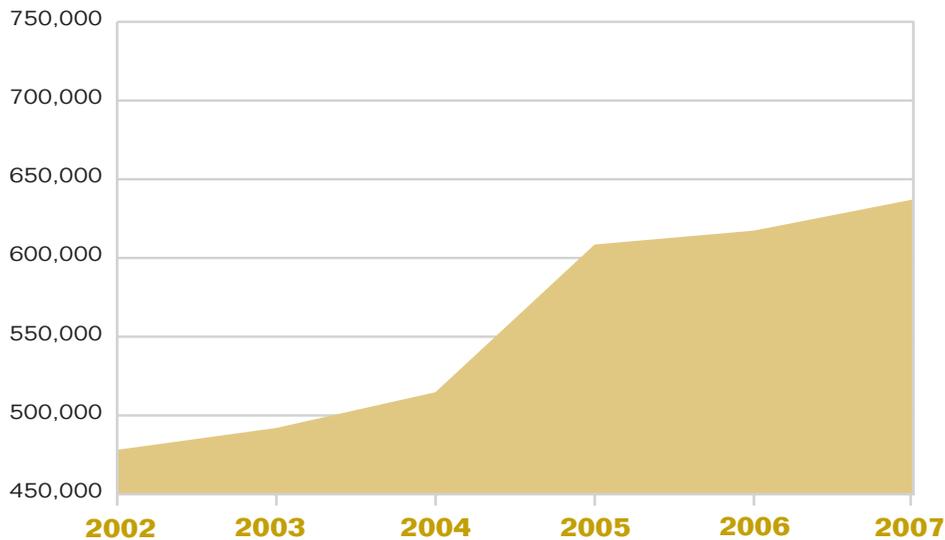
State funding for operational and capital needs is subject to an appropriation process influenced by System institution successes and needs, in an overall context of the projected state-wide revenue base.

Volatility in the price of fuel costs in fiscal year 2007 imposed unanticipated costs on institutions, and as a result, System institutions are exploring mechanisms to bring some level of cost predictability and management to utilities expenses

through cross-institutional purchasing arrangements, the use of forward purchase agreements, and other similar price risk management methods.

System institutions continue to report increasing levels of contract and grant activity, the largest component funded by the Federal government. The State is a significant focus for research on biotechnology and is likely to continue to receive significant future amounts of resources.

**FEDERAL CONTRACT AND GRANT REVENUE  
FY 2002 - FY 2007  
(in thousands)**



## MAJOR INITIATIVES

In July 2000, the Regents approved the System's strategic plan, a guiding document that is consistent with the state plan for higher education and that incorporates the principles and priorities for higher education articulated in state law. The plan was updated in February 2004. The strategic plan focuses the System's efforts and priorities along five strategic themes:

- ▶ **Promoting Access and Academic Success** — academic programs will respond to meet the changing and expanding educational needs of our state and a growing and increasingly diverse undergraduate, graduate, and professional student population
- ▶ **Achieving National Eminence** — consistent with its legislative mandate, USM will achieve national eminence in research, scholarship, teaching, and service
- ▶ **Creating Knowledge, Promoting Economic Development, and Advancing the Quality of Life of Maryland Citizens** — research and scholarship will position Maryland as a national leader in science and technology, the arts and humanities, and the professions; serve the public good by enhancing the quality of life of all Marylanders; and advance the state's and the nation's economic growth, sustainable development, and international competitiveness
- ▶ **Addressing the State's Critical Workforce and Health-care Needs** — identify those professions and jobs essential to the State's continued economic well-being and providing educational paths that meet those needs
- ▶ **Identifying New Resources and Practicing Exemplary Stewardship** — will be widely recognized for the effective and efficient stewardship of its resources to achieve its strategic goals.

Progress towards each of the goals and strategic objectives is measured annually and reported to the Regents.

Fiscally, the System institutions have embarked on a five year plan, beginning with fiscal year 2004, to improve the System's overall financial strength and diversify the funding mechanisms for providing facilities to serve a burgeoning student population. From the beginning of fiscal year 2004 through fiscal year 2007, unrestricted net assets have increased by more than \$410 million. Improvements in the System's financial health will protect the System's excellent bond rating, save millions of dollars in interest costs, position System institutions to be able to accommodate or respond to unanticipated changes in funding or costs, as well as facilitate public-private partnerships in providing access to needed additional facilities.

More recently, the System has begun formulating strategies for pursuing three new initiatives, in addition to those articulated in the Strategic Plan:

- ▶ **Economic development and workforce competitiveness** — proactively addressing the need to maintain and even advance Maryland's current position as a national leader in innovation and knowledge transfer fostering economic development
- ▶ **Eliminating the achievement gap** — the gap in college participation, retention and graduation rates between low income and under-represented minorities on the one hand and the general student population on the other hand
- ▶ **Climate change and sustainability** — through education and research programs, develop and promulgate new strategies for addressing environmental challenges. Through commitment to best practices in the use of energy, become a model for others to emulate

Through the leadership of the Regents Effectiveness and Efficiency Committee, institutions have been successful in realizing significant reductions in costs in both academic and administrative processes. The initiatives pursued span a range of strategies, some cost-sharing, others process redesign, in a phased, multi-year effort that will continue to produce cost savings for next several years.

In July 2005, the System entered into an arrangement with the University System of Maryland Foundation (USM Foundation) to provide investment management services for the System's \$246 million endowment fund. Combined with the long-term investments of most of affiliated foundations, the USM Foundation now oversees a long-term investment portfolio of more than \$700 million and an operating fund of more than \$200 million. An Investment Committee of the USM Foundation, comprised of the best minds in investment finance from the region and New York City, and a growing, high-caliber internal staff, ensures that the System and its affiliated foundations have an appropriate investment infrastructure for its investment holdings. This is important as the System and its institutions progress past the halfway mark on a \$1.7 billion capital campaign targeted at enhancing access, affordability, and quality. For fiscal year 2007, investment returns on the long-term portfolio were 22.5%, well beyond the change in the Standard & Poor's 500, and one of the highest rates of return realized by college and university investment portfolios nationwide.

## **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.



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

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 appropriation requests be increased, over time, 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 will provide amounts for renewal and replacement of facilities at levels much closer to the 2% target.

### **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.

### **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.

### **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 three 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 basic financial statements for the System which have been audited by independent certified public accountants. The report of Abrams, Foster, Nole & Williams P.A. has been included with

the general purpose financial statements in the financial section of this report. Abrams, Foster, Nole & Williams P.A. also performs audits to meet the requirements of OMB Circular A-133, the results of which are detailed in a separate report.

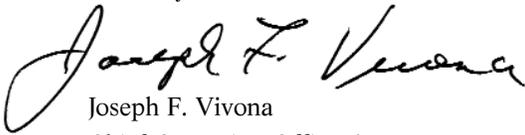
This Comprehensive Annual Financial Report has been prepared using the guidance found in Governmental Accounting, Auditing and Financial Reporting, published by the Government Finance Officers Association of the United States and Canada (GFOA). The objectives of the comprehensive annual financial report 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 awarded a Certificate of Achievement for Excellence in Financial Reporting to the University System of Maryland for its comprehensive annual financial report for the fiscal year ended June 30, 2006. 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 applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report satisfies the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for a 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 Abrams, Foster, Nole & Williams P.A.

Sincerely,

A handwritten signature in black ink, reading "Joseph F. Vivona". The signature is written in a cursive style with a large initial "J".

Joseph F. Vivona  
Chief Operating Officer/  
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, 2006

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.



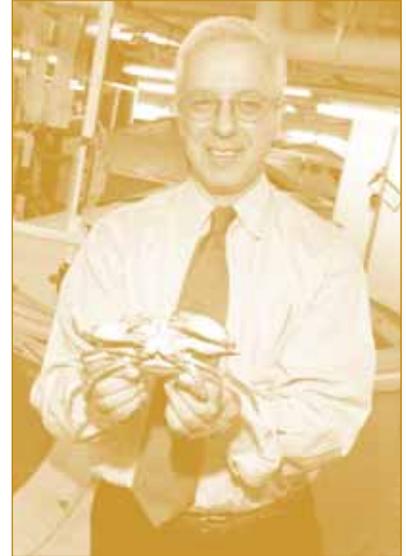
*Chae S. Cox*

President

*Jeffrey R. Emer*

Executive Director

# Financial Section





Abrams, Foster, Nole & Williams, P.A.

Certified Public Accountants

2 Hamill Road, Suite 241  
West Quadrangle  
Baltimore, MD 21210-1886  
(410) 433-6830 / Fax (410) 433-6871

Member: American Institute of Certified Public Accountants  
and Maryland Association of Certified Public Accountants

## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

### Board of Regents, University System of Maryland

We have audited the accompanying basic financial statements of the University System of Maryland (the System), a component unit of the State of Maryland, and its discretely presented component units, as of and for the years ended June 30, 2007 and 2006, as listed in the table of contents. 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 audits.

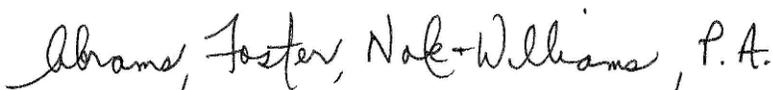
We only audited the component unit financial statements of Coppin State College Development Foundation, Inc. We did not audit the other component unit financial statements. The component units we did not audit represent 99 percent of total assets, net assets and unrestricted revenues of the total component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units, is based on the reports of the other auditors.

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

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the System and of its discretely presented component units as of June 30, 2007 and 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the years then ended, in conformity with accounting principles generally accepted in the United States.

Management's discussion and analysis and schedules of estimated and actual revenues and expenditures by institution - budgetary basis, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The combining financial statements, introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of the other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections of this report required by law have not been subjected to the auditing procedures applied by us or the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Abrams, Foster, Nole & Williams, P.A.  
Certified Public Accountants  
Baltimore, Maryland

October 26, 2007

## UNIVERSITY SYSTEM OF MARYLAND

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## YEARS ENDED JUNE 30, 2007 AND 2006

The management of the University System of Maryland (System), provides the readers of the System's financial statements with this narrative overview and analysis of the financial activities of the System for the years ended June 30, 2007 and 2006.

### Financial Highlights

- ▶ Unrestricted net assets increased by \$131,154,000 for the year ended June 30, 2007, compared to an increase of \$76,050,000 for the year ended June 30, 2006.
- ▶ State appropriations legislated for the System increased by 15% for the year ended June 30, 2007, to \$933,537,000. For the year ended June 30, 2006, State appropriations increased by 7.1% from the amount received in the year ended June 30, 2005.
- ▶ Tuition and fees, after deducting Scholarship allowances, increased by \$47,570,000, or just over 5%, for the year ended June 30, 2007. During the year ended June 30, 2006, net Tuition and fees increased by more than 6%, or \$47,595,000.

### Overview of the Financial Statements

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

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

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

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

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

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

## Financial Analysis

As of June 30, 2007, the System's financial health remains strong, with assets exceeding liabilities by \$3,424,332,000, shown on the Balance Sheet as Total Net Assets. This compares with Total Net Assets of \$3,077,726,000 as of June 30, 2006. As suggested earlier, when viewed over time, net assets may be useful as an indicator of financial health.

For the year ended June 30, 2007, total net assets increased by \$346,606,000. Net assets invested in capital assets, net of related debt, increased by \$190,296,000, while unrestricted net assets increased \$131,154,000, and restricted net asset categories increased by \$25,156,000.

Unrestricted net assets represent the portion of assets, after taking into account liabilities, which can be used to meet ongoing obligations and fund new initiatives. Some significant portion of the \$131,154,000 increase in unrestricted net assets for the year ended June 30, 2007 is attributable to institutional efforts to limit expenditures, as well as efforts to accumulate resources to provide for future facilities needs and renewal and renovation requirements.

For the year ended June 30, 2006, total net assets increased by \$154,302,000. Net assets invested in capital assets, net of related debt, increased by \$92,342,000 while unrestricted net assets increased \$76,050,000, and temporarily restricted and permanently restricted net asset categories decreased by \$14,090,000.

The table below presents summary-level information of the System's assets, liabilities, and net assets as of June 30, 2007, 2006 and 2005 (amounts in thousands):

### University System of Maryland Condensed Balance Sheet June 30, 2007, 2006 and 2005

	2007	2006	2005
Current and other assets	\$1,596,331	\$1,352,831	\$1,345,133
Capital assets, net	3,248,365	3,103,410	3,043,636
Total assets	<u>\$4,844,696</u>	<u>\$4,456,241</u>	<u>\$4,388,769</u>
Debt and obligations under capital lease agreements	\$954,847	\$934,826	\$1,000,726
Other liabilities	465,517	443,689	464,619
Total liabilities	<u>1,420,364</u>	<u>1,378,515</u>	<u>1,465,345</u>
Net assets:			
Invested in capital assets, net of related debt	2,394,375	2,204,079	2,111,737
Restricted	303,146	277,990	292,080
Unrestricted	726,811	595,657	519,607
Total net assets	<u>3,424,332</u>	<u>3,077,726</u>	<u>2,923,424</u>
Net assets and liabilities	<u>\$4,844,696</u>	<u>\$4,456,241</u>	<u>\$4,388,769</u>

The table below presents summary-level information on the changes in the System's net assets for the years ended June 30, 2007, 2006 and 2005 (amounts in thousands):

**University System of Maryland**  
**Condensed Statement of Revenues, Expenses and Changes in Net Assets**  
**Years ended June 30, 2007, 2006 and 2005**

	2007	2006	2005
Operating revenues	\$2,441,077	\$2,342,248	\$2,249,741
Operating expenses	3,320,914	3,148,332	2,922,272
Operating loss	(879,837)	(806,084)	(672,531)
State appropriations	933,537	811,588	757,698
Other nonoperating revenues and expenses, net	103,075	53,207	9,562
Total nonoperating revenues and expenses	1,036,612	864,795	767,260
Income before other revenues, expenses, gains and losses	156,775	58,711	94,729
Other revenues, expenses, gains and losses	189,831	95,591	137,860
Increase in net assets	346,606	154,302	232,589
Net assets, beginning of year	3,077,726	2,923,424	2,690,835
Net assets, end of year	\$3,424,332	\$3,077,726	\$2,923,424

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

For the years ended June 30, 2007, 2006 and 2005, Operating Revenues, which under the definitions used by GASB excludes State Appropriations, are detailed below (amounts in thousands):

	2007		2006		2005	
	\$	%	\$	%	\$	%
Tuition and fees	\$873,300	35.8%	\$825,730	35.3%	\$778,135	34.6%
Contracts and grants	915,161	37.5	894,892	38.2	886,518	39.4
Sales and services of educational departments	193,764	7.9	193,884	8.2	177,225	7.9
Auxiliary enterprises	404,856	16.6	380,385	16.3	366,323	16.3
Other operating	53,996	2.2	47,357	2.0	41,540	1.8
Total	\$2,441,077	100.0%	\$2,342,248	100.0%	\$2,249,741	100.0%

Tuition and fees reflect the increases in tuition rates and other student charges enacted for the years ended June 30, 2007 and 2006 for non-resident students, as well as modest enrollment increases in both years. Fee increases for residence halls and dining facilities account for the increase in revenues from Auxiliary Enterprise activities.

Operating Expenses are detailed by Employee costs, Other payments, and Depreciation Expense in the notes to the financial statements, in order to provide an alternative presentation of operating expenses. For the year ended June 30, 2007, increases in Employee costs, most significantly in the Instruction, Academic support, and Institutional support program categories, account for most of the overall increase in Operating Expenses over the year ended June 30, 2006. Employee costs increased by more than 7% for the year ended June 30, 2006 over the previous year, in large part due to increased health care costs, as well as higher levels of contract and grant activities.

For the years ended June 30, 2007, 2006 and 2005, Operating Expenses are detailed below (amounts in thousands):

	2007		2006		2005	
	\$	%	\$	%	\$	%
Instruction	\$890,577	26.8%	\$861,191	27.4%	\$819,558	28.0%
Research	761,371	22.9	719,067	22.8	694,359	23.8
Public service	126,113	3.8	122,906	3.9	111,356	3.8
Academic support	287,338	8.7	259,224	8.2	239,221	8.2
Student services	143,441	4.3	125,432	4.0	114,784	3.9
Institutional support	317,336	9.6	300,468	9.5	276,259	9.5
Operation and maintenance of plant	261,289	7.9	248,443	7.9	204,025	7.0
Scholarships and fellowships	63,142	1.9	59,117	1.9	47,686	1.6
Auxiliary enterprises	369,809	11.1	354,219	11.3	327,306	11.2
Hospital	100,498	3.0	98,265	3.1	87,718	3.0
Total	\$3,320,914	100.0%	\$3,148,332	100.0%	\$2,922,272	100.0%

### Capital Asset and Debt Administration

The System added \$337,946,000 in new capital assets during the year ended June 30, 2007. Of these additions, \$147,871,000 was funded through the use of State of Maryland debt proceeds or cash balances, \$44,335,000 was funded from the proceeds of System debt obligations, and the balance of \$145,740,000 was purchased using System cash balances or received as donations.

During the year ended June 30, 2007, several significant projects were completed and placed in service, including a \$72 million Biosciences Research building at the University of Maryland, College Park, a \$21 million Center for Business and Graduate Studies at Bowie State University, and the third academic building at the Universities at Shady Grove, the System's first gold LEED certified building.

The System added \$242,559,000 in new capital assets during the year ended June 30, 2006. Of these additions, \$89,186,000 was funded through the use of State of Maryland debt proceeds or cash balances, \$60,747,000 was funded from the proceeds of System debt obligations, and the balance of \$92,626,000 was purchased using System cash balances or received as donations.

During the year ended June 30, 2006, several significant projects were completed and placed in service. A new dental school at the University of Maryland, Baltimore costing more than \$141 million was completed, while at the University of Maryland, College Park, the \$21 million Center for Advanced Study of Language was put into service. A \$54 million addition and renovation of the Fine Arts Building at Towson University will greatly enhance the institution's facilities devoted to the arts, while at the University of Baltimore a new student center costing more than \$20 million will help facilitate the institution's transition to a full four year regional comprehensive institution. After expending almost \$60 million, a new Center for Advanced Research in Biotechnology for the University of Maryland Biotechnology Institute represents a significant public sector investment in biotech sciences for the I-270 corridor.

The System added \$291,593,000 in new capital assets during the year ended June 30, 2005. Of these additions, \$130,932,000 was funded through the use of State of Maryland debt proceeds or cash balances, \$78,644,000 was funded from the proceeds of System debt obligations, and the balance of \$82,017,000 was purchased using System cash balances or received as donations.

During the year ended June 30, 2005, several significant projects were completed and placed in service. The \$55 million Kim Engineering Building, at the University of Maryland, College Park, is a cutting-edge facility that will help place the

institution at the forefront of engineering instruction nationwide. At the University of Maryland Eastern Shore, a new \$36 million Social Science, Education and Health Sciences Building opened, representing a significant addition to the educational facilities of Maryland's eastern shore. A \$33 million project renovating and expanding the Chemistry Building at the University of Maryland, Baltimore County will enhance the institution's position as a pre-eminent educational and research institution. The \$27 million Riggs Alumni Center, at the University of Maryland, College Park, will enable enhancement of alumni relations and provide a central base of operations for the fundraising effort.

These facilities are but a small sample of the important investments in upgrading the System's academic and research facilities, as well as transforming campuses into learning communities.

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

During the year ended June 30, 2007, the System refinanced \$75,630,000 of previously issued Revenue Bonds through the use of \$75,935,000 of 2007 Series A Revenue Bonds issued in April 2007. The refinancing resulted in a reduction in future principal and interest payments by more than \$3,674,000, in present value.

During the year ended June 30, 2005, the System refinanced approximately \$128,570,000 of previously issued Revenue Bonds, as a part of the use of \$174,910,000 of 2005 Series A & B Revenue Bonds issued in February 2005. The refinancing resulted in a reduction in future principal and interest payments by more than \$8,000,000, in present value.

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

The State of Maryland fiscal health has been strong the past several years, but recent downturns in the housing and credit markets, combined with several looming and large financial commitments, including a significant increase in funding of K-12 education, have resulted in a need for State government to make revenue and expenditure changes that will bring the future resources and spending into a more balanced situation. The State government is currently considering several alternatives for increased revenues and opportunities to reduce spending. Recently, state appropriations have constituted more than 27% of the combination of operating revenues and state appropriations.

The research capabilities of several System institutions, proximity to federal agencies, and the development of the Washington-Baltimore region as a national focus of biotechnology position the System well for continued increases in research contracts and grant revenues, particularly in the health sciences and defense-related fields.

Enrollment has continued to increase in recent years with the System institutions adding more than 15,000 students in the last five years. Despite these increases however, enrollment has not attained the anticipated levels predicted as a result of the so-called "Baby Boom Echo." The System institutions enrollment have been constrained in this period by two factors: increased selectivity at some System institutions (reflected in falling acceptance rates) and increased price sensitivity by potential students in the face of rapidly rising tuition (reflected in falling yield rates of those accepted). The demand environment for the next several years will remain very favorable for rising enrollment levels. By 2009, because of the "Baby Boom Echo," there will be more college-aged persons in Maryland than at any point since the late 1970's; even more so as the desire to achieve a university education is much higher than it was during that earlier population boom. This will create the greatest demand for enrollment that the System has ever experienced.

