



**BOARD OF REGENTS - AUDIT COMMITTEE  
OPEN SESSION MEETING AGENDA**

**December 18, 2023**

1. [Information & Discussion – DRAFT USM Audited Financial Statements](#) Ms. Denson  
Mr. Acton
    - Key Points Associated with FY 2023 Financial Statements
    - Financial Snapshot
    - Financial Dashboards
  
  2. [Information and Discussion – Update - FY 2023 Independent Audit of USM’s Financial Statements, CliftonLarsonAllen, LLC](#) Ms. Bowman
  
  3. [Information – Update of USM Enterprise Risk and Crisis Management Activity](#) Ms. Herbst  
Mr. Eismeier
  
  4. [Information – Completed Office of Legislative Audit Activity](#) Mr. Mosca
  
  5. [Information & Discussion - Follow up of Action Items from Prior Meetings](#) Mr. Mosca
  
  6. [Action - Convene to Closed Session](#) Mr. Pope
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# **Information & Discussion – DRAFT USM Audited Financial Statements**

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**TOPIC:** Information – USM Financial Statements and materials for the year ended June 30, 2023

**COMMITTEE:** Audit Committee

**DATE OF COMMITTEE MEETING:** December 18, 2023

**SUMMARY:**

This item includes the following:

**University System of Maryland Draft Annual Financial Statements for the year ended June 30, 2023:**

The financial statements include financial information about the financial position and results of operations for the USM, as well as what are known as 'component units', a subset of the System's affiliated foundations and business entities. Financial statements for each USM institution are included as supplementary information.

**University System of Maryland Draft Financial Statements for the Board for the years ended June 30, 2023 and 2022:** This year's draft financial statement report is for a single year only, due to the implementation of GASB 96, Subscription-Based Information Technology Arrangements. Included for reference is the draft Systemwide financial statements for the years ended June 30, 2023 and 2022.

**Financial Snapshot:** The analysis titled 'Financial Snapshot' summarizes the System's key financial health ratio used by rating agencies, Available Resources to Debt Outstanding, using the figures reflected in the financial statements, to provide a comparison between June 30, 2023 and 2022. The second part of the Financial Snapshot adjusts the publicly reported balances to take into consideration Board-approved claims and authorizations not yet expended or reflected in the financial statements to arrive at a 'true' financial health ratio for internal management and decision-making purposes. The adjusted ratio is used for managerial decision making in the BOR Policy VIII-12.00 Policy on Debt Management.

**Financial Dashboards:** A set of indicators and ratios that visually summarize financial health or performance against a set of benchmarks, as well as indicators of improvement or not from the previous year. Included on page 6-7 is a Financial Dashboards Overview and Description that provides a brief explanation of each indicator.

A set of key points covering each of these reports is included.

**FISCAL IMPACT:** Information item

**CHANCELLOR'S RECOMMENDATION:** Information item

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COMMITTEE ACTION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: David Mosca

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## **2.1.2 - FY23 Key Points December 18 2023 Audit Committee Meeting**



**UNIVERSITY SYSTEM  
of MARYLAND**  
**Review of Financial Statements**  
**Year Ended June 30, 2023**

**Key points associated with FY 2023 financial statements and materials:**

**1. Draft Annual Financial Statement Report**

The USM Draft Annual Financial Statements for the year ended June 30, 2023 reports an increase of unrestricted net position of \$268M compared to an increase of \$98M reported as of June 30, 2022.

During FY20 and FY21, the Institutions were awarded \$574M in Higher Education Emergency Relief Funds to assist the institutions and students through the pandemic. Through June 30, 2023, the institutions had expended \$553M of these funds. BSU and UMES have unspent HEERF Funds as of June 30, 2023. They have until June 2024, to expend the remaining funds.

The financials statements reflect the implementation of GASB 96, *Subscription-Based Information Technology Arrangements*. Included in the financials statements is \$43M in Subscription-based obligations.

The June 30, 2023 financial statements include the addition of three new component units. The three legally separate entities are University of Maryland Pediatrics, PA, University of Maryland Orthopaedics, PA, and University of Maryland Faculty Physicians, Inc. Each of these component units are associated with the University of Maryland, Baltimore School of Medicine.

The financial statements for the University of Maryland Global Campus (pages 85-87) reflect both the financial activities and balances of the University, but also include the activities and balances of UMGC Ventures, which is combined with the institutions' financial information in the 'Institution' column. This presentation, referred to as 'blending', reflects the integral relationship and importance of UMGC Ventures to UMGC's operations. (The presentation of the other component units is described as a 'discrete' presentation, meaning that the financial information of the affiliated entities reported as component units are shown on separate financial displays distinct from the USM or its institutions (pages 13 and 15).