### **Requests for Information**

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

June 30, 2007 and 2006

(amounts expressed in thousands)

**Balance Sheet**

ASSETS	2007	2006
<b>Current assets:</b>		
Cash and cash equivalents	\$863,051	\$739,399
Accounts receivable, net	278,971	252,700
Notes receivable, current portion	11,482	14,885
Inventories	8,827	9,179
Prepaid expenses	6,062	4,632
Deferred charges	890	458
<b>Total current assets</b>	<b>1,169,283</b>	<b>1,021,253</b>
<b>Noncurrent assets:</b>		
Restricted cash and cash equivalents	120,836	59,026
Endowment investments	246,336	214,269
Other investments		3,468
Notes receivable, net	59,876	54,815
Capital assets, net	3,248,365	3,103,410
<b>Total noncurrent assets</b>	<b>3,675,413</b>	<b>3,434,988</b>
<b>Total assets</b>	<b>\$4,844,696</b>	<b>\$4,456,241</b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$161,053	\$162,484
Accrued workers' compensation, current portion	4,183	4,026
Accrued vacation costs, current portion	70,500	68,650
Revenue bonds and notes payable, current portion	67,511	60,532
Obligations under capital lease agreements, current portion	213	199
Deferred revenue	133,065	117,805
<b>Total current liabilities</b>	<b>436,525</b>	<b>413,696</b>
<b>Noncurrent liabilities:</b>		
Accrued workers' compensation	22,805	21,939
Accrued vacation costs	73,911	68,785
Revenue bonds and notes payable	882,843	869,602
Obligations under capital lease agreements	4,280	4,493
<b>Total noncurrent liabilities</b>	<b>983,839</b>	<b>964,819</b>
<b>Total liabilities</b>	<b>1,420,364</b>	<b>1,378,515</b>
<b>NET ASSETS</b>		
Unrestricted	726,811	595,657
Invested in capital assets, net of related debt	2,394,375	2,204,079
Restricted:		
Nonexpendable:		
Scholarships and fellowships	11,214	11,023
Research	3,643	3,643
Other	14,855	14,515
Expendable:		
Scholarships and fellowships	51,887	47,662
Research	87,404	77,732
Loans	75,755	74,823
Capital projects	16,952	13,225
Other	41,436	35,367
<b>Total net assets</b>	<b>3,424,332</b>	<b>3,077,726</b>
<b>Total liabilities and net assets</b>	<b>\$4,844,696</b>	<b>\$4,456,241</b>

See accompanying notes

# Combining Balance Sheet, Component Units

June 30, 2007

(amounts expressed in thousands)

	The University System of Maryland Foundation, Inc.	University of Maryland, College Park Foundation, Inc.	University of Maryland, Baltimore Foundation, Inc.	Total Non-major Component Units	Total
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash	\$483	\$3,837	\$84	\$13,235	\$17,639
Accounts receivable	13,432	34,843	6,016	12,998	67,289
Other assets		638		569	1,207
<b>Total current assets</b>	<b>13,915</b>	<b>39,318</b>	<b>6,100</b>	<b>26,802</b>	<b>86,135</b>
<b>Investments:</b>					
Investments	545,227	261,179	123,178	169,123	1,098,707
<b>Total investments</b>	<b>545,227</b>	<b>261,179</b>	<b>123,178</b>	<b>169,123</b>	<b>1,098,707</b>
<b>Other assets:</b>					
Accounts receivable	12,096	42,512	8,063	137	62,808
Capital assets, net	9,279			12,311	21,590
Assets held for sale	64				64
Other assets	378		5,621	5,925	11,924
<b>Total other assets</b>	<b>21,817</b>	<b>42,512</b>	<b>13,684</b>	<b>18,373</b>	<b>96,386</b>
<b>Total assets</b>	<b>\$580,959</b>	<b>\$343,009</b>	<b>\$142,962</b>	<b>\$214,298</b>	<b>\$1,281,228</b>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable & accrued expenses	\$4,022	\$4,534	\$1,623	\$6,883	\$17,062
Long term debt, current				176	176
Deferred income	63	1,092		5,638	6,793
<b>Total current liabilities</b>	<b>4,085</b>	<b>5,626</b>	<b>1,623</b>	<b>12,697</b>	<b>24,031</b>
<b>Other liabilities:</b>					
Other payables	10,955	2,570	1,604	4,579	19,708
Due to primary government	245,362				245,362
Long term debt, noncurrent				1,226	1,226
<b>Total other liabilities</b>	<b>256,317</b>	<b>2,570</b>	<b>1,604</b>	<b>5,805</b>	<b>266,296</b>
<b>Total liabilities</b>	<b>260,402</b>	<b>8,196</b>	<b>3,227</b>	<b>18,502</b>	<b>290,327</b>
<b>NET ASSETS</b>					
Unrestricted	64,255	5,510	19,049	32,111	120,925
Temporarily restricted:					
Scholarships & fellowships	14,508	41,988	8,213	7,313	72,022
Research	11,010	5,384	5,596	27	22,017
Other	34,948	115,080	42,642	45,077	237,747
Permanently restricted:					
Scholarships & fellowships	94,233	46,079	16,238	41,393	197,943
Research	1,095	951	237	810	3,093
Other	100,508	119,821	47,760	69,065	337,154
<b>Total net assets</b>	<b>320,557</b>	<b>334,813</b>	<b>139,735</b>	<b>195,796</b>	<b>990,901</b>
<b>Total liabilities &amp; net assets</b>	<b>\$580,959</b>	<b>\$343,009</b>	<b>\$142,962</b>	<b>\$214,298</b>	<b>\$1,281,228</b>

See accompanying notes

# Combining Balance Sheet, Component Units

June 30, 2006

(amounts expressed in thousands)

	The University System of Maryland Foundation, Inc.	University of Maryland, College Park Foundation, Inc.	University of Maryland, Baltimore Foundation, Inc.	Total Non-major Component Units	Total
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash	\$633	\$7,026	\$461	\$8,767	\$16,887
Accounts receivable	12,284	19,605	6,675	23,532	62,096
Other assets	173	101		678	952
<b>Total current assets</b>	<b>13,090</b>	<b>26,732</b>	<b>7,136</b>	<b>32,977</b>	<b>79,935</b>
<b>Investments:</b>					
Investments	481,821	210,405	93,855	130,286	916,367
<b>Total investments</b>	<b>481,821</b>	<b>210,405</b>	<b>93,855</b>	<b>130,286</b>	<b>916,367</b>
<b>Other assets:</b>					
Accounts receivable	13,717	50,184	8,293	127	72,321
Capital assets, net	7,187			10,628	17,815
Assets held for sale	1,945				1,945
Other assets	350		5,388	5,774	11,512
<b>Total other assets</b>	<b>23,199</b>	<b>50,184</b>	<b>13,681</b>	<b>16,529</b>	<b>103,593</b>
<b>Total assets</b>	<b>\$518,110</b>	<b>\$287,321</b>	<b>\$114,672</b>	<b>\$179,792</b>	<b>\$1,099,895</b>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable & accrued expenses	\$5,375	\$936	\$2,821	\$5,716	\$14,848
Long term debt, current				175	175
Deferred income	86	1,220		3,239	4,545
<b>Total current liabilities</b>	<b>5,461</b>	<b>2,156</b>	<b>2,821</b>	<b>9,130</b>	<b>19,568</b>
<b>Other liabilities:</b>					
Other payables	11,909	2,106	1,566	4,977	20,558
Due to primary government	213,470				213,470
Long term debt, noncurrent				1,377	1,377
<b>Total other liabilities</b>	<b>225,379</b>	<b>2,106</b>	<b>1,566</b>	<b>6,354</b>	<b>235,405</b>
<b>Total liabilities</b>	<b>230,840</b>	<b>4,262</b>	<b>4,387</b>	<b>15,484</b>	<b>254,973</b>
<b>NET ASSETS</b>					
Unrestricted	57,641	1,987	14,705	27,880	102,213
Temporarily restricted:					
Scholarships & fellowships	12,264	35,539	4,834	5,374	58,011
Research	9,713	3,632	5,947	22	19,314
Other	34,495	89,121	32,961	35,058	191,635
Permanently restricted:					
Scholarships & fellowships	88,197	39,325	11,708	36,114	175,344
Research	1,112	931	107	564	2,714
Other	83,848	112,524	40,023	59,296	295,691
<b>Total net assets</b>	<b>287,270</b>	<b>283,059</b>	<b>110,285</b>	<b>164,308</b>	<b>844,922</b>
<b>Total liabilities &amp; net assets</b>	<b>\$518,110</b>	<b>\$287,321</b>	<b>\$114,672</b>	<b>\$179,792</b>	<b>\$1,099,895</b>

See accompanying notes

# Statement of Revenues, Expenses, and Changes in Net Assets

Years ended June 30, 2007 and 2006

(amounts expressed in thousands)

	2007		2006	
<b>OPERATING REVENUES:</b>				
Tuition and fees	\$1,023,132		\$965,105	
Less: scholarship allowances	(149,832)	\$873,300	(139,375)	\$825,730
Federal grants and contracts		643,895		617,374
State and local grants and contracts		154,131		156,162
Nongovernmental grants and contracts		117,135		121,356
Sales and services of educational departments		193,764		193,884
Auxiliary enterprises:				
Residential facilities	104,976		101,449	
Less: scholarship allowances	(8,323)	96,653	(7,858)	93,591
Dining facilities	86,268		79,773	
Less: scholarship allowances	(4,924)	81,344	(4,574)	75,199
Intercollegiate athletics	72,041		66,869	
Less: scholarship allowances	(3,058)	68,983	(2,506)	64,363
Bookstores	32,231		31,577	
Less: scholarship allowances	(99)	32,132	(76)	31,501
Parking facilities	35,506		32,420	
Less: scholarship allowances	(86)	35,420		32,420
Other auxiliary enterprises revenues	90,345		83,314	
Less: scholarship allowances	(21)	90,324	(3)	83,311
Other operating revenues		53,996		47,357
<b>Total operating revenues</b>		<b>2,441,077</b>		<b>2,342,248</b>
<b>OPERATING EXPENSES:</b>				
Instruction		890,577		861,191
Research		761,371		719,067
Public service		126,113		122,906
Academic support		287,338		259,224
Student service		143,441		125,432
Institutional support		317,336		300,468
Operation and maintenance of plant		261,289		248,443
Scholarships and fellowships		63,142		59,117
Auxiliary enterprises:				
Residential facilities		87,130		85,361
Dining facilities		80,566		73,509
Intercollegiate athletics		72,157		69,660
Bookstores		30,118		28,912
Parking facilities		23,386		23,225
Other auxiliary enterprises expenses		76,452		73,552
Hospital		100,498		98,265
<b>Total operating expenses</b>		<b>3,320,914</b>		<b>3,148,332</b>
<b>Operating income (loss)</b>		<b>(879,837)</b>		<b>(806,084)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
State appropriations		933,537		811,588
Gifts		36,842		21,638
Investment income	101,356		70,778	
Less: Investment expense	(534)	100,822	(494)	70,284
Interest on indebtedness		(43,497)		(42,456)
Other nonoperating revenues (expenses)		8,908		3,741
<b>Total nonoperating revenues (expenses)</b>		<b>1,036,612</b>		<b>864,795</b>
<b>Income before other revenues, expenses, gains and losses</b>		<b>156,775</b>		<b>58,711</b>
<b>OTHER REVENUES, EXPENSES, GAINS AND LOSSES:</b>				
Capital appropriations		147,871		89,186
Capital gifts and grants		30,732		9,079
Additions to permanent endowments		532		48
Other gains and losses		10,696		(2,722)
<b>Total other revenues, expenses, gains and losses</b>		<b>189,831</b>		<b>95,591</b>
<b>Increase in net assets</b>		<b>346,606</b>		<b>154,302</b>
<b>Net assets - beginning of year</b>		<b>3,077,726</b>		<b>2,923,424</b>
<b>Net assets - end of year</b>		<b>\$3,424,332</b>		<b>\$3,077,726</b>

See accompanying notes

# Combining Statement of Activities, Component Units

Year ended June 30, 2007  
(amounts expressed in thousands)

	The University System of Maryland Foundation, Inc.	University of Maryland, College Park Foundation, Inc.	University of Maryland, Baltimore Foundation, Inc.	Total Non-major Component Units	Total
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>					
<b>Revenues:</b>					
Contributions & grants	\$4,956		\$8,941	\$4,371	\$18,268
Investment income	11,590	\$6,486	2,640	5,084	25,800
Other income	4,903	762	385	4,776	10,826
Assets released from restrictions	20,954	38,259	11,890	16,651	87,754
<b>Total revenues</b>	<b>42,403</b>	<b>45,507</b>	<b>23,856</b>	<b>30,882</b>	<b>142,648</b>
<b>Expenses:</b>					
Program	25,955	40,714	18,006	19,857	104,532
General & administrative	4,688	702	1,043	4,430	10,863
Fundraising	3,841	568	462	1,219	6,090
Other expense				1,146	1,146
<b>Total expenses</b>	<b>34,484</b>	<b>41,984</b>	<b>19,511</b>	<b>26,652</b>	<b>122,631</b>
Transfer per Board Resolution	(1,305)				(1,305)
<b>Change in unrestricted net assets</b>	<b>6,614</b>	<b>3,523</b>	<b>4,345</b>	<b>4,230</b>	<b>18,712</b>
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</b>					
Contributions & grants	13,405	38,889	7,591	16,314	76,199
Investment income	13,162	33,665	14,158	9,451	70,436
Other income (loss)		(361)		2,010	1,649
Assets released from restrictions	(20,954)	(38,361)	(11,890)	(15,811)	(87,016)
Transfer per Board Resolution	(1,619)	329	2,848		1,558
<b>Change in temporarily restricted net assets</b>	<b>3,994</b>	<b>34,161</b>	<b>12,707</b>	<b>11,964</b>	<b>62,826</b>
<b>CHANGES IN PERMANENTLY RESTRICTED NET ASSETS</b>					
Contributions & grants	3,142	13,647	7,407	4,768	28,964
Investment income	24,600		1,168	11,188	36,956
Other income (loss)		54		178	232
Assets released from restrictions		102		(840)	(738)
Transfer per Board Resolution	(5,063)	267	3,823		(973)
<b>Change in permanently restricted net assets</b>	<b>22,679</b>	<b>14,070</b>	<b>12,398</b>	<b>15,294</b>	<b>64,441</b>
<b>Total change in net assets</b>	<b>33,287</b>	<b>51,754</b>	<b>29,450</b>	<b>31,488</b>	<b>145,979</b>
<b>Net assets - June 30, 2006</b>	<b>287,270</b>	<b>283,059</b>	<b>110,285</b>	<b>164,308</b>	<b>844,922</b>
<b>Net assets - June 30, 2007</b>	<b>\$320,557</b>	<b>\$334,813</b>	<b>\$139,735</b>	<b>\$195,796</b>	<b>\$990,901</b>

See accompanying notes

# Combining Statement of Activities, Component Units

Year ended June 30, 2006  
(amounts expressed in thousands)

	The University System of Maryland Foundation, Inc.	University of Maryland, College Park Foundation, Inc.	University of Maryland, Baltimore Foundation, Inc.	Total Non-major Component Units	Total
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>					
<b>Revenues:</b>					
Contributions & grants	\$4,752	\$339	\$5,448	\$5,754	\$16,293
Investment income	8,818	2,978	1,354	2,029	15,179
Other income	4,505	772	553	3,633	9,463
Assets released from restrictions	24,433	29,105	20,711	16,098	90,347
<b>Total revenues</b>	<b>42,508</b>	<b>33,194</b>	<b>28,066</b>	<b>27,514</b>	<b>131,282</b>
<b>Expenses:</b>					
Program	27,436	30,906	25,949	19,789	104,080
General & administrative	5,412	565	931	2,898	9,806
Fundraising	4,694	613	474	860	6,641
Other expense				269	269
<b>Total expenses</b>	<b>37,542</b>	<b>32,084</b>	<b>27,354</b>	<b>23,816</b>	<b>120,796</b>
Transfer per Board Resolution	(1,369)		14		(1,355)
<b>Change in unrestricted net assets</b>	<b>3,597</b>	<b>1,110</b>	<b>726</b>	<b>3,698</b>	<b>9,131</b>
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</b>					
Contributions & grants	10,722	29,619	17,172	15,579	73,092
Investment income	10,712	14,873	5,341	5,223	36,149
Other income				2,023	2,023
Assets released from restrictions	(24,433)	(29,615)	(20,711)	(15,291)	(90,050)
Transfer per Board Resolution	(2,432)	9,636	722		7,926
<b>Change in temporarily restricted net assets</b>	<b>(5,431)</b>	<b>24,513</b>	<b>2,524</b>	<b>7,534</b>	<b>29,140</b>
<b>CHANGES IN PERMANENTLY RESTRICTED NET ASSETS</b>					
Contributions & grants	11,750	18,024	7,811	10,488	48,073
Investment income	10,158	1,682	1,339	5,085	18,264
Other income				(1,343)	(1,343)
Assets released from restrictions		510		(807)	(297)
Transfer per Board Resolution	(26,273)	17,786	782		(7,705)
<b>Change in permanently restricted net assets</b>	<b>(4,365)</b>	<b>38,002</b>	<b>9,932</b>	<b>13,423</b>	<b>56,992</b>
<b>Total change in net assets</b>	<b>(6,199)</b>	<b>63,625</b>	<b>13,182</b>	<b>24,655</b>	<b>95,263</b>
<b>Net assets - June 30, 2005</b>	<b>293,469</b>	<b>219,434</b>	<b>97,103</b>	<b>139,653</b>	<b>749,659</b>
<b>Net assets - June 30, 2006</b>	<b>\$287,270</b>	<b>\$283,059</b>	<b>\$110,285</b>	<b>\$164,308</b>	<b>\$844,922</b>

See accompanying notes

UNIVERSITY SYSTEM OF MARYLAND  
**Statement of Cash Flows**

Years ended June 30, 2007 and 2006  
 (amounts expressed in thousands)

	<u>2007</u>	<u>2006</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Tuition and fees	\$885,072	\$823,374
Research contracts and grants	892,463	903,729
Payments to employees	(2,207,628)	(2,107,728)
Payments to suppliers and contractors	(909,273)	(895,219)
Loans issued to students	(14,783)	(14,257)
Collections of loans to students	12,552	14,997
Auxiliary enterprises:		
Residential facilities	95,971	93,918
Dining facilities	81,229	75,340
Intercollegiate athletics	69,181	64,249
Bookstores	32,348	31,580
Parking facilities	35,389	32,412
Other	88,932	75,439
Other receipts (payments)	233,957	253,079
<b>Net cash provided (used) by operations</b>	<b><u>(704,590)</u></b>	<b><u>(649,087)</u></b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State appropriations	933,537	811,588
Nonoperating gifts	35,329	21,628
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes	486	48
Other nonoperating gains and losses	8,832	7,981
<b>Net cash provided by noncapital financing activities</b>	<b><u>978,184</u></b>	<b><u>841,245</u></b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from capital debt	160,286	
Capital appropriations	147,871	89,186
Capital grants and gifts received	29,146	4,774
Proceeds from sales of capital assets	28,229	326
Purchases of capital assets	(342,106)	(229,931)
Principal paid on debt and capital leases	(137,432)	(65,362)
Interest paid on debt and capital leases	(46,033)	(44,056)
<b>Net cash provided (used) by capital and related financing activities</b>	<b><u>(160,039)</u></b>	<b><u>(245,063)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	14,774	199,721
Interest on investments	58,252	55,442
Investment expense	(534)	(489)
Purchases of investments	(585)	(197,402)
<b>Net cash provided by investing activities</b>	<b><u>71,907</u></b>	<b><u>57,272</u></b>
<b>Net increase in cash</b>	<b><u>185,462</u></b>	<b><u>4,367</u></b>
<b>Cash and cash equivalents - beginning of the year</b>	<b><u>798,425</u></b>	<b><u>794,058</u></b>
<b>Cash and cash equivalents - end of the year</b>	<b><u>\$983,887</u></b>	<b><u>\$798,425</u></b>
<b>SCHEDULE OF NONCASH INVESTING ACTIVITIES</b>		
Change in unrealized appreciation on investments	<b><u>\$42,883</u></b>	<b><u>\$15,816</u></b>
<b>RECONCILIATION OF NET OPERATING REVENUES(EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating loss	(\$879,837)	(\$806,084)
<b>Adjustments to reconcile net loss to net cash used by operating activities:</b>		
Depreciation expense	174,214	167,622
<b>Changes in assets and liabilities:</b>		
Accounts receivables, net	(26,271)	4,642
Inventories	352	140
Prepaid expenses and deferred charges	(1,862)	(909)
Notes receivable	(1,659)	8,220
Accounts payable and accrued liabilities	7,214	(31,462)
Deferred revenue	15,260	(1,536)
Accrued vacation	6,976	8,271
Accrued workers' compensation	1,023	2,009
<b>Net cash provided (used) by operating activities</b>	<b><u>(\$704,590)</u></b>	<b><u>(\$649,087)</u></b>

See accompanying notes

## UNIVERSITY SYSTEM OF MARYLAND

# NOTES TO FINANCIAL STATEMENTS

## YEARS ENDED JUNE 30, 2007 AND 2006

### ORGANIZATION AND PURPOSE

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

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

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

The following affiliated foundations are considered nonmajor component units:

- ▶ Medical Alumni Association of the University of Maryland, Inc.
- ▶ The Robert H. Smith School of Business Foundation, Inc.
- ▶ M Club Foundation, University of Maryland, Inc.
- ▶ The Maryland 4-H Foundation, Inc.
- ▶ University Research Corporation International, Inc.
- ▶ Bowie State University Foundation, Inc.
- ▶ The Maryland Center @ Bowie State University, Inc.

- ▶ Towson University Foundation, Inc.
- ▶ Frostburg State University Foundation, Inc.
- ▶ Coppin State University Development Foundation, Inc.
- ▶ University of Baltimore Educational Foundation, Inc. and University Properties, Inc.
- ▶ Salisbury University Foundation, Inc.
- ▶ University of Maryland, Baltimore County Research Park Corporation, Inc.

During the years ended June 30, 2007 and 2006, the foundations distributed approximately \$62,000,000 and \$66,000,000, respectively, to the System including its institutions for both restricted and unrestricted purposes.

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

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

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

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

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

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

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

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

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

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

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

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

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

**Reclassifications** — Certain amounts for the year ended June 30, 2006 have been reclassified to conform with the presentation for the year ended June 30, 2007.

**Pending change in accounting principles** — In June 2004, *GASB Statement #45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, was issued. This statement will require employers to report systematic, accrual-based measurement and recognition of other postemployment benefit arrangements in the financial statements. Implementation of changes to the funding of postemployment benefit arrangements other than pensions is expected to result in a significant increase in amounts remitted by state agencies, including the System.

In September 2006, *GASB Statement #48, Sales and Pledges of Receivables and Future Revenues and Intra-entity Transfers of Assets and Future Revenues* was issued. This statement requires that certain transfers of receivables or the rights to future revenues to another entity be treated as either a sale, or a collateralized borrowing resulting in a liability.

In November 2006, *GASB Statement #49, Accounting and Financial Reporting for Pollution Remediation Obligations*, was issued. This statement specifies the accounting and financial reporting appropriate for pollution remediation obligations.

In May 2007, *GASB Statement #50, Pension Disclosures*, was issued, changing the financial reporting requirements for pensions to more closely conform with those for other postemployment benefits.

In June 2007, *GASB Statement #51, Accounting and Financial Reporting for Intangible Assets*, was issued. This accounting standard establishes accounting and financial reporting requirements for intangible assets such as easements, patents and trademarks, and computer software.

The System is in the process of assessing the impact of these new accounting standards and will present its financial statements for the year ended June 30, 2008 in accordance with GASB Statement #48, and for the year ended June 30, 2009 in accordance also with GASB Statements #49 and #50, and for the year ended June 30, 2010 in accordance with GASB Statement #51.

## 1. CASH AND INVESTMENTS

As of June 30, unrestricted Cash and cash equivalents consist of the following (amounts in thousands):

	<u>2007</u>	<u>2006</u>
Cash and short-term investments on deposit with the State Treasurer	\$831,525	\$712,216
Demand and time deposits	31,513	25,847
Money market accounts	<u>13</u>	<u>1,336</u>
Total	<u>\$863,051</u>	<u>\$739,399</u>

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

As of June 30, 2007, and 2006 the carrying amount of the System's demand and time deposits was \$31,513,000 and \$25,847,000 as compared to bank balances of \$56,175,000 and \$29,111,000, respectively. The difference is primarily caused by items in-transit. Of the bank balances, \$50,487,000 and \$28,112,000 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 \$5,688,000 and \$999,000 was uninsured and uncollateralized as of June 30, 2007 and 2006, respectively.

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

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

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

- ▶ United States Treasury and agency obligations.
- ▶ Deposits, having a maturity of 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.

As of June 30, Restricted cash and cash equivalents includes (amounts in thousands):

	<u>2007</u>	<u>2006</u>
Money market accounts – Endowment funds uninvested cash	\$410	\$510
Money market accounts – unspent proceeds of debt	<u>120,426</u>	<u>58,516</u>
Total	<u>\$120,836</u>	<u>\$59,026</u>

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

## **Investments**

In July 2005, the System transferred title to its endowment investments, approximately \$202 million in fair market value at the time of the transfer, to the University System of Maryland Foundation, Inc., in exchange for an equivalent proportionate interest in the long-term investment portfolio managed by the University System of Maryland Foundation, Inc. According to the terms of the agreement, the System is to pay a fee to the University System of Maryland Foundation, Inc., on an annual basis that amounts to .25% of the fair value of the assets invested on behalf of the System. The agreement is for a term of five years, with renewable two-year extensions at the option of the System, unless notice of intent to terminate the arrangement is provided within 180 days prior to the expiration of the term. In the event of termination of the arrangement, funds invested with individual investment managers that have commitments from the University System of Maryland Foundation, Inc. to maintain investments for certain minimum time periods may not be returned to the System until those constraints have been satisfied.

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

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

### **Interest rate risk**

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

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

### **Custodial credit risk**

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

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

### **Credit risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

## Foreign currency risk

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

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

## Concentration of credit risk

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

## Endowment investments

As of June 30, Endowment investments consist of the following, stated at fair value (amounts in thousands):

	<u>2007</u>	<u>2006</u>
Corporate debt	\$122	\$104
Corporate equities	851	695
Assets invested with University System of Maryland Foundation, Inc.	<u>245,363</u>	<u>213,470</u>
Total	<u>\$246,336</u>	<u>\$214,269</u>

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

A spending rule has been adopted by the Board to ensure that endowment funds retain a consistent level of purchasing power over time. The spending rule provides for a target rate of spending of 5.0% of a rolling twelve-quarter average market value of the endowment fund. The spending rule is reviewed periodically by the Finance Committee of the Board. Net appreciation on investments of the endowment funds approximates \$197,332,000 and \$166,267,000 as of June 30, 2007 and 2006, respectively. Reinvestments of net appreciation are considered to be subject to the same restrictions as the original gift amounts, and accordingly, are reflected as a component of restricted, expendable net assets.

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

## Other investments

Other investments include securities and ownership interests received as either a gift, or in exchange for services and use of facilities provided to start-up businesses. The carrying value of other investments is assessed on an annual basis by reference to the value of underlying assets, estimates of future cash flows, or published market prices for the securities where available.

## Allocation of investment income

Investment income is assigned to the accounting funds, including Endowments, in proportions associated with investments held by the various accounting funds. For the years ended June 30, 2007 and 2006, investment income attributed to unrestricted funds and restricted funds was (amounts in thousands):

	<u>2007</u>	<u>2006</u>
Unrestricted funds	\$64,047	\$45,968
Restricted funds	37,309	24,810
Total investment income	<u>\$101,356</u>	<u>\$70,778</u>

## Major component units

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

As of June 30, 2007 and 2006, major component unit investments, recorded at fair value, are (amounts in thousands):

	<u>2007</u>	<u>2006</u>
Money market funds and short-term investments	\$49,244	\$11,020
Corporate and foreign bonds	8,052	37,711
Equities	115,095	162,772
U.S. Treasury notes and bonds	56,948	35,657
U.S. Agencies	3,317	2,304
Collateralized mortgage obligations and asset-backed securities	13,580	18,836
Absolute return and market neutral funds	196,930	163,106
Long and short equity hedge funds	338,180	238,817
Private capital	60,081	38,887
Real estate	88,157	76,971
Total	<u>\$929,584</u>	<u>\$786,081</u>

## 2. CAPITAL ASSETS

Changes in net capital assets for the years ended June 30, 2007 and 2006 (amounts in thousands).

	June 30, 2005			June 30, 2006			June 30, 2007
	Balance	Additions	Decreases	Balance	Additions	Decreases	Balance
<b>Capital assets being depreciated:</b>							
Infrastructure & Land Improvements	\$191,949	\$9,392	\$621	\$200,720	\$21,051		\$221,771
Buildings & Improvements	3,448,255	146,373	13,729	3,580,899	255,112	\$34,062	3,801,949
Contents	791,559	70,021	28,745	832,835	86,664	27,622	891,877
Facilities recorded under capital lease agreements	4,136			4,136			4,136
<b>Total capital assets being depreciated</b>	<b>4,435,899</b>	<b>225,786</b>	<b>43,095</b>	<b>4,618,590</b>	<b>362,827</b>	<b>61,684</b>	<b>4,919,733</b>
<b>Less accumulated depreciation for:</b>							
Infrastructure & Land Improvements	91,183	7,897	621	98,459	9,108	4	107,563
Buildings & Improvements	1,179,196	95,876	4,872	1,270,200	101,021	17,245	1,353,976
Contents	520,856	63,711	22,606	561,961	63,947	25,659	600,249
Facilities recorded under capital lease agreements	2,068	138		2,206	138		2,344
<b>Total accumulated depreciation</b>	<b>1,793,303</b>	<b>167,622</b>	<b>28,099</b>	<b>1,932,826</b>	<b>174,214</b>	<b>42,908</b>	<b>2,064,132</b>
<b>Total capital assets being depreciated, net</b>	<b>2,642,596</b>	<b>58,164</b>	<b>14,996</b>	<b>2,685,764</b>	<b>188,613</b>	<b>18,776</b>	<b>2,855,601</b>
<b>Capital assets not being depreciated:</b>							
Land	103,116	606		103,722	9,436		113,158
Contents	10,768	1,114	166	11,716	1,009	1	12,724
Construction in progress	287,156	135,108	120,056	302,208	184,818	220,144	266,882
<b>Total capital assets not being depreciated</b>	<b>401,040</b>	<b>136,828</b>	<b>120,222</b>	<b>417,646</b>	<b>195,263</b>	<b>220,145</b>	<b>392,764</b>
<b>Capital assets, net</b>	<b>\$3,043,636</b>	<b>\$194,992</b>	<b>\$135,218</b>	<b>\$3,103,410</b>	<b>\$383,876</b>	<b>\$238,921</b>	<b>\$3,248,365</b>

Total interest expense incurred on revenue bonds, long-term debt and obligations under capital lease agreements during the years ended June 30, 2007 and 2006 was \$43,776,000 and \$43,319,000, respectively. Interest expense of \$279,000 and \$863,000 associated with projects not yet completed was capitalized and recorded as construction in progress during the years ended June 30, 2007 and 2006, respectively. The remaining \$43,497,000 and \$42,456,000 is reported as Interest on indebtedness for the years ended June 30, 2007 and 2006, respectively.

### 3. ACCOUNTS RECEIVABLE, NOTES RECEIVABLE, AND ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts receivable as of June 30, 2007 and 2006 were comprised of (amounts in thousands):

	<u>2007</u>	<u>2006</u>
Tuition and fees	\$84,460	\$85,787
Contracts and grants	196,919	166,253
Other	<u>15,494</u>	<u>21,458</u>
Subtotal	296,873	273,498
Allowance for doubtful accounts	<u>(17,902)</u>	<u>(20,798)</u>
Accounts receivable, net	<u>\$278,971</u>	<u>\$252,700</u>

Notes receivable as of June 30, 2007 and 2006 were comprised of (amounts in thousands):

	<u>2007</u>	<u>2006</u>
Student loans	\$75,513	\$74,258
Business development loans	<u>5,944</u>	<u>6,515</u>
Subtotal	81,457	80,773
Allowance for doubtful notes	<u>(10,099)</u>	<u>(11,073)</u>
Notes receivable, net	<u>\$71,358</u>	<u>\$69,700</u>

Accounts payable and accrued liabilities as of June 30, 2007 and 2006 were comprised of (amounts in thousands):

	<u>2007</u>	<u>2006</u>
Payroll and benefits	\$59,972	\$52,933
Suppliers and contractors	77,049	75,003
Accrued interest payable	9,591	8,104
Other	<u>14,441</u>	<u>26,444</u>
Accounts payable and accrued liabilities	<u>\$161,053</u>	<u>\$162,484</u>

## MAJOR COMPONENT UNITS

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

As of June 30, 2007 and 2006, contributions receivable are due as follows (amounts in thousands):

### University System of Maryland Foundation, Inc.

Due	Discount rates	2007	2006
Within one year		\$10,754	\$7,894
Two to five years	1.13% – 6.5%	10,778	12,349
More than five years	3.83% - 6.75%	1,103	1,470
Subtotal		22,635	21,713
Pledge discount		(1,119)	(1,461)
Net contributions receivable		\$21,516	\$20,252

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

Due		2007	2006
Within one year		\$35,883	\$20,027
Two to five years		38,985	44,964
More than five years		10,626	14,451
Subtotal		85,494	79,442
Allowance for doubtful accounts		(2,917)	(2,691)
Pledge discount		(5,634)	(7,425)
Net contributions receivable		\$76,943	\$69,326

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

Due	Discount rates	2007	2006
Within one year		\$6,267	\$6,966
Two to five years	4.98%	9,162	9,286
More than five years	5.03%	313	215
Subtotal		15,742	16,467
Allowance for doubtful accounts		(669)	(662)
Pledge discount		(1,191)	(1,018)
Net contributions receivable		\$13,882	\$14,787

#### 4. REVENUE BONDS AND NOTES PAYABLE

The System finances the construction, renovation and acquisition of certain facilities and equipment through the issuance of debt obligations. State law limits the aggregate principal amount of debt outstanding and the present value of future minimum lease payments on capital lease obligations for real property to no more than \$1,050,000,000.

Revenue bonds and notes payable consist of the following as of June 30, 2007 and 2006 (amounts in thousands):

	2007	2006
Revenue Bonds, net	\$868,958	\$845,638
Revolving Loan Program Bonds	65,000	65,000
Certificates of Participation	11,800	14,500
Other	4,596	4,996
Revenue bonds and notes payable, net	<u>\$950,354</u>	<u>\$930,134</u>

#### Auxiliary Facility and Tuition Revenue Bonds

As of June 30, 2007, Auxiliary Facility and Tuition Revenue Bonds (Revenue Bonds) consisted of the following (amounts in thousands):

	Interest Rates	Maturity Rates	Principal Outstanding
1997 Series A	5.0%	2008-2010	\$12,055
1998 Series A	5.0%	2008-2011	33,065
1999 Series A	4.0% - 4.5%	2007-2019	70,150
1999 Refunding Series B	4.7% - 4.8%	2007-2008	1,020
2000 Series A	4.7% - 5.2%	2007-2012	19,905
2001 Series A	4.0% - 4.7%	2008-2016	33,540
2001 Series B	3.5% - 4.6%	2008-2022	45,000
2002 Series A	4.0% - 5.2%	2008-2020	77,840
2003 Series A & B	3.0% - 5.0%	2008-2024	172,755
2004 Series A & B	4.0% - 6.0%	2008-2024	58,980
2005 Series A	2.5% - 5.0%	2008-2025	164,170
2006 Series A	4.0% - 5.0%	2007-2026	80,000
2007 Series A	4.0% - 5.0%	2008-2023	75,935
			844,415
Unamortized discounts, premiums and refunding adjustments			<u>24,543</u>
Revenue bonds, net			<u>\$868,958</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.

Revenue Bonds issued during the years ended June 30, 2007 and 2006, including the results of any advance refunding of previously-issued debt, are as follows (amounts in thousands):

Debt issuance	Date of issue	Par value of debt issued	Premium on issuance	Par value of debt refunded	Reduction in future debt service	Deferred amount on refunding	Economic gain or (loss)
2006 Series A	7/19/2006	\$80,000	\$2,930				
2007 Refunding Series A	5/9/2007	75,935	3,836	\$75,630	\$4,961	\$2,232	\$3,674

As of June 30, 2007, previously issued debt removed from the System's financial statements through advance refunding transactions still outstanding was \$243,320,000.

As of June 30, 2007 and 2006, cash and cash equivalents are restricted by the terms of the Indenture of Trust in the amount of \$82,803,000 and \$30,995,000, respectively.

### Revolving Loan Program Bonds

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

On August 8, 2003, the System issued \$65,000,000 of University System of Maryland Revolving Loan Program Bonds, 2003 Series A. The Revolving Loan Program Bonds, 2003 Series A consist of auction reset securities, meaning that interest is calculated on outstanding Revolving Loan Program Bonds using rates of interest determined through a periodic auction process. The Revolving Loan Program Bonds, 2003 Series A mature on July 1, 2023, and may be converted to fixed interest rate instruments at the option of the System.

As of June 30, 2007 and 2006, cash and cash equivalents in the amount of \$36,433,000 and \$27,521,000, respectively, was held by the trustee as unspent proceeds of the Revolving Loan Program Bonds.

### Certificates of Participation

The System issued \$17,800,000 of variable rate Certificates of Participation on October 30, 2000 to finance the construction of an addition to the School of Business at the University of Maryland, College Park. Payments of principal are made annually on June 1 from 2003 through June 1, 2015. Interest is payable semiannually on December 1 and June 1. Interest charges are determined on a weekly basis by a remarketing agent, using the lowest rate that would permit the sale of the Certificates at par plus accrued interest. The System has the option of converting the Certificates to a daily rate, a multi-annual rate, a commercial paper rate, or a fixed rate.

### Other

Other debt and notes payable includes amounts borrowed to finance facilities, equipment acquisitions, and other improvements designed to enhance energy efficiency savings. The System is subject to Federal arbitrage laws governing the use of proceeds of tax-exempt debt.

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

Year ending June 30,	Auxiliary Facility and Tuition Revenue Bonds		Notes Payable and Other Long-term Debt		Total Payments
	Principal	Interest	Principal	Interest	
2008	\$64,135	\$38,748	\$1,676	\$4,526	\$109,085
2009	66,390	36,199	1,924	4,430	108,943
2010	64,340	33,190	2,050	4,327	103,907
2011	61,840	30,404	2,170	4,218	98,632
2012	58,680	27,632	2,278	4,101	92,691
2013 – 2017	250,875	101,978	6,298	18,713	377,864
2018 – 2022	207,880	42,552	44,000	14,245	308,677
2023 – 2027	70,275	6,569	21,000	96	97,940
Total	\$844,415	\$317,272	\$81,396	\$54,656	\$1,297,739

## 5. LEASES

### Obligations under capital leases agreements

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
2008	\$512
2009	512
2010	512
2011	512
2012	512
2013 – 2017	2,560
2018 – 2022	1,792
Total future lease payments	6,912
Interest component	(2,419)
Obligations under capital lease agreements	\$4,493

### 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,	Total
2008	\$9,920
2009	8,222
2010	6,608
2011	5,310
2012	4,090
2013-2017	15,157
2018-2022	13,723
2023-2027	8,518
Total	<u>\$71,548</u>

Operating lease expenditures for the years ended June 30, 2007 and 2006 were \$6,577,000 and \$6,748,000, respectively.

The System has entered into lease agreements with developers at seven 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. Historical cost values of the disparate tracts of land leased to developers for use in providing student housing have not been calculated as each individual tract is a small portion of land acquired at varying points in time for institutional use and purposes.

## 6. CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for the years ended June 30, 2007 and 2006 were as follows (amounts in thousands):

	June 30, 2005			June 30, 2006			June 30, 2007	Due Within
	Balance	Additions	Reductions	Balance	Additions	Reductions	Balance	One Year
Accrued vacation costs	\$129,164	\$79,506	\$71,235	\$137,435	\$78,585	\$71,609	\$144,411	\$70,500
Accrued workers' compensation	23,957	5,652	3,644	25,965	4,804	3,781	26,988	4,183
Revenue bonds and notes payable, net	995,848		65,714	930,134	160,506	140,286	950,354	67,511
Obligations under capital lease agreements	4,878		186	4,692		199	4,493	213
Total long-term liabilities	<u>\$1,153,847</u>	<u>\$85,158</u>	<u>\$140,779</u>	<u>\$1,098,226</u>	<u>\$243,895</u>	<u>\$215,875</u>	<u>\$1,126,246</u>	<u>\$142,407</u>

## 7. OPERATING EXPENSES BY OBJECT

The System reports Operating Expenses in the Statement of Revenues, Expenses and Changes in Net Assets by program category. Operating expenses for the years ended June 30, 2007 and 2006 by grouping of object classification are (amounts in thousands):

	2007				2006			
	Employee Costs	Payments to Suppliers, Contractors and Others	Depreciation	Total	Employee Costs	Payments to Suppliers, Contractors and Others	Depreciation	Total
Instruction	\$774,963	\$87,869	\$27,745	\$890,577	\$725,616	\$110,749	\$24,826	\$861,191
Research	492,899	242,221	26,251	761,371	459,654	238,234	21,179	719,067
Public service	73,364	49,975	2,774	126,113	71,886	48,229	2,791	122,906
Academic support	192,928	74,682	19,728	287,338	172,286	67,269	19,669	259,224
Student service	95,394	44,981	3,066	143,441	83,416	39,061	2,955	125,432
Institutional support	250,510	48,167	18,659	317,336	232,928	49,602	17,938	300,468
Operation and maintenance of plant	93,353	135,739	32,197	261,289	87,231	125,973	35,239	248,443
Scholarships and fellowships	4,485	58,563	94	63,142	4,666	54,375	76	59,117
Auxiliary enterprises:								
Residential facilities	32,743	40,331	14,056	87,130	31,294	40,441	13,626	85,361
Dining facilities	27,256	49,671	3,639	80,566	25,091	44,994	3,424	73,509
Intercollegiate athletics	34,485	32,591	5,081	72,157	32,218	32,280	5,162	69,660
Bookstores	4,518	25,402	198	30,118	4,427	22,299	2,186	28,912
Parking facilities	7,887	12,107	3,392	23,386	7,125	14,617	1,483	23,225
Other auxiliary enterprises	37,676	21,452	17,324	76,452	35,236	21,253	17,063	73,552
Hospital	100,488		10	100,498	95,827	2,433	5	98,265
<b>Total</b>	<b>\$2,222,949</b>	<b>\$923,751</b>	<b>\$174,214</b>	<b>\$3,320,914</b>	<b>\$2,068,901</b>	<b>\$911,809</b>	<b>\$167,622</b>	<b>\$3,148,332</b>

## 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 6,100 retired employees receiving these benefits amounted to \$37,750,000 and \$35,532,000 for the years ended June 30, 2007 and 2006, respectively.

## 9. RETIREMENT AND PENSION PLANS

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

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

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

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

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

## **State Systems**

### *Plan Description*

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

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

### *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, 2007, 2006, and 2005 of \$40,168,000, \$32,046,000, and \$26,642,000, respectively.

### *Optional Retirement Program*

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

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

The contributions for the year ended June 30, 2007 were \$122,893,000, which consisted of \$57,407,000 from the System and \$65,486,000 from employees. The contributions for the year ended June 30, 2006 were \$115,828,000 which consisted of \$54,175,000 from the System and \$61,653,000 from employees

### **Major component units**

The University System of Maryland Foundation, Inc. maintains a defined contribution plan for certain personnel provided by TIAA-CREF. The University System of Maryland Foundation, Inc. contributes 7.25% of the employee's compensation to the plan. In addition, eligible employees are entitled to make voluntary contributions to the plan. Total pension expense for the years ended June 30, 2007 and 2006 was approximately \$175,000 and \$120,000, respectively.

## **10. CONSTRUCTION COMMITMENTS**

The estimated costs to complete construction in progress as of June 30, 2007 is \$229,513,000, of which \$62,724,000 is to be funded from Revenue Bond proceeds, \$128,581,000 is to be derived from State appropriations and grants, and \$38,208,000 to be provided from System funds.

## **11. CONTINGENT LIABILITIES**

The University of Maryland, College Park has entered into future purchase commitments for natural gas, as a means of hedging its risk against fluctuations in price of an important fuel commodity. As of June 30, 2007 and 2006, the institution had entered into open contracts for the purchase of \$22,378,000 and \$18,399,000, respectively, of natural gas, to be delivered monthly through May 2009.

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.

## **12. RISK MANAGEMENT**

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

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

The System records a liability when it is probable that a loss has been incurred and the amount of that loss can be reasonably estimated. Liabilities recorded include a provision for claims incurred but not reported. Because actual claims liabilities depend on such complex factors such as inflation, changes in legal doctrines, and damage awards, actual claims could differ from estimates. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Liabilities for incurred workers' compensation losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using a 4% discount rate. The provision for workers' compensation is based upon a separately determined actuarial valuation for the fiscal years ended June 30, 2007 and 2006. Settlement amounts have not exceeded insurance coverage levels for the years ended June 30, 2007, 2006, or 2005.

As of June 30, 2007 and 2006, the System has recorded \$26,988,000 and \$25,965,000 in liabilities associated with workers' compensation, respectively.

# Combining Financial Statements and Schedules Section

## **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**

**CSU - Coppin State University**

**UB - University of Baltimore**

**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**



## Combining Balance Sheet

	UMB	UMCP	BSU	TU	UMES	FSU
<b>ASSETS</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$112,045	\$373,932	\$8,560	\$96,744	\$12,454	\$15,823
Accounts receivable, net	95,405	79,735	6,769	11,714	9,322	1,389
Notes receivable, current portion	2,027	3,259	188	3,363	698	325
Inventories		2,079		2,689		617
Prepaid expenses		1,195		2,134	74	495
Deferred charges						
Inter-institutional balances	296	1,310	(81)	262	(18)	169
<b>Total current assets</b>	<b>209,773</b>	<b>461,510</b>	<b>15,436</b>	<b>116,906</b>	<b>22,530</b>	<b>18,818</b>
<b>Noncurrent assets:</b>						
Restricted cash and cash equivalents	312	2,119	1,189	678	204	997
Endowment investments	96,867	127,958		5,510	591	1,116
Notes receivable, net	26,791	8,647	513	10,300	5,803	846
Capital assets, net	584,725	1,169,300	87,696	261,795	179,122	68,231
<b>Total noncurrent assets</b>	<b>708,695</b>	<b>1,308,024</b>	<b>89,398</b>	<b>278,283</b>	<b>185,720</b>	<b>71,190</b>
<b>Total assets</b>	<b>\$918,468</b>	<b>\$1,769,534</b>	<b>\$104,834</b>	<b>\$395,189</b>	<b>\$208,250</b>	<b>\$90,008</b>
<b>LIABILITIES</b>						
<b>Current liabilities:</b>						
Accounts payable and accrued liabilities	\$32,408	\$50,070	\$5,329	\$17,493	\$3,842	\$4,985
Accrued workers' compensation, current portion	957	1,715	70	321	97	109
Accrued vacation costs, current portion	25,976	21,182	788	3,253	1,095	2,402
Revenue bonds and notes payable, current portion	6,429	26,706	893	8,392	5,176	1,126
Obligations under capital lease agreements, current portion						
Deferred revenue	25,218	58,429	3,134	6,316	394	1,251
<b>Total current liabilities</b>	<b>90,988</b>	<b>158,102</b>	<b>10,214</b>	<b>35,775</b>	<b>10,604</b>	<b>9,873</b>
<b>Noncurrent liabilities</b>						
Accrued workers' compensation	5,214	9,347	379	1,751	530	595
Accrued vacation costs	24,273	26,452	1,182	4,776	2,207	
Revenue bonds and notes payable	101,357	320,966	7,351	80,415	59,691	14,426
Obligations under capital lease agreements						
<b>Total noncurrent liabilities</b>	<b>130,844</b>	<b>356,765</b>	<b>8,912</b>	<b>86,942</b>	<b>62,428</b>	<b>15,021</b>
<b>Total liabilities</b>	<b>221,832</b>	<b>514,867</b>	<b>19,126</b>	<b>122,717</b>	<b>73,032</b>	<b>24,894</b>
<b>NET ASSETS</b>						
Unrestricted	111,501	299,746	3,917	76,840	13,423	9,585
Investment in capital assets, net of related debt	476,939	821,628	79,452	172,988	114,255	52,679
Restricted:						
Nonexpendable:						
Scholarships and fellowships	5,494	4,710		238	28	
Research	144	3,499				
Other	10,354	3,819				
Expendable:						
Scholarships and fellowships	33,455	17,158		48	161	3
Research	6,182	78,025		2,581		604
Loans	29,274	12,021	1,150	15,811	7,147	1,246
Capital projects	312	1,504	1,189	630	204	997
Other	22,981	12,557		3,336		
<b>Total net assets</b>	<b>696,636</b>	<b>1,254,667</b>	<b>85,708</b>	<b>272,472</b>	<b>135,218</b>	<b>65,114</b>
<b>Total liabilities and net assets</b>	<b>\$918,468</b>	<b>\$1,769,534</b>	<b>\$104,834</b>	<b>\$395,189</b>	<b>\$208,250</b>	<b>\$90,008</b>

CSU	UB	SU	UMUC	UMBC	UMCES	UMBI	USM OFFICE	TOTAL
\$3,598	\$13,190	\$38,016	\$108,266	\$14,406	\$4,621	\$10,330	\$51,066	\$863,051
6,240	3,865	1,765	27,740	23,913	3,780	5,520	1,814	278,971
133	555	231	495	208				11,482
82		877	1,868	615				8,827
	494	114	444	1,112				6,062
			890					890
119	141	(763)	328	293	1		(2,057)	
<b>10,172</b>	<b>18,245</b>	<b>40,240</b>	<b>140,031</b>	<b>40,547</b>	<b>8,402</b>	<b>15,850</b>	<b>50,823</b>	<b>1,169,283</b>
416	666	440	327	1,671	6	49	111,762	120,836
838			199	1,152			12,105	246,336
783	2,122	1,047	1,166	1,858				59,876
96,294	67,442	148,352	83,466	261,435	60,640	98,426	81,441	3,248,365
<b>98,331</b>	<b>70,230</b>	<b>149,839</b>	<b>85,158</b>	<b>266,116</b>	<b>60,646</b>	<b>98,475</b>	<b>205,308</b>	<b>3,675,413</b>
<b>\$108,503</b>	<b>\$88,475</b>	<b>\$190,079</b>	<b>\$225,189</b>	<b>\$306,663</b>	<b>\$69,048</b>	<b>\$114,325</b>	<b>\$256,131</b>	<b>\$4,844,696</b>
\$3,925	\$3,912	\$7,472	\$13,784	\$10,182	\$1,108	\$2,191	\$4,352	\$161,053
91	86	122	245	286	67		17	4,183
358	1,746	1,609	3,988	5,668	536	1,353	546	70,500
1,833	1,823	2,857	675	8,015	929	6	2,651	67,511
							213	213
180	4,130	2,684	23,550	5,761	623	1,395		133,065
<b>6,387</b>	<b>11,697</b>	<b>14,744</b>	<b>42,242</b>	<b>29,912</b>	<b>3,263</b>	<b>5,158</b>	<b>7,566</b>	<b>436,525</b>
499	470	666	1,334	1,560	365		95	22,805
1,709	570	1,246	4,390	1,827	1,952	2,557	770	73,911
19,938	26,693	25,702	19,167	91,843	6,147	1,221	107,926	882,843
						4,280		4,280
<b>22,146</b>	<b>27,733</b>	<b>27,614</b>	<b>24,891</b>	<b>95,230</b>	<b>8,464</b>	<b>8,058</b>	<b>108,791</b>	<b>983,839</b>
<b>28,533</b>	<b>39,430</b>	<b>42,358</b>	<b>67,133</b>	<b>125,142</b>	<b>11,727</b>	<b>13,216</b>	<b>116,357</b>	<b>1,420,364</b>
3,053	6,463	26,193	92,329	16,163	3,751	8,354	55,493	726,811
74,523	38,926	119,793	63,624	161,577	53,564	92,706	71,721	2,394,375
353			23	21			347	11,214
								3,643
240							442	14,855
99			122	16			825	51,887
		1	11					87,404
1,129	2,990	1,294	1,620	2,073				75,755
416	666	440	327	1,671	6	49	8,541	16,952
157							2,405	41,436
<b>79,970</b>	<b>49,045</b>	<b>147,721</b>	<b>158,056</b>	<b>181,521</b>	<b>57,321</b>	<b>101,109</b>	<b>139,774</b>	<b>3,424,332</b>
<b>\$108,503</b>	<b>\$88,475</b>	<b>\$190,079</b>	<b>\$225,189</b>	<b>\$306,663</b>	<b>\$69,048</b>	<b>\$114,325</b>	<b>\$256,131</b>	<b>\$4,844,696</b>

# Combining Balance Sheet

	UMB	UMCP	BSU	TU	UMES	FSU
<b>ASSETS</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$114,938	\$309,815	\$2,020	\$75,705	\$11,793	\$12,914
Accounts receivable, net	82,414	65,863	6,685	10,072	7,535	1,100
Notes receivable, current portion	1,974	2,776	245	3,424	4,437	246
Inventories		2,046		2,292		1,118
Prepaid expenses		1,144		1,633		179
Deferred charges						
Inter-institutional balances	30	411	(251)	(112)	(118)	(39)
<b>Total current assets</b>	<b>199,356</b>	<b>382,055</b>	<b>8,699</b>	<b>93,014</b>	<b>23,647</b>	<b>15,518</b>
<b>Noncurrent assets:</b>						
Restricted cash and cash equivalents	365	3,062	1,258	929	196	854
Endowment investments	84,577	111,267		4,822	511	911
Other investments	186	3,282				
Notes receivable, net	28,264	7,441	454	10,023	1,420	772
Capital assets, net	578,998	1,135,368	72,564	253,393	178,140	70,641
<b>Total noncurrent assets</b>	<b>692,390</b>	<b>1,260,420</b>	<b>74,276</b>	<b>269,167</b>	<b>180,267</b>	<b>73,178</b>
<b>Total assets</b>	<b>\$891,746</b>	<b>\$1,642,475</b>	<b>\$82,975</b>	<b>\$362,181</b>	<b>\$203,914</b>	<b>\$88,696</b>
<b>LIABILITIES</b>						
<b>Current liabilities:</b>						
Accounts payable and accrued liabilities	\$35,089	\$48,405	\$3,949	\$16,287	\$3,364	\$5,432
Accrued workers' compensation, current portion	950	1,497	71	315	105	124
Accrued vacation costs, current portion	23,629	20,566	794	3,096	1,315	2,338
Revenue bonds and notes payable, current portion	6,433	26,222	552	6,602	4,515	1,311
Obligations under capital lease agreements, current portion						
Deferred revenue	26,793	49,934	2,535	4,988	466	995
<b>Total current liabilities</b>	<b>92,894</b>	<b>146,624</b>	<b>7,901</b>	<b>31,288</b>	<b>9,765</b>	<b>10,200</b>
<b>Noncurrent liabilities</b>						
Accrued workers' compensation	5,179	8,159	386	1,716	574	677
Accrued vacation costs	22,959	25,414	970	4,137	1,972	
Revenue bonds and notes payable	98,847	344,526	11,732	85,178	59,797	18,309
Obligations under capital lease agreements						
<b>Total noncurrent liabilities</b>	<b>126,985</b>	<b>378,099</b>	<b>13,088</b>	<b>91,031</b>	<b>62,343</b>	<b>18,986</b>
<b>Total liabilities</b>	<b>219,879</b>	<b>524,723</b>	<b>20,989</b>	<b>122,319</b>	<b>72,108</b>	<b>29,186</b>
<b>NET ASSETS</b>						
Unrestricted	98,881	232,784	(658)	55,174	8,869	6,174
Investment in capital assets, net of related debt	473,718	764,620	60,280	161,613	113,828	51,021
Restricted:						
Nonexpendable:						
Scholarships and fellowships	5,446	4,612		238	28	
Research	144	3,499				
Other	10,354	3,479				
Expendable:						
Scholarships and fellowships	31,792	14,815		1	153	3
Research	1,492	69,006		3,491	2,815	322
Loans	29,811	11,394	1,106	15,502	5,917	1,136
Capital projects	299	2,910	1,258	929	196	854
Other	19,930	10,633		2,914		
<b>Total net assets</b>	<b>671,867</b>	<b>1,117,752</b>	<b>61,986</b>	<b>239,862</b>	<b>131,806</b>	<b>59,510</b>
<b>Total liabilities and net assets</b>	<b>\$891,746</b>	<b>\$1,642,475</b>	<b>\$82,975</b>	<b>\$362,181</b>	<b>\$203,914</b>	<b>\$88,696</b>

June 30, 2006

(amounts expressed in thousands)

CSU	UB	SU	UMUC	UMBC	UMCES	UMBI	USM OFFICE	TOTAL
\$3,074	\$10,153	\$33,928	\$92,144	\$14,708	\$4,127	\$9,985	\$44,095	\$739,399
5,753	3,577	1,093	39,356	19,906	3,467	4,744	1,135	252,700
143	863	302	240	235				14,885
78	30	976	1,657	982				9,179
	499	121	565	494		(3)		4,632
			458					458
40	52	(1,240)	94	108	(70)	(22)	1,117	
<b>9,088</b>	<b>15,174</b>	<b>35,180</b>	<b>134,514</b>	<b>36,433</b>	<b>7,524</b>	<b>14,704</b>	<b>46,347</b>	<b>1,021,253</b>
374	554	481	297	1,661	5	18	48,972	59,026
690			174	970			10,347	214,269
								3,468
839	1,664	921	1,178	1,839				54,815
67,058	66,021	120,631	85,489	265,743	59,429	99,454	50,481	3,103,410
<b>68,961</b>	<b>68,239</b>	<b>122,033</b>	<b>87,138</b>	<b>270,213</b>	<b>59,434</b>	<b>99,472</b>	<b>109,800</b>	<b>3,434,988</b>
<b>\$78,049</b>	<b>\$83,413</b>	<b>\$157,213</b>	<b>\$221,652</b>	<b>\$306,646</b>	<b>\$66,958</b>	<b>\$114,176</b>	<b>\$156,147</b>	<b>\$4,456,241</b>
\$3,002	\$3,219	\$6,174	\$16,495	\$10,400	\$953	\$2,042	\$7,673	\$162,484
112	89	113	252	309	71		18	4,026
756	1,725	1,584	4,572	5,359	505	1,897	514	68,650
1,389	1,547	2,891	882	6,263	673	3	1,249	60,532
						199		199
361	1,858	2,299	21,577	3,864		2,135		117,805
<b>5,620</b>	<b>8,438</b>	<b>13,061</b>	<b>43,778</b>	<b>26,195</b>	<b>2,202</b>	<b>6,276</b>	<b>9,454</b>	<b>413,696</b>
611	482	616	1,371	1,684	385		99	21,939
1,422	599	1,245	3,034	2,039	1,844	2,357	793	68,785
21,815	28,207	29,381	19,788	97,543	6,776	1,372	46,331	869,602
						4,493		4,493
<b>23,848</b>	<b>29,288</b>	<b>31,242</b>	<b>24,193</b>	<b>101,266</b>	<b>9,005</b>	<b>8,222</b>	<b>47,223</b>	<b>964,819</b>
<b>29,468</b>	<b>37,726</b>	<b>44,303</b>	<b>67,971</b>	<b>127,461</b>	<b>11,207</b>	<b>14,498</b>	<b>56,677</b>	<b>1,378,515</b>
2,172	5,737	22,348	86,587	13,207	3,766	6,273	54,343	595,657
43,873	36,267	88,359	64,819	161,935	51,980	93,387	38,379	2,204,079
307			23	21			348	11,023
								3,643
240							442	14,515
48			112	28			710	47,662
		377	229					77,732
1,536	3,129	1,345	1,614	2,333				74,823
374	554	481	297	1,661	5	18	3,389	13,225
31							1,859	35,367
<b>48,581</b>	<b>45,687</b>	<b>112,910</b>	<b>153,681</b>	<b>179,185</b>	<b>55,751</b>	<b>99,678</b>	<b>99,470</b>	<b>3,077,726</b>
<b>\$78,049</b>	<b>\$83,413</b>	<b>\$157,213</b>	<b>\$221,652</b>	<b>\$306,646</b>	<b>\$66,958</b>	<b>\$114,176</b>	<b>\$156,147</b>	<b>\$4,456,241</b>

# Combining Statement of Revenues, Expenses, and Changes in Net Assets

	UMB	UMCP	BSU	TU	UMES	FSU
<b>OPERATING REVENUES:</b>						
Tuition and fees	\$85,087	\$350,058	\$29,703	\$122,765	\$22,811	\$28,225
Less: scholarship allowances	(18,004)	(45,544)	(6,711)	(21,808)	(8,879)	(3,615)
Federal grants and contracts	218,518	253,367	11,000	9,301	15,923	4,577
State and local grants and contracts	47,186	41,979	1,849	6,431	7,763	1,590
Nongovernmental grants and contracts	55,131	49,657	197	876	416	198
Sales and services of educational departments	149,179	29,578	191	4,032	289	945
Auxiliary enterprises:						
Residential facilities	668	43,324	3,789	14,870	7,844	5,218
Less: scholarship allowances		(4,527)	(145)	(428)	(557)	(36)
Dining facilities		39,712	2,307	13,969	6,122	5,756
Less: scholarship allowances		(2,401)	(238)	(252)	(615)	(2)
Intercollegiate athletics		43,572	2,494	12,159	1,762	2,070
Less: scholarship allowances			(222)	(1,628)		(19)
Bookstores	180			11,240		3,053
Less: scholarship allowances				(54)		
Parking facilities	11,552	13,628	211	4,296	107	
Less: scholarship allowances				(86)		
Other auxiliary enterprises revenues	6,228	34,947	2,685	20,519	5,406	3,402
Less: scholarship allowances						(19)
Other operating revenues		28,675	29	36	319	230
<b>Total operating revenues</b>	<b>555,725</b>	<b>876,025</b>	<b>47,139</b>	<b>196,238</b>	<b>58,711</b>	<b>51,573</b>
<b>OPERATING EXPENSES:</b>						
Instruction	151,206	343,003	26,437	78,363	21,569	26,980
Research	296,607	287,328	2,180	1,804	11,608	29
Public service	1,276	66,195	357	14,930	377	2,564
Academic support	41,917	114,692	6,655	29,761	9,956	7,803
Student services	4,478	35,935	4,561	13,233	4,165	4,064
Institutional support	56,506	68,111	15,102	30,233	8,663	8,513
Operation and maintenance of plant	60,620	94,106	6,281	21,189	11,950	6,516
Scholarships and fellowships	751	33,590	373	5,948	359	3,999
Auxiliary enterprises:						
Residential facilities	731	43,116	2,663	10,521	5,146	6,017
Dining facilities		38,978	2,433	11,873	4,804	5,089
Intercollegiate athletics		44,576	2,786	10,609	2,147	2,211
Bookstores	56			10,127		3,487
Parking facilities	9,631	9,506		2,293		
Other auxiliary enterprises expenses	8,186	33,969	1,394	12,802	4,085	2,265
Hospital	100,498					
<b>Total operating expenses</b>	<b>732,463</b>	<b>1,213,105</b>	<b>71,222</b>	<b>253,686</b>	<b>84,829</b>	<b>79,537</b>
<b>Operating income (loss)</b>	<b>(176,738)</b>	<b>(337,080)</b>	<b>(24,083)</b>	<b>(57,448)</b>	<b>(26,118)</b>	<b>(27,964)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
State appropriations	157,679	370,689	31,110	76,171	28,616	29,667
Gifts	14,425	19,669		1,207		495
Investment income	23,422	46,299	161	7,191	976	1,310
Investment expense	(212)	(278)		(10)	(1)	(2)
Less: Interest on indebtedness	(4,588)	(16,574)	(455)	(4,068)	(2,925)	(758)
Other nonoperating revenues (expenses)			45	8,366	8	
Transfers to/from other USM institutions	(3,150)	2,741	(1,078)	(4,299)	1,822	2,650
<b>Total nonoperating revenues (expenses)</b>	<b>187,576</b>	<b>422,546</b>	<b>29,783</b>	<b>84,558</b>	<b>28,496</b>	<b>33,362</b>
<b>Income (loss) before other revenues, expenses, gains and losses</b>	<b>10,838</b>	<b>85,466</b>	<b>5,700</b>	<b>27,110</b>	<b>2,378</b>	<b>5,398</b>
<b>OTHER REVENUES, EXPENSES, GAINS AND LOSSES:</b>						
Capital appropriations	1,955	22,156	18,022	5,712	818	21
Capital gifts and grants	278	28,944		467		82
Additions to permanent endowments	48	438				
Other gains and losses	11,650	(89)		(679)	216	103
<b>Total other revenues, expenses, gains and losses</b>	<b>13,931</b>	<b>51,449</b>	<b>18,022</b>	<b>5,500</b>	<b>1,034</b>	<b>206</b>
<b>Increase (decrease) in net assets</b>	<b>24,769</b>	<b>136,915</b>	<b>23,722</b>	<b>32,610</b>	<b>3,412</b>	<b>5,604</b>
<b>Net assets, June 30, 2006</b>	<b>671,867</b>	<b>1,117,752</b>	<b>61,986</b>	<b>239,862</b>	<b>131,806</b>	<b>59,510</b>
<b>Net assets, June 30, 2007</b>	<b>\$696,636</b>	<b>\$1,254,667</b>	<b>\$85,708</b>	<b>\$272,472</b>	<b>\$135,218</b>	<b>\$65,114</b>

Year ended June 30, 2007  
(amounts expressed in thousands)

CSU	UB	SU	UMUC	UMBC	UMCES	UMBI	USM OFFICE	TOTAL
\$15,373	\$44,435	\$44,364	\$190,910	\$89,401				\$1,023,132
(9,215)	(4,539)	(5,476)	(7,218)	(18,823)				(149,832)
12,153	2,231	3,493	7,650	65,583	\$12,869	\$22,685	\$4,545	643,895
1,491	4,195	2,245	1,636	23,628	4,061	10,077		154,131
	1,212	760	394	5,812	740	1,659	83	117,135
301	638	225	1,795	3,395	2,253	943		193,764
3,662		13,475	71	12,055				104,976
(111)		(342)		(2,177)				(8,323)
		10,075		8,327				86,268
		(30)		(1,386)				(4,924)
2,040		2,827		5,117				72,041
(1,142)		(47)						(3,058)
		5,415	5,960	6,383				32,231
				(45)				(99)
	2,045	608	1,081	1,978				35,506
								(86)
2,164	3,455	1,193	1	10,345				90,345
		(2)						(21)
	186	106	21,462	2,953				53,996
<b>26,716</b>	<b>53,858</b>	<b>78,889</b>	<b>223,742</b>	<b>212,546</b>	<b>19,923</b>	<b>35,364</b>	<b>4,628</b>	<b>2,441,077</b>
18,313	28,029	34,563	78,883	83,231				890,577
204	4,934	1,211	680	54,776	38,073	61,937		761,371
		2,750	15,411	22,253				126,113
6,199	11,019	7,636	29,082	17,653			4,965	287,338
5,529	5,961	4,407	49,556	11,552				143,441
12,470	16,089	12,069	44,781	29,892			14,907	317,336
8,946	5,991	11,576	10,950	22,899	265			261,289
133	1,038	300	7,010	9,641				63,142
2,141		8,095		8,700				87,130
275		9,544		7,570				80,566
2,372		2,285		5,171				72,157
		4,747	5,304	6,397				30,118
	954	272	730					23,386
708	2,522	2,788		7,733				76,452
								100,498
<b>57,290</b>	<b>76,537</b>	<b>102,243</b>	<b>242,387</b>	<b>287,468</b>	<b>38,338</b>	<b>61,937</b>	<b>19,872</b>	<b>3,320,914</b>
<b>(30,574)</b>	<b>(22,679)</b>	<b>(23,354)</b>	<b>(18,645)</b>	<b>(74,922)</b>	<b>(18,415)</b>	<b>(26,573)</b>	<b>(15,244)</b>	<b>(879,837)</b>
30,428	26,242	32,928	20,069	79,270	15,450	20,771	14,447	933,537
				1,046				36,842
542	982	2,310	4,166	1,758	367	524	11,348	101,356
(2)			(1)	(2)			(26)	(534)
(1,061)	(1,248)	(1,360)	(964)	(4,242)	(322)	(351)	(4,581)	(43,497)
				(339)		828		8,908
(285)	(2,797)	(304)	(229)	(1,587)	1,155	3,273	2,088	
<b>29,622</b>	<b>23,179</b>	<b>33,574</b>	<b>23,041</b>	<b>75,904</b>	<b>16,650</b>	<b>25,045</b>	<b>23,276</b>	<b>1,036,612</b>
<b>(952)</b>	<b>500</b>	<b>10,220</b>	<b>4,396</b>	<b>982</b>	<b>(1,765)</b>	<b>(1,528)</b>	<b>8,032</b>	<b>156,775</b>
32,548	2,858	24,326		679	3,335	2,959	32,482	147,871
		291		670				30,732
46								532
(253)		(26)	(21)	5			(210)	10,696
<b>32,341</b>	<b>2,858</b>	<b>24,591</b>	<b>(21)</b>	<b>1,354</b>	<b>3,335</b>	<b>2,959</b>	<b>32,272</b>	<b>189,831</b>
<b>31,389</b>	<b>3,358</b>	<b>34,811</b>	<b>4,375</b>	<b>2,336</b>	<b>1,570</b>	<b>1,431</b>	<b>40,304</b>	<b>346,606</b>
<b>48,581</b>	<b>45,687</b>	<b>112,910</b>	<b>153,681</b>	<b>179,185</b>	<b>55,751</b>	<b>99,678</b>	<b>99,470</b>	<b>3,077,726</b>
<b>\$79,970</b>	<b>\$49,045</b>	<b>\$147,721</b>	<b>\$158,056</b>	<b>\$181,521</b>	<b>\$57,321</b>	<b>\$101,109</b>	<b>\$139,774</b>	<b>\$3,424,332</b>

# Combining Statement of Revenues, Expenses, and Changes in Net Assets

	UMB	UMCP	BSU	TU	UMES	FSU
<b>OPERATING REVENUES:</b>						
Tuition and fees	\$77,292	\$334,696	\$27,677	\$115,472	\$22,352	\$27,511
Less: scholarship allowances	(17,709)	(44,164)	(6,318)	(19,297)	(3,387)	(3,226)
Federal grants and contracts	209,502	246,195	10,838	9,384	18,295	4,140
State and local grants and contracts	45,045	41,453	2,514	3,459	11,137	1,280
Nongovernmental grants and contracts	51,031	47,900	187	968	1,471	175
Sales and services of educational departments	149,662	28,032	151	3,512	258	797
Auxiliary enterprises:						
Residential facilities	688	40,762	3,480	14,659	7,482	4,717
Less: scholarship allowances		(3,565)	(172)	(688)	(366)	(10)
Dining facilities		37,188	2,161	13,187	3,960	5,122
Less: scholarship allowances		(2,000)	(216)	(279)	(367)	(1)
Intercollegiate athletics		40,982	2,007	10,838	1,824	1,988
Less: scholarship allowances			(156)	(1,307)		(4)
Bookstores	174			10,711		2,968
Less: scholarship allowances				(62)		(1)
Parking facilities	10,854	12,873	301	4,109	109	
Other auxiliary enterprises revenues	6,916	32,519	2,594	19,375	2,782	3,192
Less: scholarship allowances						(3)
Other operating revenues		25,366	30	7	399	343
<b>Total operating revenues</b>	<b>533,455</b>	<b>838,237</b>	<b>45,078</b>	<b>184,048</b>	<b>65,949</b>	<b>48,988</b>
<b>OPERATING EXPENSES:</b>						
Instruction	153,148	332,492	24,538	70,830	24,601	26,097
Research	267,136	278,331	2,322	3,275	13,991	
Public service	4,177	63,903	256	11,689	466	2,476
Academic support	35,742	106,639	6,259	26,138	8,725	7,368
Student services	4,375	33,056	3,866	12,607	3,762	3,751
Institutional support	61,071	64,374	13,116	28,058	8,111	7,930
Operation and maintenance of plant	60,177	90,566	5,800	20,668	9,481	6,414
Scholarships and fellowships	927	29,373	1,508	6,034	4,775	3,711
Auxiliary enterprises:						
Residential facilities	793	43,171	2,683	9,769	3,738	6,074
Dining facilities		36,136	2,085	11,181	2,670	4,152
Intercollegiate athletics		42,181	2,705	10,578	1,049	2,343
Bookstores	68			9,539		3,038
Parking facilities	10,599	8,926		1,909		
Other auxiliary enterprises expenses	9,254	33,589	933	11,039	3,877	2,400
Hospital	98,265					
<b>Total operating expenses</b>	<b>705,732</b>	<b>1,162,737</b>	<b>66,071</b>	<b>233,314</b>	<b>85,246</b>	<b>75,754</b>
<b>Operating income (loss)</b>	<b>(172,277)</b>	<b>(324,500)</b>	<b>(20,993)</b>	<b>(49,266)</b>	<b>19,297)</b>	<b>(26,766)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
State appropriations	145,702	328,809	22,269	63,122	23,322	26,434
Gifts	7,241	13,830		10		347
Investment income	16,373	33,487	20	4,482	483	869
Investment expense	(110)	(144)		(5)	(1)	(1)
Less: Interest on indebtedness	(3,633)	(17,781)	(554)	(4,380)	(2,977)	(886)
Other nonoperating revenues (expenses)			95	5,676	(1)	
Transfers to/from other USM institutions	9,655	3,466	(725)	(241)	1,471	2,235
<b>Total nonoperating revenues (expenses)</b>	<b>175,228</b>	<b>361,667</b>	<b>21,105</b>	<b>68,664</b>	<b>22,297</b>	<b>28,998</b>
<b>Income (loss) before other revenues, expenses, gains and losses</b>	<b>2,951</b>	<b>37,167</b>	<b>112</b>	<b>19,398</b>	<b>3,000</b>	<b>2,232</b>
<b>OTHER REVENUES, EXPENSES, GAINS AND LOSSES:</b>						
Capital appropriations	3,728	34,890	3,772	6,280	848	
Capital gifts and grants	1,109	6,391		386		551
Additions to permanent endowments	30	18				
Other gains and losses		(82)		(563)	(7,139)	(9)
<b>Total other revenues, expenses, gains and losses</b>	<b>4,867</b>	<b>41,217</b>	<b>3,772</b>	<b>6,103</b>	<b>(6,291)</b>	<b>542</b>
<b>Increase (decrease) in net assets</b>	<b>7,818</b>	<b>78,384</b>	<b>3,884</b>	<b>25,501</b>	<b>(3,291)</b>	<b>2,774</b>
<b>Net assets, June 30, 2005</b>	<b>664,049</b>	<b>1,039,368</b>	<b>58,102</b>	<b>214,361</b>	<b>135,097</b>	<b>56,736</b>
<b>Net assets, June 30, 2006</b>	<b>\$671,867</b>	<b>\$1,117,752</b>	<b>\$61,986</b>	<b>\$239,862</b>	<b>\$131,806</b>	<b>\$59,510</b>

CSU	UB	SU	UMUC	UMBC	UMCES	UMBI	USM OFFICE	TOTAL
\$15,294	\$42,928	\$42,086	\$176,097	\$83,700				\$965,105
(8,270)	(3,930)	(4,995)	(6,325)	(21,754)				(139,375)
13,997	2,619	3,123	6,821	56,088	\$12,782	\$20,501	\$3,089	617,374
3,813	4,376	1,812	1,392	25,639	4,750	9,488	4	156,162
224	1,160	362	522	13,237	877	3,242		121,356
358	87	738	2,735	3,691	2,659	1,204		193,884
3,824		12,430	85	13,322				101,449
		(234)		(2,823)				(7,858)
		9,643		8,512				79,773
		(18)		(1,693)				(4,574)
2,012		2,739		4,479				66,869
(1,009)		(30)						(2,506)
		4,996	6,055	6,673				31,577
		(1)		(12)				(76)
	691	510	907	2,066				32,420
2,380	1,605	985		10,966				83,314
								(3)
61			20,261	824			66	47,357
<b>32,684</b>	<b>49,536</b>	<b>74,146</b>	<b>208,550</b>	<b>202,915</b>	<b>21,068</b>	<b>34,435</b>	<b>3,159</b>	<b>2,342,248</b>
17,958	25,032	31,253	75,312	79,930				861,191
196	4,677	1,872	616	50,614	37,564	58,473		719,067
		2,366	15,198	22,375				122,906
3,434	9,368	7,391	25,163	19,819			3,178	259,224
5,370	5,148	3,893	40,707	8,897				125,432
13,949	16,835	11,405	37,865	25,673			12,081	300,468
6,830	5,442	10,418	10,652	21,464	531			248,443
	1,235	80	5,478	5,996				59,117
2,691		6,529		9,913				85,361
275		9,054		7,956				73,509
2,333		2,205		6,266				69,660
		4,303	5,627	6,337				28,912
	860	205	726					23,225
757	2,259	2,966		6,478				73,552
								98,265
<b>53,793</b>	<b>70,856</b>	<b>93,940</b>	<b>217,344</b>	<b>271,718</b>	<b>38,095</b>	<b>58,473</b>	<b>15,259</b>	<b>3,148,332</b>
<b>(21,109)</b>	<b>(21,320)</b>	<b>(19,794)</b>	<b>(8,794)</b>	<b>(68,803)</b>	<b>(17,027)</b>	<b>(24,038)</b>	<b>(12,100)</b>	<b>(806,084)</b>
20,802	22,710	27,571	15,191	70,491	14,054	17,401	13,710	811,588
				210				21,638
248	630	1,659	3,347	1,328	229	402	7,221	70,778
(1)				(1)			(231)	(494)
(1,074)	(1,161)	(1,632)	(993)	(4,778)	(343)	(353)	(1,911)	(42,456)
	(2,964)			(3)		938		3,741
(340)	(1,973)	65	423	(718)	1,061	785	(15,164)	
<b>19,635</b>	<b>17,242</b>	<b>27,663</b>	<b>17,968</b>	<b>66,529</b>	<b>15,001</b>	<b>19,173</b>	<b>3,625</b>	<b>864,795</b>
<b>(1,474)</b>	<b>(4,078)</b>	<b>7,869</b>	<b>9,174</b>	<b>(2,274)</b>	<b>(2,026)</b>	<b>(4,865)</b>	<b>(8,475)</b>	<b>58,711</b>
13,024	697	1,450		3,652	527	9,709	10,609	89,186
		53		362		16	211	9,079
								48
6,292		27	(75)	(758)			(415)	(2,722)
<b>19,316</b>	<b>697</b>	<b>1,530</b>	<b>(75)</b>	<b>3,256</b>	<b>527</b>	<b>9,725</b>	<b>10,405</b>	<b>95,591</b>
<b>17,842</b>	<b>(3,381)</b>	<b>9,399</b>	<b>9,099</b>	<b>982</b>	<b>(1,499)</b>	<b>4,860</b>	<b>1,930</b>	<b>154,302</b>
<b>30,739</b>	<b>49,068</b>	<b>103,511</b>	<b>144,582</b>	<b>178,203</b>	<b>57,250</b>	<b>94,818</b>	<b>97,540</b>	<b>2,923,424</b>
<b>\$48,581</b>	<b>\$45,687</b>	<b>\$112,910</b>	<b>\$153,681</b>	<b>\$179,185</b>	<b>\$55,751</b>	<b>\$99,678</b>	<b>\$99,470</b>	<b>\$3,077,726</b>

## Combining Statement of Cash Flows

	UMB	UMCP	BSU	TU	UMES	FSU
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Tuition and fees	\$67,588	\$306,795	\$21,911	\$100,132	\$12,989	\$24,647
Research contracts and grants	301,239	344,163	12,826	16,565	22,480	6,365
Payments to employees	(509,285)	(823,651)	(44,626)	(157,418)	(52,902)	(51,181)
Payments to suppliers and contractors	(180,549)	(317,688)	(20,191)	(79,506)	(24,666)	(24,361)
Loans issued to students	(3,818)	(3,388)	(293)	(3,257)	(1,469)	(325)
Collections of loans to students	4,760	1,700	172	3,042	825	171
Auxiliary enterprises:						
Residential facilities	668	34,547	5,396	14,461	7,154	5,155
Dining facilities		37,311	2,070	13,710	5,507	5,730
Intercollegiate athletics		43,572	2,272	10,835	1,762	2,052
Bookstores	180			11,236		3,051
Parking facilities	11,551	13,628	211	4,221	107	
Other	6,257	34,947	2,749	20,601	6,243	3,358
Other receipts (payments)	149,040	48,917	(76)	4,484	1,238	962
<b>Net cash provided (used) by operations</b>	<b>(152,369)</b>	<b>(279,147)</b>	<b>(17,579)</b>	<b>(40,894)</b>	<b>(20,732)</b>	<b>(24,376)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
State appropriations	157,679	370,689	31,110	76,171	28,616	29,667
Nonoperating gifts	14,614	19,669				
Gifts and grants received for other than capital purposes:						
Private gifts for endowment purposes	48	438				
Other nonoperating gains and losses		(90)	46	8,894	223	598
<b>Net cash provided by noncapital financing activities</b>	<b>172,341</b>	<b>390,706</b>	<b>31,156</b>	<b>85,065</b>	<b>28,839</b>	<b>30,265</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Proceeds from capital debt	13,366	29,630	491	17,623	5,922	232
Capital appropriations	1,955	22,156	18,022	5,712	818	21
Capital grants and gifts received		28,944		202		
Proceeds from sales of capital assets	25,000	2,965				
Purchases of capital assets	(55,287)	(96,908)	(19,541)	(24,005)	(8,784)	(1,556)
Principal paid on debt and capital leases	(16,188)	(55,919)	(963)	(22,285)	(9,555)	(2,357)
Interest paid on debt and capital leases	(5,146)	(17,767)	(491)	(4,629)	(3,111)	(799)
Transfers to/from other USM Institutions	2,460	5,903	(4,785)	(2,494)	6,377	518
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(33,840)</b>	<b>(80,996)</b>	<b>(7,267)</b>	<b>(29,876)</b>	<b>(8,333)</b>	<b>(3,941)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Proceeds from sales and maturities of investments	4,560	9,055		206	23	1
Interest on investments	6,646	24,272	161	6,297	873	1,121
Investment expense	(211)	(278)		(10)	(1)	(2)
Purchases of investments	(73)	(438)				(16)
<b>Net cash provided (used) by investing activities</b>	<b>10,922</b>	<b>32,611</b>	<b>161</b>	<b>6,493</b>	<b>895</b>	<b>1,104</b>
<b>Net increase (decrease) in cash</b>	<b>(2,946)</b>	<b>63,174</b>	<b>6,471</b>	<b>20,788</b>	<b>669</b>	<b>3,052</b>
<b>Cash and cash equivalents - June 30, 2006</b>	<b>115,303</b>	<b>312,877</b>	<b>3,278</b>	<b>76,634</b>	<b>11,989</b>	<b>13,768</b>
<b>Cash and cash equivalents - June 30, 2007</b>	<b>\$112,357</b>	<b>\$376,051</b>	<b>\$9,749</b>	<b>\$97,422</b>	<b>\$12,658</b>	<b>\$16,820</b>

CSU	UB	SU	UMUC	UMBC	UMCES	UMBI	USM OFFICE	TOTAL
\$5,490	\$42,031	\$38,536	\$197,883	\$67,070				\$885,072
13,643	7,716	6,506	8,650	97,297	\$17,981	\$32,906	\$4,126	892,463
(38,924)	(56,824)	(67,379)	(149,690)	(183,493)	(22,017)	(39,122)	(11,116)	(2,207,628)
(13,888)	(15,598)	(28,031)	(83,150)	(85,465)	(13,272)	(17,870)	(5,038)	(909,273)
(91)	(988)	(342)	(535)	(277)				(14,783)
156	861	288	291	286				12,552
5,715		13,132	71	9,672				95,971
		10,105		6,796				81,229
898		2,779		5,011				69,181
300		5,415	5,960	6,206				32,348
	2,044	608	1,082	1,937				35,389
	3,456	1,191	1	10,129				88,932
	618	495	18,941	5,314	2,253	1,771		233,957
<b>(26,701)</b>	<b>(16,684)</b>	<b>(16,697)</b>	<b>(496)</b>	<b>(59,517)</b>	<b>(15,055)</b>	<b>(22,315)</b>	<b>(12,028)</b>	<b>(704,590)</b>
30,428	26,242	32,928	20,069	79,270	15,450	20,771	14,447	933,537
				1,046				35,329
(253)		(26)	(21)	(329)			(210)	486
								8,832
<b>30,175</b>	<b>26,242</b>	<b>32,902</b>	<b>20,048</b>	<b>79,987</b>	<b>15,450</b>	<b>20,771</b>	<b>14,237</b>	<b>978,184</b>
3,437	300	522	3,339	11,282		132	74,010	160,286
32,548	2,858	24,326		679	3,335	2,959	32,482	147,871
			46		218			29,146
(33,039)	(5,063)	(32,904)	(5,313)	(12,966)	(3,985)	(4,115)	(38,640)	(342,106)
(4,663)	(1,798)	(3,442)	(3,898)	(15,230)	(687)	(202)	(245)	(137,432)
(1,143)	(1,122)	(1,508)	(1,135)	(4,452)	(345)	(352)	(4,033)	(46,033)
(487)	(2,565)	(1,463)	(579)	(1,647)	1,197	2,974	(5,409)	
<b>(3,347)</b>	<b>(7,390)</b>	<b>(14,469)</b>	<b>(7,540)</b>	<b>(22,334)</b>	<b>(267)</b>	<b>1,396</b>	<b>58,165</b>	<b>(160,039)</b>
21			9	27			872	14,774
466	981	2,311	4,132	1,560	367	524	8,541	58,252
(2)			(1)	(3)			(26)	(534)
(46)				(12)				(585)
<b>439</b>	<b>981</b>	<b>2,311</b>	<b>4,140</b>	<b>1,572</b>	<b>367</b>	<b>524</b>	<b>9,387</b>	<b>71,907</b>
<b>566</b>	<b>3,149</b>	<b>4,047</b>	<b>16,152</b>	<b>(292)</b>	<b>495</b>	<b>376</b>	<b>69,761</b>	<b>185,462</b>
<b>3,448</b>	<b>10,707</b>	<b>34,409</b>	<b>92,441</b>	<b>16,369</b>	<b>4,132</b>	<b>10,003</b>	<b>93,067</b>	<b>798,425</b>
<b>\$4,014</b>	<b>\$13,856</b>	<b>\$38,456</b>	<b>\$108,593</b>	<b>\$16,077</b>	<b>\$4,627</b>	<b>\$10,379</b>	<b>\$162,828</b>	<b>\$983,887</b>

## Combining Statement of Cash Flows

	UMB	UMCP	BSU	TU	UMES	FSU
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Tuition and fees	\$58,639	\$290,838	\$22,136	\$95,992	\$17,252	\$24,071
Research contracts and grants	304,855	333,111	14,872	14,801	33,211	5,824
Payments to employees	(485,654)	(804,110)	(40,653)	(144,819)	(54,130)	(48,659)
Payments to suppliers and contractors	(191,592)	(311,595)	(20,014)	(70,677)	(26,531)	(22,889)
Loans issued to students	(6,229)	(2,561)	(167)	(2,721)	(499)	(304)
Collections of loans to students	4,787	3,039	275	4,066	97	417
Auxiliary enterprises:						
Residential facilities	688	36,648	3,716	13,990	7,295	4,838
Dining facilities		35,187	1,944	12,907	3,593	5,262
Intercollegiate athletics		42,482	1,851	9,661		2,004
Bookstores	174			10,642		2,966
Parking facilities	10,854	12,872	301	4,106	109	
Other	648	32,519	1,872	19,702	3,793	3,171
Other receipts (payments)	155,607	54,865	(83)	2,986	657	1,028
<b>Net cash provided (used) by operations</b>	<b>(147,223)</b>	<b>(276,705)</b>	<b>(13,950)</b>	<b>(29,364)</b>	<b>(15,153)</b>	<b>(22,271)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
State appropriations	145,702	328,809	22,270	63,121	23,322	26,434
Nonoperating gifts	7,241	13,830				347
Gifts and grants received for other than capital purposes:						
Private gifts for endowment purposes	30	18				
Other nonoperating gains and losses		(82)	89	5,123	(1)	(10)
<b>Net cash provided by noncapital financing activities</b>	<b>152,973</b>	<b>342,575</b>	<b>22,359</b>	<b>68,244</b>	<b>23,321</b>	<b>26,771</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Capital appropriations	3,728	34,890	3,772	6,280	848	
Capital grants and gifts received		4,391		173		
Proceeds from sales of capital assets		188				
Purchases of capital assets	(45,045)	(72,540)	(4,969)	(24,016)	(3,301)	(3,162)
Principal paid on debt and capital leases	(4,972)	(32,283)	(1,223)	(7,246)	(4,015)	(2,037)
Interest paid on debt and capital leases	(3,671)	(18,341)	(560)	(4,379)	(3,082)	(912)
Transfers to/from other USM Institutions	21,121	5,169	(3,388)	2,506	2,482	1,332
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(28,839)</b>	<b>(78,526)</b>	<b>(6,368)</b>	<b>(26,682)</b>	<b>(7,068)</b>	<b>(4,779)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Proceeds from sales and maturities of investments	58,150	77,452		2,795	350	599
Interest on investments	10,232	26,073		4,106	444	766
Investment expense	(110)	(144)		(1)		(1)
Purchases of investments	(78,191)	(103,132)		(3,734)	(471)	(806)
<b>Net cash provided (used) by investing activities</b>	<b>(9,919)</b>	<b>249</b>		<b>3,166</b>	<b>323</b>	<b>558</b>
<b>Net increase (decrease) in cash</b>	<b>(33,008)</b>	<b>(12,407)</b>	<b>2,041</b>	<b>15,364</b>	<b>1,423</b>	<b>279</b>
<b>Cash and cash equivalents - June 30, 2005</b>	<b>148,311</b>	<b>325,284</b>	<b>1,237</b>	<b>61,270</b>	<b>10,566</b>	<b>13,489</b>
<b>Cash and cash equivalents - June 30, 2006</b>	<b>\$115,303</b>	<b>\$312,877</b>	<b>\$3,278</b>	<b>\$76,634</b>	<b>\$11,989</b>	<b>\$13,768</b>

CSU	UB	SU	UMUC	UMBC	UMCES	UMBI	USM OFFICE	TOTAL
\$5,737	\$42,587	\$37,366	\$166,979	\$61,777				\$823,374
18,034	8,603	5,703	11,089	93,776	\$19,669	\$37,088	\$3,093	903,729
(30,116)	(51,683)	(63,010)	(135,149)	(177,138)	(22,629)	(39,751)	(10,227)	(2,107,728)
(22,109)	(15,058)	(25,193)	(75,937)	(80,250)	(13,879)	(15,986)	(3,509)	(895,219)
(59)	(729)	(304)	(302)	(382)				(14,257)
	1,459	246	325	286				14,997
3,824		12,197	85	10,637				93,918
		9,537		6,910				75,340
1,004		2,709		4,538				64,249
		4,995	6,054	6,749				31,580
	691	510	907	2,062				32,412
	1,605	988		11,141				75,439
2,800	1,030	1,090	24,044	4,515	2,647	2,142	(249)	253,079
<b>(20,885)</b>	<b>(11,495)</b>	<b>(13,166)</b>	<b>(1,905)</b>	<b>(55,379)</b>	<b>(14,192)</b>	<b>(16,507)</b>	<b>(10,892)</b>	<b>(649,087)</b>
20,802	22,710	27,571	15,191	70,491	14,054	17,401	13,710	811,588
				210				21,628
								48
								7,981
6,292	(2,964)	27	(75)	(3)			(415)	
<b>27,094</b>	<b>19,746</b>	<b>27,598</b>	<b>15,116</b>	<b>70,698</b>	<b>14,054</b>	<b>17,401</b>	<b>13,295</b>	<b>841,245</b>
13,023	697	1,450		3,653	527	9,709	10,609	89,186
			(1)				211	4,774
			138					326
(13,585)	(14,124)	(2,165)	(12,513)	(13,537)	(1,273)	(11,908)	(7,793)	(229,931)
(1,145)	(962)	(2,698)	(657)	(5,578)	(504)	(189)	(1,853)	(65,362)
(1,079)	(1,076)	(1,644)	(1,028)	(4,803)	(356)	(356)	(2,769)	(44,056)
(505)	7,717	(1,214)	22	159	1,128	2,342	(38,871)	
<b>(3,291)</b>	<b>(7,748)</b>	<b>(6,271)</b>	<b>(14,039)</b>	<b>(20,106)</b>	<b>(478)</b>	<b>(402)</b>	<b>(40,466)</b>	<b>(245,063)</b>
458			120	504			59,293	199,721
174	630	1,659	3,335	1,035	229	402	6,357	55,442
(1)				(1)			(231)	(489)
(616)			(162)	(677)			(9,613)	(197,402)
<b>15</b>	<b>630</b>	<b>1,659</b>	<b>3,293</b>	<b>861</b>	<b>229</b>	<b>402</b>	<b>55,806</b>	<b>57,272</b>
<b>2,933</b>	<b>1,133</b>	<b>9,820</b>	<b>2,465</b>	<b>(3,926)</b>	<b>(387)</b>	<b>894</b>	<b>17,743</b>	<b>4,367</b>
<b>515</b>	<b>9,574</b>	<b>24,589</b>	<b>89,976</b>	<b>20,295</b>	<b>4,519</b>	<b>9,109</b>	<b>75,324</b>	<b>794,058</b>
<b>\$3,448</b>	<b>\$10,707</b>	<b>\$34,409</b>	<b>\$92,441</b>	<b>\$16,369</b>	<b>\$4,132</b>	<b>\$10,003</b>	<b>\$93,067</b>	<b>\$798,425</b>

# Combining Balance Sheet, Non-major Component Units

	Medical Alumni Association of the University of Maryland, Inc.	M Club Foundation, University of Maryland, Inc.	The Robert H. Smith School of Business Foundation, Inc.	Bowie State University Foundation, Inc.	Towson University Foundation, Inc.	Frostburg State University Foundation, Inc.
<b>ASSETS</b>						
<b>Current assets:</b>						
Cash	\$741	\$88	\$1,614	\$541	\$1,860	\$173
Accounts receivable	558		488	298	4,075	460
Other assets	104	13	6	19		356
<b>Total current assets</b>	<b>1,403</b>	<b>101</b>	<b>2,108</b>	<b>858</b>	<b>5,935</b>	<b>989</b>
<b>Investments:</b>						
Investments	5,313	2,789	3,093	5,073	34,754	14,710
<b>Total investments</b>	<b>5,313</b>	<b>2,789</b>	<b>3,093</b>	<b>5,073</b>	<b>34,754</b>	<b>14,710</b>
<b>Other assets:</b>						
Accounts receivable						
Capital assets, net	18				955	
Other assets		27				
<b>Total other assets</b>	<b>18</b>	<b>27</b>			<b>955</b>	
<b>Total assets</b>	<b>\$6,734</b>	<b>\$2,917</b>	<b>\$5,201</b>	<b>\$5,931</b>	<b>\$41,644</b>	<b>\$15,699</b>
<b>LIABILITIES</b>						
<b>Current liabilities:</b>						
Accounts payable & accrued expenses	\$450	\$55	\$261	\$118	\$123	\$132
Long term debt, current						
Deferred income	5		10			50
<b>Total current liabilities</b>	<b>455</b>	<b>55</b>	<b>271</b>	<b>118</b>	<b>123</b>	<b>182</b>
<b>Other liabilities:</b>						
Other payables		50				
Long term debt, noncurrent						
<b>Total other liabilities</b>		<b>50</b>				
<b>Total liabilities</b>	<b>455</b>	<b>105</b>	<b>271</b>	<b>118</b>	<b>123</b>	<b>182</b>
<b>NET ASSETS</b>						
Unrestricted	836	2,812	4,733	308	2,260	269
Temporarily restricted:						
Scholarships & fellowships					4,574	
Research					12	
Other	5,443		197	405	10,049	15,248
Permanently restricted:						
Scholarships & fellowships					11,706	
Research					11	
Other				5,100	12,909	
<b>Total net assets</b>	<b>6,279</b>	<b>2,812</b>	<b>4,930</b>	<b>5,813</b>	<b>41,521</b>	<b>15,517</b>
<b>Total liabilities &amp; net assets</b>	<b>\$6,734</b>	<b>\$2,917</b>	<b>\$5,201</b>	<b>\$5,931</b>	<b>\$41,644</b>	<b>\$15,699</b>

Coppin State University Development Foundation, Inc.	University of Baltimore Educational Foundation, Inc.	Salisbury University Foundation, Inc.	Maryland 4-H Foundation, Inc.	University Research Corporation International, Inc.	The Maryland Center at Bowie State University, Inc.	University of Maryland, Baltimore County Research Park, Inc.	Total Non-major Component Units
\$1,063	\$1,508	\$456	\$254	\$1,645	\$12	\$3,280	\$13,235
210	5,660	104	3	1,061	79	2	12,998
4			5	59		3	569
<b>1,277</b>	<b>7,168</b>	<b>560</b>	<b>262</b>	<b>2,765</b>	<b>91</b>	<b>3,285</b>	<b>26,802</b>
9,092	50,198	39,164	2,176			2,761	169,123
<b>9,092</b>	<b>50,198</b>	<b>39,164</b>	<b>2,176</b>			<b>2,761</b>	<b>169,123</b>
38	1,236	137 6,965 5,898	144	1	4	2,950	137 12,311 5,925
<b>38</b>	<b>1,236</b>	<b>13,000</b>	<b>144</b>	<b>1</b>	<b>4</b>	<b>2,950</b>	<b>18,373</b>
<b>\$10,407</b>	<b>\$58,602</b>	<b>\$52,724</b>	<b>\$2,582</b>	<b>\$2,766</b>	<b>\$95</b>	<b>\$8,996</b>	<b>\$214,298</b>
\$92	\$426	\$3,871	\$200	\$1,084	\$69	\$2	\$6,883
		100			25	51	176
	147	24				5,402	5,638
<b>92</b>	<b>573</b>	<b>3,995</b>	<b>200</b>	<b>1,084</b>	<b>94</b>	<b>5,455</b>	<b>12,697</b>
69		4,066				394	4,579
		591				635	1,226
<b>69</b>		<b>4,657</b>				<b>1,029</b>	<b>5,805</b>
<b>161</b>	<b>573</b>	<b>8,652</b>	<b>200</b>	<b>1,084</b>	<b>94</b>	<b>6,484</b>	<b>18,502</b>
139	13,931	2,990	519	801	1	2,512	32,111
	1,762	977					7,313
		15					27
1,024	4,965	6,581	284	881			45,077
	15,679	14,008					41,393
		799					810
9,083	21,692	18,702	1,579				69,065
<b>10,246</b>	<b>58,029</b>	<b>44,072</b>	<b>2,382</b>	<b>1,682</b>	<b>1</b>	<b>2,512</b>	<b>195,796</b>
<b>\$10,407</b>	<b>\$58,602</b>	<b>\$52,724</b>	<b>\$2,582</b>	<b>\$2,766</b>	<b>\$95</b>	<b>\$8,996</b>	<b>\$214,298</b>

# Combining Balance Sheet, Non-major Component Units

	Medical Alumni Association of the University of Maryland, Inc.	M Club Foundation, University of Maryland, Inc.	The Robert H. Smith School of Business Foundation, Inc.	Bowie State University Foundation, Inc	Towson University Foundation, Inc.	Frostburg State University Foundation, Inc.
<b>ASSETS</b>						
<b>Current assets:</b>						
Cash	\$654	\$73	\$1,189	\$507	\$1,099	\$154
Accounts receivable	602		477	203	5,881	459
Other assets	164	3	6	19		354
<b>Total current assets</b>	<b>1,420</b>	<b>76</b>	<b>1,672</b>	<b>729</b>	<b>6,980</b>	<b>967</b>
<b>Investments:</b>						
Investments	4,772	2,329	2,650	4,024	26,652	10,637
<b>Total investments</b>	<b>4,772</b>	<b>2,329</b>	<b>2,650</b>	<b>4,024</b>	<b>26,652</b>	<b>10,637</b>
<b>Other assets:</b>						
Accounts receivable						
Capital assets, net	26				1,775	
Other assets		19				
<b>Total other assets</b>	<b>26</b>	<b>19</b>			<b>1,775</b>	
<b>Total assets</b>	<b>\$6,218</b>	<b>\$2,424</b>	<b>\$4,322</b>	<b>\$4,753</b>	<b>\$35,407</b>	<b>\$11,604</b>
<b>LIABILITIES</b>						
<b>Current liabilities:</b>						
Accounts payable & accrued expenses	\$443	\$55	\$209	\$14	\$168	\$29
Long term debt, current						
Deferred income	16					
<b>Total current liabilities</b>	<b>459</b>	<b>55</b>	<b>209</b>	<b>14</b>	<b>168</b>	<b>29</b>
<b>Other liabilities:</b>						
Other payables		105				7
Long term debt, noncurrent						
<b>Total other liabilities</b>		<b>105</b>				<b>7</b>
<b>Total liabilities</b>	<b>459</b>	<b>160</b>	<b>209</b>	<b>14</b>	<b>168</b>	<b>36</b>
<b>NET ASSETS</b>						
Unrestricted	1,006	2,264	3,716	257	2,718	300
Temporarily restricted:						
Scholarships & fellowships					3,060	
Research					9	
Other	4,753		397	385	6,633	11,268
Permanently restricted:						
Scholarships & fellowships					10,484	
Research					9	
Other				4,097	12,326	
<b>Total net assets</b>	<b>5,759</b>	<b>2,264</b>	<b>4,113</b>	<b>4,739</b>	<b>35,239</b>	<b>11,568</b>
<b>Total liabilities &amp; net assets</b>	<b>\$6,218</b>	<b>\$2,424</b>	<b>\$4,322</b>	<b>\$4,753</b>	<b>\$35,407</b>	<b>\$11,604</b>

Coppin State University Development Foundation, Inc.	University of Baltimore Educational Foundation, Inc.	Salisbury University Foundation, Inc.	Maryland 4-H Foundation, Inc.	University Research Corporation International, Inc.	The Maryland Center at Bowie State University, Inc.	University of Maryland, Baltimore County Research Park, Inc.	Total Non-major Component Units
\$980	\$1,022	\$348	\$326	\$1,477		\$938	\$8,767
213	6,662	7,221	8	1,681	\$71	54	23,532
2	71		5	54			678
<b>1,195</b>	<b>7,755</b>	<b>7,569</b>	<b>339</b>	<b>3,212</b>	<b>71</b>	<b>992</b>	<b>32,977</b>
7,926	41,123	26,527	1,758			1,888	130,286
<b>7,926</b>	<b>41,123</b>	<b>26,527</b>	<b>1,758</b>			<b>1,888</b>	<b>130,286</b>
54	1,250	4,398	156	2	4	2,963	10,628
		5,755					5,774
<b>54</b>	<b>1,250</b>	<b>10,280</b>	<b>156</b>	<b>2</b>	<b>4</b>	<b>2,963</b>	<b>16,529</b>
<b>\$9,175</b>	<b>\$50,128</b>	<b>\$44,376</b>	<b>\$2,253</b>	<b>\$3,214</b>	<b>\$75</b>	<b>\$5,843</b>	<b>\$179,792</b>
\$68	\$333	\$1,123	\$219	\$2,957	\$41	\$57	\$5,716
		100			25	50	175
		20		50	1	3,152	3,239
<b>68</b>	<b>333</b>	<b>1,243</b>	<b>219</b>	<b>3,007</b>	<b>67</b>	<b>3,259</b>	<b>9,130</b>
175		4,273				417	4,977
		691				686	1,377
<b>175</b>		<b>4,964</b>				<b>1,103</b>	<b>6,354</b>
<b>243</b>	<b>333</b>	<b>6,207</b>	<b>219</b>	<b>3,007</b>	<b>67</b>	<b>4,362</b>	<b>15,484</b>
80	12,594	3,008	241	207	8	1,481	27,880
	1,360	954					5,374
		13					22
996	4,080	6,280	266				35,058
	13,282	12,147	201				36,114
		555					564
7,856	18,479	15,212	1,326				59,296
<b>8,932</b>	<b>49,795</b>	<b>38,169</b>	<b>2,034</b>	<b>207</b>	<b>8</b>	<b>1,481</b>	<b>164,308</b>
<b>\$9,175</b>	<b>\$50,128</b>	<b>\$44,376</b>	<b>\$2,253</b>	<b>\$3,214</b>	<b>\$75</b>	<b>\$5,843</b>	<b>\$179,792</b>

# Combining Statement of Activities, Non-major Component Units

	Medical Alumni Association of the University of Maryland, Inc.	M Club Foundation, University of Maryland, Inc.	The Robert H. Smith School of Business Foundation, Inc.	Bowie State University Foundation, Inc.	Towson University Foundation, Inc.	Frostburg State University Foundation, Inc.
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>						
<b>Revenues:</b>						
Contributions & grants	\$1,390	\$12		\$6	\$1,200	\$223
Investment income	32	466	\$421	20	441	99
Other income	350	158	2,237	101		426
Assets released from restrictions	74		200	325	2,698	1,498
<b>Total revenues</b>	<b>1,846</b>	<b>636</b>	<b>2,858</b>	<b>452</b>	<b>4,339</b>	<b>2,246</b>
<b>Expenses:</b>						
Program	1,374	45	1,029	208	3,266	1,914
General & administrative	430	43	662	194	1,147	363
Fundraising	210				384	
Other expense			150			
<b>Total expenses</b>	<b>2,014</b>	<b>88</b>	<b>1,841</b>	<b>402</b>	<b>4,797</b>	<b>2,277</b>
<b>Change in unrestricted net assets</b>	<b>(168)</b>	<b>548</b>	<b>1,017</b>	<b>50</b>	<b>(458)</b>	<b>(31)</b>
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</b>						
Contributions & grants	151			226	2,913	2,887
Investment income	611			117	4,210	2,431
Other income				3	687	160
Assets released from restrictions	(74)		(200)	(325)	(2,875)	(1,498)
<b>Change in temporarily restricted net assets</b>	<b>688</b>		<b>(200)</b>	<b>21</b>	<b>4,935</b>	<b>3,980</b>
<b>CHANGES IN PERMANENTLY RESTRICTED NET ASSETS</b>						
Contributions & grants					1,396	
Investment income				220	110	
Other income				783	122	
Assets released from restrictions					177	
<b>Change in permanently restricted net assets</b>				<b>1,003</b>	<b>1,805</b>	
<b>Total change in net assets</b>	<b>520</b>	<b>548</b>	<b>817</b>	<b>1,074</b>	<b>6,282</b>	<b>3,949</b>
<b>Net assets - June 30, 2006</b>	<b>5,759</b>	<b>2,264</b>	<b>4,113</b>	<b>4,739</b>	<b>35,239</b>	<b>11,568</b>
<b>Net assets - June 30, 2007</b>	<b>\$6,279</b>	<b>\$2,812</b>	<b>\$4,930</b>	<b>\$5,813</b>	<b>\$41,521</b>	<b>\$15,517</b>

Year Ended June 30, 2007  
(amounts expressed in thousands)

Coppin State University Development Foundation, Inc.	University of Baltimore Educational Foundation, Inc.	Salisbury University Foundation, Inc.	Maryland 4-H Foundation, Inc.	University Research Corporation International, Inc.	The Maryland Center at Bowie State University, Inc.	University of Maryland, Baltimore County Research Park, Inc.	Total Non-major Component Units
\$166	\$550	\$143	\$103	\$199	\$379		\$4,371
1	1,962	293	339			\$1,010	5,084
182	70	430	174	31		617	4,776
1,098	2,064	3,090	138	5,466			16,651
<b>1,447</b>	<b>4,646</b>	<b>3,956</b>	<b>754</b>	<b>5,696</b>	<b>379</b>	<b>1,627</b>	<b>30,882</b>
1,085	2,807	3,414	325	4,032	358		19,857
185	221	405	82	670	28		4,430
118	282	156	69				1,219
				400		596	1,146
<b>1,388</b>	<b>3,310</b>	<b>3,975</b>	<b>476</b>	<b>5,102</b>	<b>386</b>	<b>596</b>	<b>26,652</b>
<b>59</b>	<b>1,336</b>	<b>(19)</b>	<b>278</b>	<b>594</b>	<b>(7)</b>	<b>1,031</b>	<b>4,230</b>
635	1,398	1,600	157	6,347			16,314
474	1,517	91					9,451
16	461	683					2,010
(1,098)	(2,091)	(2,046)	(138)	(5,466)			(15,811)
<b>27</b>	<b>1,285</b>	<b>328</b>	<b>19</b>	<b>881</b>			<b>11,964</b>
46	641	2,454	11				4,768
1,182	4,945	4,128	40				11,188
		56					178
	27	(1,044)					(840)
<b>1,228</b>	<b>5,613</b>	<b>5,594</b>	<b>51</b>				<b>15,294</b>
<b>1,314</b>	<b>8,234</b>	<b>5,903</b>	<b>348</b>	<b>1,475</b>	<b>(7)</b>	<b>1,031</b>	<b>31,488</b>
<b>8,932</b>	<b>49,795</b>	<b>38,169</b>	<b>2,034</b>	<b>207</b>	<b>8</b>	<b>1,481</b>	<b>164,308</b>
<b>\$10,246</b>	<b>\$58,029</b>	<b>\$44,072</b>	<b>\$2,382</b>	<b>\$1,682</b>	<b>\$1</b>	<b>\$2,512</b>	<b>\$195,796</b>

# Combining Statement of Activities, Non-major Component Units

	Medical Alumni Association of the University of Maryland, Inc.	M Club Foundation, University of Maryland, Inc.	The Robert H. Smith School of Business Foundation, Inc.	Bowie State University Foundation, Inc	Towson University Foundation, Inc.	Frostburg State University Foundation, Inc.
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>						
<b>Revenues:</b>						
Contributions & grants	\$1,232	\$12	\$19	\$17	\$714	\$142
Investment income	31	239	279	23	80	22
Other income	293	58	1,808		(37)	434
Assets released from restrictions	27			339	2,106	1,147
<b>Total revenues</b>	<b>1,583</b>	<b>309</b>	<b>2,106</b>	<b>379</b>	<b>2,863</b>	<b>1,745</b>
<b>Expenses:</b>						
Program	1,529	42	1,176	209	2,138	1,591
General & administrative	262	41	451	107	345	
Fundraising	193				288	
Other expense			99			
<b>Total expenses</b>	<b>1,984</b>	<b>83</b>	<b>1,726</b>	<b>316</b>	<b>2,771</b>	<b>1,591</b>
<b>Change in unrestricted net assets</b>	<b>(401)</b>	<b>226</b>	<b>380</b>	<b>63</b>	<b>92</b>	<b>154</b>
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</b>						
Contributions & grants	61		197	161	2,449	1,281
Investment income	704			122	1,523	1,181
Other income					557	221
Assets released from restrictions	(27)			(339)	(2,106)	(1,147)
<b>Change in temporarily restricted net assets</b>	<b>738</b>		<b>197</b>	<b>(56)</b>	<b>2,423</b>	<b>1,536</b>
<b>CHANGES IN PERMANENTLY RESTRICTED NET ASSETS</b>						
Contributions & grants				104	854	
Investment income				370	13	
Other income					133	
Assets released from restrictions						
<b>Change in permanently restricted net assets</b>				<b>474</b>	<b>1,000</b>	
<b>Total change in net assets</b>	<b>337</b>	<b>226</b>	<b>577</b>	<b>481</b>	<b>3,515</b>	<b>1,690</b>
<b>Net assets - June 30, 2005</b>	<b>5,422</b>	<b>2,038</b>	<b>3,536</b>	<b>4,258</b>	<b>31,724</b>	<b>9,878</b>
<b>Net assets - June 30, 2006</b>	<b>\$5,759</b>	<b>\$2,264</b>	<b>\$4,113</b>	<b>\$4,739</b>	<b>\$35,239</b>	<b>\$11,568</b>

Year Ended June 30, 2006  
(amounts expressed in thousands)

Coppin State University Development Foundation, Inc.	University of Baltimore Educational Foundation, Inc.	Salisbury University Foundation, Inc.	Maryland 4-H Foundation, Inc.	University Research Corporation International, Inc.	The Maryland Center at Bowie State University, Inc.	University of Maryland, Baltimore County Research Park, Inc.	Total Non-major Component Units
\$91	\$2,680	\$232	\$22	\$276	\$317		\$5,754
1	894	406				\$54	2,029
41	83	386	211	6		350	3,633
680	2,146	2,837	216	6,600			16,098
<b>813</b>	<b>5,803</b>	<b>3,861</b>	<b>449</b>	<b>6,882</b>	<b>317</b>	<b>404</b>	<b>27,514</b>
482	3,067	2,948	330	5,981	296		19,789
273	35	377	188	801	18		2,898
40	210	129					860
						170	269
<b>795</b>	<b>3,312</b>	<b>3,454</b>	<b>518</b>	<b>6,782</b>	<b>314</b>	<b>170</b>	<b>23,816</b>
<b>18</b>	<b>2,491</b>	<b>407</b>	<b>(69)</b>	<b>100</b>	<b>3</b>	<b>234</b>	<b>3,698</b>
372	753	3,374	331	6,600			15,579
183	1,410	34	66				5,223
128	433	684					2,023
(680)	(2,142)	(2,034)	(216)	(6,600)			(15,291)
<b>3</b>	<b>454</b>	<b>2,058</b>	<b>181</b>				<b>7,534</b>
190	462	8,875	3				10,488
764	2,089	1,827	22				5,085
(612)		(864)					(1,343)
	(4)	(803)					(807)
<b>342</b>	<b>2,547</b>	<b>9,035</b>	<b>25</b>				<b>13,423</b>
<b>363</b>	<b>5,492</b>	<b>11,500</b>	<b>137</b>	<b>100</b>	<b>3</b>	<b>234</b>	<b>24,655</b>
<b>8,569</b>	<b>44,303</b>	<b>26,669</b>	<b>1,897</b>	<b>107</b>	<b>5</b>	<b>1,247</b>	<b>139,653</b>
<b>\$8,932</b>	<b>\$49,795</b>	<b>\$38,169</b>	<b>\$2,034</b>	<b>\$207</b>	<b>\$8</b>	<b>\$1,481</b>	<b>\$164,308</b>

## Schedule of Estimated & Actual Revenues by Institution Budgetary Basis

Year ended June 30, 2007  
(amounts expressed in thousands)

	Current		Current	
	Unrestricted Funds		Restricted Funds	
	Estimated	Actual	Estimated	Actual
UMB	\$434,427	\$439,885	\$363,893	\$351,806
UMCP	1,070,439	1,069,040	311,884	286,754
BSU	72,431	73,759	15,118	12,822
TU	285,217	288,790	29,400	23,171
UMES	72,652	73,460	28,566	23,623
FSU	79,037	78,291	7,443	6,411
CSU	55,500	54,799	22,886	13,247
UB	77,796	80,850	8,351	6,804
SU	116,538	114,944	6,825	5,823
UMUC	256,218	243,899	10,000	8,629
UMBC	240,745	242,856	81,857	78,147
UMCES	21,989	20,910	18,356	15,335
UMBI	40,258	36,832	28,500	25,184
USM Office	18,732	18,218	5,500	5,021
<b>Totals</b>	<b>\$2,841,979</b>	<b>\$2,836,533</b>	<b>\$938,579</b>	<b>\$862,777</b>

## Schedule of Budgeted & Actual Expenditures by Institution Budgetary Basis

Year ended June 30, 2007  
(amounts expressed in thousands)

	Current		Current	
	Unrestricted Funds		Restricted Funds	
	Estimated	Actual	Estimated	Actual
UMB	\$434,427	\$421,675	\$363,893	\$351,806
UMCP	1,070,439	1,030,792	311,884	286,754
BSU	72,431	70,549	15,118	12,822
TU	285,217	285,169	29,400	23,171
UMES	72,652	72,647	28,566	23,623
FSU	79,037	78,375	7,443	6,411
CSU	55,500	54,276	22,886	13,247
UB	77,796	77,794	8,351	6,804
SU	116,538	111,308	6,825	5,823
UMUC	256,218	241,449	10,000	8,629
UMBC	240,745	237,638	81,857	78,147
UMCES	21,989	20,805	18,356	15,335
UMBI	40,258	36,228	28,500	25,184
USM Office	18,732	18,196	5,500	5,021
<b>Totals</b>	<b>\$2,841,979</b>	<b>\$2,756,901</b>	<b>\$938,579</b>	<b>\$862,777</b>





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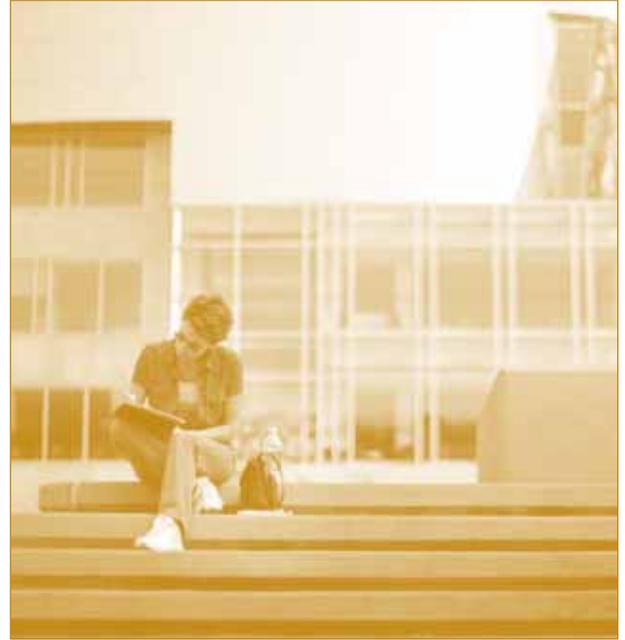
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2007

# Statistical Section



**Schedule of Net Assets**  
**Last Six Fiscal Years**

June 30,  
(amounts expressed in thousands)

	2007	2006	2005	2004	2003	2002
<b>NET ASSETS</b>						
Unrestricted net assets	\$726,811	\$595,657	\$519,607	\$436,977	\$314,956	\$302,659
Invested in capital assets, net	2,394,375	2,204,079	2,111,737	1,988,672	1,832,243	1,596,840
Restricted:						
Nonexpendable:						
Scholarships and fellowships	11,214	11,023	11,017	10,129	8,207	42,277
Research	3,643	3,643	3,688	3,642	4,110	53,307
Other	14,855	14,515	14,638	14,630	11,427	39,822
Expendable:						
Scholarships and fellowships	51,887	47,662	35,301	36,155	29,509	
Research	87,404	77,732	83,750	99,119	94,781	65,361
Loans	75,755	74,823	81,321	64,580	71,213	65,928
Capital projects	16,952	13,225	31,315	5,433	4,934	20,865
Other	41,436	35,367	31,050	31,498	28,257	
<b>Total net assets</b>	<b>\$3,424,332</b>	<b>\$3,077,726</b>	<b>\$2,923,424</b>	<b>\$2,690,835</b>	<b>\$2,399,637</b>	<b>\$2,187,059</b>



**Schedule of Changes in Net Assets**

Last Six Fiscal Years

Years ended June 30,  
(amounts expressed in thousands)

	2007	2006	2005	2004	2003	2002
<b>OPERATING REVENUES:</b>						
Tuition and fees, net	\$873,300	\$825,730	\$778,135	\$705,521	\$634,121	\$565,444
Contracts and grants	915,161	894,892	886,518	825,689	820,018	792,276
Sales and services, net	598,620	574,269	543,548	466,732	432,304	404,694
Other operating revenues	53,996	47,357	41,540	34,492	46,591	29,840
<b>Total operating revenues</b>	<b>2,441,077</b>	<b>2,342,248</b>	<b>2,249,741</b>	<b>2,032,434</b>	<b>1,933,034</b>	<b>1,792,254</b>
<b>OPERATING EXPENSES:</b>						
Employee costs						
Payments to suppliers, contractors and others	2,222,949	2,068,901	1,934,401	1,823,720	1,813,072	1,730,475
Depreciation	923,751	911,809	835,269	743,877	759,447	771,127
	174,214	167,622	152,602	142,126	128,682	108,601
<b>Total operating expenses</b>	<b>3,320,914</b>	<b>3,148,332</b>	<b>2,922,272</b>	<b>2,709,723</b>	<b>2,701,201</b>	<b>2,610,203</b>
<b>Operating income</b>	<b>(879,837)</b>	<b>(806,084)</b>	<b>(672,531)</b>	<b>(677,289)</b>	<b>(768,167)</b>	<b>(817,949)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
State appropriations	933,537	811,588	757,698	746,207	771,877	864,765
Gifts	36,842	21,638	14,010	14,951	24,402	7,118
Investment income, net	100,822	70,284	40,075	39,085	19,534	(13,821)
Interest on indebtedness	(43,497)	(42,456)	(43,749)	(38,996)	(39,913)	(35,295)
Other nonoperating revenues (expenses)	8,908	3,741	(774)	13,074	19,848	6,458
<b>Total nonoperating revenue (expenses)</b>	<b>1,036,612</b>	<b>864,795</b>	<b>767,260</b>	<b>774,321</b>	<b>795,748</b>	<b>829,225</b>
<b>Income before other revenues, expenses, gains and losses</b>	<b>156,775</b>	<b>58,711</b>	<b>94,729</b>	<b>97,032</b>	<b>27,581</b>	<b>11,276</b>
<b>OTHER REVENUES, EXPENSES, GAINS AND LOSSES</b>						
Capital appropriations	147,871	89,186	130,932	176,169	206,899	170,970
Capital gifts and grants	30,732	9,079	10,830	14,285	9,148	12,661
Additions to permanent endowments	532	48	440	4,479	2,852	344
Other gains and losses	10,696	(2,722)	(4,342)	(767)	(1,502)	(1,846)
<b>Total other revenues, expenses, gains and losses</b>	<b>189,831</b>	<b>95,591</b>	<b>137,860</b>	<b>194,166</b>	<b>217,397</b>	<b>182,129</b>
<b>Increase in net assets</b>	<b>346,606</b>	<b>154,302</b>	<b>232,589</b>	<b>291,198</b>	<b>244,978</b>	<b>193,405</b>
<b>Net assets, June 30, 2006</b>	<b>3,077,726</b>	<b>2,923,424</b>	<b>2,690,835</b>	<b>2,399,637</b>	<b>2,187,059</b>	<b>3,296,704</b>
Cumulative effect of change in accounting principles						(1,312,050)
Correction of error					(32,400)	
<b>Net assets, June 30, 2007</b>	<b>\$3,424,332</b>	<b>\$3,077,726</b>	<b>\$2,923,424</b>	<b>\$2,690,835</b>	<b>\$2,399,637</b>	<b>\$2,178,059</b>

**FINANCIAL TREND INFORMATION — UNIVERSITY SYSTEM OF MARYLAND**
**Schedule of Operating Revenues**
**Last Six Fiscal Years**

 Years ended June 30,  
 (amounts expressed in thousands)

	2007	2006	2005	2004	2003	2002
<b>OPERATING REVENUES:</b>						
Tuition and fees	\$1,023,132	\$965,105	\$910,670	\$835,121	\$743,568	\$671,672
Less: scholarship allowances	(149,832)	(139,375)	(132,535)	(129,600)	(109,447)	(106,228)
Federal grants and contracts	643,895	617,375	608,561	514,740	492,038	478,137
State and local grants and contracts	154,131	156,160	134,904	134,493	145,811	159,307
Nongovernmental grants and contracts	117,135	121,357	143,053	176,456	182,169	154,832
Sales and services of educational departments	193,764	193,884	177,225	117,770	110,046	101,311
Auxiliary enterprises:						
Residential facilities	104,976	101,449	97,620	92,147	89,543	143,846
Less: scholarship allowances	(8,323)	(7,858)	(8,448)	(9,092)	(8,730)	(10,903)
Dining facilities	86,268	79,773	77,675	73,426	67,535	
Less: scholarship allowances	(4,924)	(4,574)	(3,967)	(4,015)	(4,948)	
Intercollegiate athletics	72,041	66,869	64,841	59,360	58,736	52,354
Less: scholarship allowances	(3,058)	(2,506)	(1,992)	(1,949)	(2,239)	(1,694)
Bookstores	32,231	31,577	32,941	32,144	31,300	29,768
Less: scholarship allowances	(99)	(76)	(70)	(75)	(93)	(60)
Parking facilities	35,506	32,420	31,487	27,786	24,399	20,431
Less: scholarship allowances	(86)					
Other auxiliary enterprises revenues	90,345	83,314	76,243	79,298	66,755	69,641
Less: scholarship allowances	(21)	(3)	(7)	(68)		
Other operating revenues	53,996	47,357	41,540	34,492	46,591	29,840
<b>Total operating revenues</b>	<b>\$2,441,077</b>	<b>\$2,342,248</b>	<b>\$2,249,741</b>	<b>\$2,032,434</b>	<b>\$1,933,034</b>	<b>\$1,792,254</b>

**FINANCIAL TREND INFORMATION — UNIVERSITY SYSTEM OF MARYLAND**
**Schedule of Operating Expenses**
**Last Six Fiscal Years**

 Years ended June 30,  
 (amounts expressed in thousands)

	2007	2006	2005	2004	2003	2002
<b>OPERATING EXPENSES:</b>						
Instruction	\$890,577	\$861,191	\$819,558	\$803,838	\$807,051	\$773,427
Research	761,371	719,067	694,359	561,608	556,109	551,329
Public service	126,113	122,906	111,356	141,206	157,652	140,560
Academic support	287,338	259,224	239,221	229,765	232,637	211,809
Student services	143,441	125,432	114,784	102,587	102,422	99,856
Institutional support	317,336	300,468	276,259	271,023	258,673	252,445
Operation and maintenance of plant	261,289	248,443	204,025	195,529	180,072	210,564
Scholarships and fellowships	63,142	59,117	47,686	44,145	47,721	41,515
Auxiliary enterprises:						
Residential facilities	87,130	85,361	82,981	76,021	72,969	119,315
Dining facilities	80,566	73,509	64,795	61,721	56,230	
Intercollegiate athletics	72,157	69,660	62,445	58,216	71,864	66,240
Bookstores	30,118	28,912	30,580	30,137	30,105	27,294
Parking facilities	23,386	23,225	20,783	21,045	19,298	15,167
Other auxiliary enterprises expenses	76,452	73,552	65,722	56,673	62,376	58,479
Hospital	100,498	98,265	87,718	56,209	46,022	42,203
<b>Total operating expenses</b>	<b>\$3,320,914</b>	<b>\$3,148,332</b>	<b>\$2,922,272</b>	<b>\$2,709,723</b>	<b>\$2,701,201</b>	<b>\$2,610,203</b>

Source: The above information was compiled using the audited basic financial statements of the University System of Maryland.

**Average Tuition and Mandatory Fees** Last Ten Academic Years

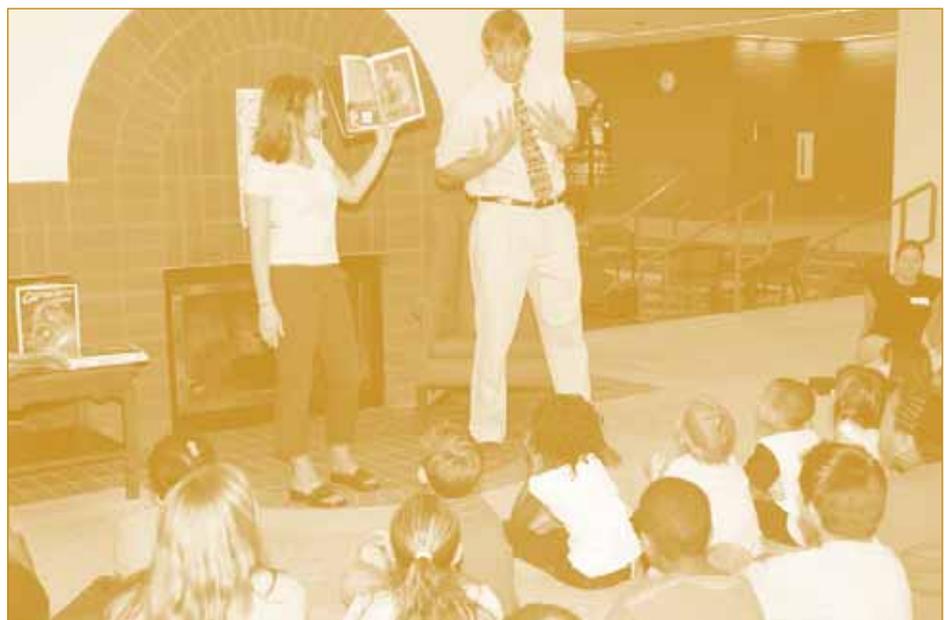
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>University of Maryland, Baltimore</b>										
Undergraduate - In-State	\$7,579	\$7,162	\$6,733	\$5,815	\$5,199	\$5,017	\$4,807	\$4,567	\$4,397	\$4,162
Undergraduate - Out-of-State	18,373	17,791	16,319	14,399	12,594	11,948	11,464	10,031	9,676	9,190
Graduate Part-Time - In-State	352	327	360	296	281	274	261	253	244	245
Graduate Part-Time - Out-of-State	627	584	624	531	503	489	468	454	438	441
<b>University of Maryland, College Park</b>										
Undergraduate - In-State	7,821	7,410	6,759	5,898	5,341	5,136	4,939	4,699	4,460	4,169
Undergraduate - Out-of-State	20,145	18,710	17,433	15,100	13,413	12,668	11,827	11,221	10,589	10,228
Graduate Part-Time - In-State	393	371	349	305	289	278	272	272	272	250
Graduate Part-Time - Out-of-State	820	701	602	482	448	430	415	400	400	375
<b>Bowie State University</b>										
Undergraduate - In-State	5,418	5,218	4,853	4,219	3,782	3,778	3,664	3,467	3,357	3,103
Undergraduate - Out-of-State	14,786	13,583	12,465	10,956	9,864	9,349	8,981	8,290	7,792	7,026
Graduate Part-Time - In-State	293	268	244	206	195	195	186	169	158	144
Graduate Part-Time - Out-of-State	587	536	488	411	390	368	350	304	268	244
<b>Towson University</b>										
Undergraduate - In-State	7,096	6,672	6,226	5,591	4,984	4,720	4,520	4,335	4,120	3,822
Undergraduate - Out-of-State	16,030	15,352	14,298	13,311	11,870	11,140	10,524	9,940	9,198	7,924
Graduate Part-Time - In-State	267	257	244	223	211	203	195	187	174	159
Graduate Part-Time - Out-of-State	560	538	510	464	435	410	394	364	340	290
<b>University of Maryland Eastern Shore</b>										
Undergraduate - In-State	5,808	5,558	5,105	4,613	4,128	3,994	3,883	3,585	3,240	3,036
Undergraduate - Out-of-State	11,964	11,421	10,440	9,377	8,612	8,497	8,443	8,227	7,777	7,646
Graduate Part-Time - In-State	216	206	187	159	151	151	145	143	143	143
Graduate Part-Time - Out-of-State	392	373	339	289	272	272	261	253	253	253
<b>Frostburg State University</b>										
Undergraduate - In-State	6,230	5,830	5,342	4,800	4,256	4,132	3,956	3,776	3,544	3,290
Undergraduate - Out-of-State	14,480	13,374	12,242	10,896	9,754	9,282	8,656	8,036	7,530	7,000
Graduate Part-Time - In-State	280	256	234	197	187	180	174	170	168	159
Graduate Part-Time - Out-of-State	321	296	271	229	217	208	202	197	195	184
<b>Coppin State University</b>										
Undergraduate - In-State	4,714	4,454	4,240	3,959	3,477	3,370	3,272	3,164	3,012	2,867
Undergraduate - Out-of-State	11,235	10,626	10,062	9,368	8,604	8,347	8,104	7,855	7,392	6,872
Graduate Part-Time - In-State	197	186	175	161	153	149	144	140	136	129
Graduate Part-Time - Out-of-State	357	337	318	291	276	265	255	240	220	204
<b>University of Baltimore</b>										
Undergraduate - In-State	6,794	6,448	5,913	5,190	4,504	4,107	4,122	3,966	3,804	3,480
Undergraduate - Out-of-State	18,373	17,791	16,319	14,399	12,594	11,948	11,464	10,764	9,300	8,046
Graduate Part-Time - In-State	463	415	374	310	294	282	256	233	217	198
Graduate Part-Time - Out-of-State	705	632	569	471	438	419	382	356	333	271

continued on next page

**Average Tuition and Mandatory Fees** Last Ten Academic Years

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>Salisbury University</b>										
Undergraduate - In-State	\$6,376	\$5,976	\$5,564	\$4,974	\$4,486	\$4,312	\$4,156	\$4,002	\$3,812	\$3,608
Undergraduate - Out-of-State	14,054	13,554	12,454	10,908	9,942	9,048	8,550	8,212	7,564	6,918
Graduate Part-Time - In-State	249	236	215	184	174	168	162	162	152	140
Graduate Part-Time - Out-of-State	535	500	455	380	355	336	318	310	250	210
<b>University of Maryland University College</b>										
Undergraduate - In-State	5,520	5,424	5,328	4,944	4,728	4,584	4,416	4,392	4,344	4,224
Undergraduate - Out-of-State	10,152	9,888	9,696	9,216	8,736	8,400	5,664	5,328	5,016	4,872
Graduate Part-Time - In-State	353	339	332	315	301	292	281	284	273	265
Graduate Part-Time - Out-of-State	575	553	542	521	494	397	382	367	353	343
<b>University of Maryland, Baltimore County</b>										
Undergraduate - In-State	8,520	8,020	7,388	6,592	5,910	5,490	5,160	4,699	4,460	4,136
Undergraduate - Out-of-State	16,596	15,620	14,290	13,086	11,290	10,258	9,633	9,254	9,022	8,928
Graduate Part-Time - In-State	395	373	350	307	291	278	268	260	253	231
Graduate Part-Time - Out-of-State	652	606	570	493	480	470	470	468	455	416
<b>University System of Maryland - Avg.</b>										
Undergraduate - In-State	6,540	6,197	5,768	5,145	4,618	4,428	4,259	4,059	3,868	3,627
Undergraduate - Out-of-State	15,070	14,302	13,273	11,861	10,655	10,097	9,405	8,833	8,260	7,695
Graduate Part-Time - In-State	314	313	279	242	230	223	213	207	199	188
Graduate Part-Time - Out-of-State	557	555	481	415	392	369	354	338	319	294

Source: University System of Maryland Office of Budget Analysis



**Ratio of Unrestricted Net Assets  
to Debt Outstanding** Last Six Fiscal Years

June 30,  
(amounts expressed in thousands)

	2007	2006	2005	2004	2003	2002
Unrestricted net assets	\$726,811	\$595,657	\$519,607	\$436,977	\$314,956	\$302,659
Total debt outstanding	\$954,847	\$934,826	\$1,000,726	\$998,072	\$855,142	\$796,664
Unrestricted net assets to debt ratio	0.76	0.64	0.52	0.44	0.37	0.38



## DEBT CAPACITY INFORMATION — UNIVERSITY SYSTEM OF MARYLAND

### Computation of Legal Debt Margin Last Ten Fiscal Years

	2007	2006	2005	2004	2003	2002
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):	\$1,050,000	\$1,050,000	\$1,025,000	\$1,025,000	\$975,000	\$875,000
Outstanding revenue bonds, other debt, and obligations under capital lease agreements for real property:						
Auxiliary Facility and Tuition Revenue Bonds	\$868,958	\$845,638	\$901,141	\$897,288	\$775,365	\$713,984
Notes payable on equipment and facilities	65,000	65,000	65,000	64,987	49,568	51,253
Other	16,396	19,496	29,707	30,744	24,993	26,058
Obligation under capital lease agreements for real property	4,493	4,692	4,878	5,053	5,216	5,369
<b>Total debt and capital leases subject to limitation</b>	<b>\$954,847</b>	<b>\$934,826</b>	<b>\$1,000,726</b>	<b>\$998,072</b>	<b>\$855,142</b>	<b>\$796,664</b>
<b>Legal debt margin, as of June 30</b>	<b>\$95,153</b>	<b>\$115,174</b>	<b>\$24,274</b>	<b>\$26,928</b>	<b>\$119,858</b>	<b>\$78,336</b>

Source: University System of Maryland Office

## DEBT CAPACITY INFORMATION — UNIVERSITY SYSTEM OF MARYLAND

### Schedule of Revenue Bond Debt Service Coverage Last Ten Fiscal Years

	2007	2006	2005	2004	2003	2002
<b>PLEGGED NET REVENUES:</b>						
Tuition and fees	\$1,023,132	\$965,105	\$910,670	\$835,121	\$743,568	\$671,672
Auxiliary facilities fees	421,367	395,402	380,807	364,160	338,268	246,399
Total revenues available for debt service	1,444,499	1,360,507	1,291,477	1,199,281	1,081,836	918,071
Auxiliary enterprise expenses	(369,809)	(354,219)	(327,306)	(303,813)	(312,842)	(286,496)
Net revenues pledged for debt service	<b>\$1,074,690</b>	<b>\$1,006,288</b>	<b>\$964,171</b>	<b>\$895,468</b>	<b>\$768,994</b>	<b>\$631,575</b>
<b>REVENUE BOND DEBT SERVICE SUBJECT TO RATE COVENANT</b>	<b>\$102,883</b>	<b>\$97,212</b>	<b>\$94,187</b>	<b>\$89,001</b>	<b>\$86,817</b>	<b>\$81,243</b>
Revenue bond debt service coverage	10.45	10.35	10.24	10.06	8.86	7.77

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:

1997 Series A	2000 Series A	2003 Series A	2005 Series A
1998 Series A	2001 Series A	2003 Series B	2006 Series A
1999 Series A	2001 Series B	2004 Series A	2007 Series A
1999 Series B	2002 Series A	2004 Series B	

Source: University System of Maryland Office

June 30,  
(amounts expressed in thousands)

2001	2000	1999	1998
\$875,000	\$850,000	\$750,000	\$750,000
\$722,307	\$591,628	\$618,920	\$555,890
53,024	54,710	41,300	43,046
21,841	4,084	4,840	5,956
5,512	5,710	5,772	5,889
<b>\$802,684</b>	<b>\$656,132</b>	<b>\$670,832</b>	<b>\$610,781</b>
<b>\$72,316</b>	<b>\$193,868</b>	<b>\$79,168</b>	<b>\$139,219</b>

Years ended June 30,  
(amounts expressed in thousands)

2001	2000	1999	1998
\$594,118	\$545,710	\$517,426	\$487,239
315,950	296,562	285,158	258,395
910,068	842,272	802,584	745,634
(239,474)	(218,336)	(216,462)	(199,529)
<b>\$670,594</b>	<b>\$623,936</b>	<b>\$586,122</b>	<b>\$546,105</b>
<b>\$78,467</b>	<b>\$66,096</b>	<b>\$66,098</b>	<b>\$59,482</b>
8.55	9.44	8.87	9.18



**DEMOGRAPHIC AND ECONOMIC CONDITION INFORMATION  
UNIVERSITY SYSTEM OF MARYLAND**

**Maryland's Ten Largest Private Employers <sup>(1)</sup>**

2007	2006 and 2005	2004 and 2003
<b>Employer</b> (listed Alphabetically)		
Giant of Maryland LLC	Giant of Maryland LLC	Giant of Maryland LLC
Helix Health System Inc.	Helix Health System Inc.	Helix Health System Inc.
Home Depot USA Inc.	Home Depot USA Inc.	Home Depot USA Inc.
Johns Hopkins Hospital	Johns Hopkins Hospital	Johns Hopkins Hospital
Johns Hopkins University	Johns Hopkins University	Johns Hopkins University
Macy's	Northrop Grumman Corporation	Northrop Grumman Corporation
Northrop Grumman Corporation	Safeway Inc	Safeway Inc
Safeway Inc	Target	United Parcel Service
United Parcel Service	United Parcel Service	Verizon Maryland Inc.
Wal-Mart	Wal-Mart	Wal-Mart

Source: Department of Labor, Licensing and Regulation; Office of Labor Market Analysis and Information.

(1) Information for prior years not available.

**DEMOGRAPHIC AND ECONOMIC CONDITION INFORMATION  
UNIVERSITY SYSTEM OF MARYLAND**

**Schedule of Employment by Sector**

	Calendar Year 2006 <sup>(1)</sup>			Calendar Year 1997 <sup>(2)</sup>		
	Average Annual Employment	Total Wages (Expressed in Thousands)	Average Weekly Wage Per Worker	Average Annual Employment	Total Wages (Expressed in Thousands)	Average Weekly Wage Per Worker
Government:						
State and local	330,314	\$14,723,321	\$857	284,018	\$9,080,592	\$615
Federal	125,178	9,652,443	1,483	125,470	6,269,645	961
Total government	455,492	24,375,764	1,029	409,488	15,350,237	721
Manufacturing	136,334	7,692,777	1,085	176,722	7,013,401	763
Natural resources and mining	6,836	235,000	661			
Construction	188,420	9,076,290	926	137,820	4,509,478	629
Trade, transportation, and utilities	470,271	17,509,056	716	103,126	3,935,437	734
Wholesale				110,298	4,556,267	794
Retail				426,555	7,273,865	328
Information services	50,726	3,212,601	1,218			
Financial activities	157,729	10,523,325	1,283	131,151	5,619,175	824
Professional and business services	394,518	22,563,934	1,100	710,267	21,980,115	595
Education and health services	349,136	14,659,573	807			
Leisure and hospitality	229,694	4,086,481	342			
Unclassified and other services	90,973	2,801,067	592	26,070	602,917	445
Total of all sectors	2,530,129	\$116,735,868	\$887	2,231,497	\$70,840,892	\$610

(1) Source: Maryland Department of Labor, Licensing and Regulation, Office of Labor Market Analysis and Information Publication "Employment and Payroll 2006 Annual Averages" issued July, 2007. This report reflects the new North American Industry Classification System (NAICS) coding revisions.

(2) Source: Maryland Department of Economic and Employment Development, Office of Labor Market Analysis and Information, December 31, 1997.

(3) Some of the data is not comparative due to the reclassifications made during the term of the two periods.

**Schedule of Demographic Statistics** Last Ten Academic Years

	Population <sup>(1)</sup>	Total Personal Income <sup>(2)</sup> (Expressed in Thousands)	Per Capita Personal Income	School Enrollment <sup>(3)</sup>	Unemployment Rate <sup>(4)</sup>
2007	5,615,727	\$247,525,909	\$44,077	1,036,523	3.9%
2006	5,600,388	235,195,668	41,996	1,050,627	3.8
2005	5,558,058	218,137,769	39,248	1,053,378	4.2
2004	5,508,909	205,652,120	37,331	1,056,520	4.3
2003	5,450,525	197,868,861	36,303	1,056,944	4.7
2002	5,383,377	190,331,297	35,355	1,049,733	4.6
2001	5,311,531	181,957,207	34,257	1,040,020	3.8
2000	5,254,509	167,074,691	31,796	1,017,574	3.3
1999	5,204,464	157,783,778	30,317	1,009,870	4.0
1998	5,157,328	147,842,522	28,666	998,085	4.8

Sources:

(1) US Department of Commerce, Bureau of Census— "Annual Population Estimates by State"

Note: Figures are estimates for the calendar year except that the current year amount is a projected estimate for the year.

(2) US Department of Commerce, Bureau of Economic Analysis. All ten years of income data based on April 2004 Comprehensive revision of State Personal Income Statistics for 1969-2002.

Preliminary estimates are provided for 2003-2007. Data provided is for the prior ending calendar year.

(3) Figures are for the calendar year. State Department of Education, grades pre-kindergarten thru grade 12. Includes public and nonpublic schools.

(4) Figures are for the fiscal year. State Department of Labor, Licensing and Regulation.



**OPERATING INFORMATION — UNIVERSITY SYSTEM OF MARYLAND**

**Enrollment Statistics Last Ten Academic Years**

	Fall enrollments					
	2006	2005	2004	2003	2002	2001
<b>CLASSIFICATION</b>						
Undergraduate	97,882	92,977	93,590	91,523	89,962	87,589
Graduate	33,877	31,928	31,847	31,008	30,078	28,315
First Professional Students	3,560	3,520	3,484	3,498	3,456	3,515
<b>Total</b>	<b>135,319</b>	<b>128,425</b>	<b>128,921</b>	<b>126,029</b>	<b>123,496</b>	<b>119,419</b>
<b>ORIGIN</b>						
In-state	97,428	92,151	92,664	90,920	89,040	86,249
Out-of-state	31,262	29,374	29,029	27,548	26,189	24,596
Foreign	6,629	6,900	7,113	7,442	8,147	8,455
Overseas	13,798	15,554	17,282	18,194	16,079	17,688
<b>Total</b>	<b>149,117</b>	<b>143,979</b>	<b>146,088</b>	<b>144,104</b>	<b>139,455</b>	<b>136,988</b>
<b>CAMPUS ENROLLMENTS</b>						
University of Maryland, Baltimore	5,636	5,526	5,602	5,477	5,470	5,476
University of Maryland, College Park	35,102	35,369	34,933	35,329	34,801	34,160
Bowie State University	5,291	5,319	5,414	5,454	5,257	5,181
Towson University	18,921	18,011	17,667	17,188	17,481	16,980
University of Maryland Eastern Shore	4,130	3,870	3,775	3,762	3,644	3,426
Frostburg State University	4,910	5,041	5,327	5,469	5,457	5,283
Coppin State University	4,104	4,306	3,875	3,749	3,882	4,003
University of Baltimore	4,948	4,895	5,045	4,937	4,792	4,639
Salisbury University	7,383	7,009	6,942	6,816	6,851	6,682
University of Maryland University College	46,894	42,983	45,656	44,051	40,108	39,921
University of Maryland, Baltimore County	11,798	11,650	11,852	11,872	11,711	11,237
<b>Total</b>	<b>149,117</b>	<b>143,979</b>	<b>146,088</b>	<b>144,104</b>	<b>139,454</b>	<b>136,988</b>

Source: University System of Maryland Office of Institutional Research

**OPERATING INFORMATION — UNIVERSITY SYSTEM OF MARYLAND**

**Schedule of Capital Assets by Type Last Five Academic Years**

Capital Asset Statistics	Fall 2006	Fall 2005	Fall 2004	Fall 2003	Fall 2002
Academic buildings	235	231	236	228	221
Administrative buildings	37	42	49	50	47
Libraries	11	11	11	11	11
Dormitories	122	118	123	118	120
Auxiliary buildings	133	138	128	124	123

Source: Space Inventory Data supplied annually in the spring by individual institutions to the USM Office. Includes only buildings currently in service.

2000	1999	1998	1997
99,401	97,790	97,237	96,669
26,768	3,293	24,652	24,502
3,207	24,951	3,364	3,502
129,376	126,034	125,253	124,673
82,320	80,896	80,493	80,333
22,099	20,080	19,181	18,731
8,201	7,509	7,099	6,541
16,756	17,549	18,480	19,068
129,376	126,034	125,253	124,673
5,337	5,553	5,703	5,975
33,189	32,864	32,925	32,711
5,061	5,131	5,410	5,704
16,729	16,647	15,923	15,524
3,297	3,000	3,206	3,209
5,348	5,198	5,260	5,199
3,890	3,844	3,764	3,540
4,674	4,611	4,624	4,609
6,421	6,060	6,080	6,022
34,671	32,861	32,236	32,317
10,759	10,265	10,122	9,863
129,376	126,034	125,253	124,673



## Degrees Awarded Last Ten Academic Years

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>University of Maryland, Baltimore</b>										
Bachelor's	453	444	377	348	377	301	351	385	416	423
Master's	540	457	582	666	582	694	708	702	707	693
Doctoral	150	158	103	70	103	72	73	61	71	64
First Professional	663	592	684	597	684	584	623	617	628	597
<b>Total</b>	<b>1,806</b>	<b>1,651</b>	<b>1,746</b>	<b>1,681</b>	<b>1,746</b>	<b>1,651</b>	<b>1,755</b>	<b>1,765</b>	<b>1,822</b>	<b>1,777</b>
<b>University of Maryland, College Park</b>										
Bachelor's	6301	6263	5959	5681	5958	5304	4971	5087	4977	4815
Master's	2001	1929	1990	1776	1990	1657	1634	1612	1526	1454
Doctoral	602	516	482	418	482	430	461	501	474	505
First Professional	29	25	31	29	31	28				
<b>Total</b>	<b>8,933</b>	<b>8,733</b>	<b>8,462</b>	<b>7,904</b>	<b>8,461</b>	<b>7,419</b>	<b>7,066</b>	<b>7,200</b>	<b>6,977</b>	<b>6,774</b>
<b>Bowie State University</b>										
Bachelor's	610	579	596	540	596	533	513	532	508	485
Master's	309	284	367	391	367	500	480	673	677	718
Doctoral	9	15								
<b>Total</b>	<b>928</b>	<b>878</b>	<b>963</b>	<b>931</b>	<b>963</b>	<b>1,033</b>	<b>993</b>	<b>1,205</b>	<b>1,185</b>	<b>1,203</b>
<b>Towson University</b>										
Bachelor's	3164	2984	2740	2717	2740	2608	2420	2609	2379	2464
Master's	964	827	777	712	777	657	579	550	522	416
Doctoral	10	5	2		2					
<b>Total</b>	<b>4,138</b>	<b>3,816</b>	<b>3,519</b>	<b>3,429</b>	<b>3,519</b>	<b>3,265</b>	<b>2,999</b>	<b>3,159</b>	<b>2,901</b>	<b>2,880</b>
<b>University of Maryland Eastern Shore</b>										
Bachelor's	452	389	374	428	374	443	456	458	415	341
Master's	75	62	77	68	77	86	72	82	73	67
Doctoral	18	5		2			1	1	3	
<b>Total</b>	<b>545</b>	<b>456</b>	<b>451</b>	<b>498</b>	<b>451</b>	<b>529</b>	<b>529</b>	<b>541</b>	<b>491</b>	<b>408</b>
<b>Frostburg State University</b>										
Bachelor's	849	835	797	757	797	812	780	824	836	929
Master's	216	264	253	232	253	215	213	213	206	222
<b>Total</b>	<b>1,065</b>	<b>1,099</b>	<b>1,050</b>	<b>989</b>	<b>1,050</b>	<b>1,027</b>	<b>993</b>	<b>1,037</b>	<b>1,042</b>	<b>1,151</b>
<b>Coppin State University</b>										
Bachelor's	338	315	304	385	304	372	421	342	339	332
Master's	85	75	149	173	149	74	84	105	107	114
<b>Total</b>	<b>423</b>	<b>390</b>	<b>453</b>	<b>558</b>	<b>453</b>	<b>446</b>	<b>505</b>	<b>447</b>	<b>446</b>	<b>446</b>

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>University of Baltimore</b>										
Bachelor's	496	490	470	455	470	462	444	440	476	452
Master's	453	413	474	437	474	498	501	452	395	451
Doctoral	6	6	3	4	3	1				
First Professional	261	293	265	239	265	238	248	320	303	307
<b>Total</b>	<b>1,216</b>	<b>1,202</b>	<b>1,212</b>	<b>1,135</b>	<b>1,212</b>	<b>1,199</b>	<b>1,193</b>	<b>1,212</b>	<b>1,174</b>	<b>1,210</b>
<b>Salisbury University</b>										
Bachelor's	1,401	1,313	1,301	1,364	1,301	1,285	1,056	1,169	1,263	1,205
Master's	209	190	208	196	208	145	145	182	167	158
<b>Total</b>	<b>1,610</b>	<b>1,503</b>	<b>1,509</b>	<b>1,560</b>	<b>1,509</b>	<b>1,430</b>	<b>1,201</b>	<b>1,351</b>	<b>1,430</b>	<b>1,363</b>
<b>University of Maryland</b>										
<b>University College</b>										
Associate	108	1,068	1,219	1,111	1,219	1,232	1,289	1,486	1,585	1,603
Bachelor's	2,667	3,587	3,464	3,521	3,452	3,435	3,404	3,325	3,352	3,360
Master's	1,766	1,667	1,384	1,232	1,050	775	751	838	786	776
Doctoral	6	8	6							
<b>Total</b>	<b>4,547</b>	<b>6,330</b>	<b>6,073</b>	<b>5,864</b>	<b>5,721</b>	<b>5,442</b>	<b>5,444</b>	<b>5,649</b>	<b>5,723</b>	<b>5,739</b>
<b>University of Maryland, Baltimore County</b>										
Bachelor's	1,720	1,819	1,708	1,729	1,708	1,606	1,465	1,511	1,423	1,478
Master's	329	379	400	358	400	282	288	270	217	270
Doctoral	89	77	65	67	65	50	46	55	54	57
<b>Total</b>	<b>2,138</b>	<b>2,275</b>	<b>2,173</b>	<b>2,154</b>	<b>2,173</b>	<b>1,938</b>	<b>1,799</b>	<b>1,836</b>	<b>1,694</b>	<b>1,805</b>
<b>University System of Maryland - Total</b>										
Associate	108	1,068	1,219	1,111	1,219	1,232	1,289	1,486	1,585	1,603
Bachelor's	18,451	19,018	18,090	17,925	18,077	17,161	16,281	16,682	16,384	16,284
Master's	6,947	6,547	6,661	6,241	6,327	5,583	5,455	5,679	5,383	5,339
Doctoral	890	790	661	561	655	553	581	618	602	626
First Professional	953	910	980	865	980	850	871	937	931	904
<b>Total</b>	<b>27,349</b>	<b>28,333</b>	<b>27,611</b>	<b>26,703</b>	<b>27,258</b>	<b>25,379</b>	<b>24,477</b>	<b>25,402</b>	<b>24,885</b>	<b>24,756</b>

Source: University System of Maryland Office

## Schedule of Miscellaneous Statistics

	UMB	UMCP	BSU	TU	UMES	FSU
<b>Year established</b>	1807	1856	1865	1866	1886	1898
<b>Number of employees:</b>						
Faculty:						
Full-time:						
Tenured	319	1,068	80	301	62	160
On track	194	275	68	192	46	45
Non-tenured	738	237	58	201	66	35
Part-time	632	588	142	595	100	112
Management/administrative/other	4,368	8,793	348	1,648	570	553
<b>Total</b>	<b>6,251</b>	<b>10,961</b>	<b>696</b>	<b>2,937</b>	<b>844</b>	<b>905</b>
<b>Financial aid:</b>						
Total number of recipients	4,469	25,191	3,684	11,148	3,611	3,686
Total aid awarded (expressed in thousands)	\$108,985	\$306,483	\$37,130	\$113,246	\$36,527	\$31,445

### 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



CSU	UB	SU	UMUC	UMBC	UMCES	UMBI	USM OFFICE	Systemwide
1900	1925	1925	1947	1966	1973	1984	1988	1988
67	103	182		262				2,604
45	23	87		116				1,091
20	35	68	248	107				1,813
129	199	152	1,342	281				4,272
367	585	895	1,028	1,844	318	532	98	21,947
628	945	1,384	2,618	2,610	318	532	98	31,727
3,263	3,176	4,984	10,949	6,753				80,914
\$25,593	\$40,686	\$43,368	\$93,501	\$74,922				\$911,887









**Office of Chief Operating Officer/  
Vice Chancellor for Administration and Finance**

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