**2. Financial Snapshot:**

The 'Financial Snapshot' is used to present the financial health of the System, using the key ratio used by the rating agencies. This ratio, which measures Balance Sheet strength, of 'available resources' (defined as USM unrestricted net position + unfunded pension amounts + accrued leave liability + affiliated foundation unrestricted net assets) to debt outstanding, including lease obligations, is 213% at June 30, 2023 compared to 171% at June 30, 2022.

Adjusting for Board-approved commitments and authorizations to spend or borrow not yet reflected in the financial statements, resulted in an increase in overall 'true' financial

standing, from 103% in FY22 to 120% in FY23. This 'adjusted' financial strength ratio is the basis of evaluation as described in the current Board of Regents Policy on Debt Management (VIII-12.00), with the policy requiring that new authorizations and commitments be controlled in such a manner that the ratio of available resources to debt outstanding not fall below a 90% ratio.

Per the analysis, total debt outstanding includes revenue bonds, notes payable, lease obligations and deferred service obligations related to the System's Housing public private partnerships (P3s)

**3. Financial Dashboard Indicators:**

- A set of definitions for the financial measures used as dashboard indicators is included in the attachment (p 6-7). The measures used are ratios and standards that in the past have been developed and used in nation-wide studies and reviews of public higher education institutions by consulting firms and bond rating agencies.
- The top half of the dashboard indicators reflects each institution's ratio or statistic compared with a standard for the year or at the balance sheet date. The bottom half of the dashboard indicators displays whether the institution has improved or deteriorated in terms of the measure or statistic over the past fiscal year.
- All institutions met the President's Fund Balance Goal except for TU and UMES.

## **2.1.3 - Draft USM Annual Financial Statement Report for June 30, 2023**



# UNIVERSITY SYSTEM *of* MARYLAND

Financial Statements and Supplementary Information and  
Data Together with Independent Auditors' Report

For the Year Ended June 30, 2023



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**UNIVERSITY SYSTEM OF MARYLAND**

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## UNIVERSITY SYSTEM OF MARYLAND

### MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023

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Management of the University System of Maryland (the System) provides the readers of the System's financial statements with this narrative overview and analysis of the financial activities of the System for the years ended June 30, 2023 and 2022.

#### Financial Highlights

- Governmental Accounting Standards Board (GASB) Statement No. 96 *Subscription-Based Information Technology Arrangements* was implemented in fiscal year 2023.
- Unrestricted net position increased by \$267,663,782 for the year ended June 30, 2023, compared to a increase of \$98,120,870 for the year ended June 30, 2022.
- State appropriations for the System increased by 24.1% for the year ended June 30, 2023.
- Tuition and fees, after deducting scholarship allowances, increased by \$10,119,546 or 0.7% for the year ended June 30, 2023. During the year ended June 30, 2022, net tuition and fees, increased by \$781,420 or 0.1%.
- For the year ended June 30, 2023, investment income on Endowment assets was \$26,044,676, representing an investment return of 6%. Investment income on Endowment assets amounted to \$9,134,761, an investment return of 2%, for the year ended June 30, 2022.
- Three laws were signed into effect during the years ended June 30, 2020 and 2021, which provide financial support to individuals, governments and businesses experiencing financial hardship associated with the coronavirus pandemic:
  - On December 27, 2020, The Coronavirus Response and Relief Supplemental Appropriation Act, 2021 (CRRSAA) was signed into law. The American Rescue Plan (ARP) was signed into law on March 11, 2021. Each of these laws provided funding for the Higher Education Emergency Relief Fund(HEERF).
  - These acts, along with the Coronavirus Aid, Relief, and Economic Security Act (CARES act), provide for potential funding of \$574,194,991 to System institutions to be used for pandemic related student and institutional aid that may be accessed or used through fiscal year 2023.
  - The System recognized \$59,342,332 and \$269,784,264 of nonoperating grant revenues associated with amounts awarded directly, or through the state of Maryland, of COVID relief funding for the years ended June 30, 2023 and 2022, respectively.

#### Overview of the Financial Statements

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

## UNIVERSITY SYSTEM OF MARYLAND

### MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023

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The *Statement of Net Position* presents information on the System's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, all as of the end of the reporting period. Net position represents the difference between assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources, 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 position can help in understanding whether the financial condition of the System is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information on the changes in net position during the year. All changes in net position 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 as of the date of the financial statements).

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

The System's financial statements include all accounts and balances of the System (considered the primary government, in accounting terms), as well as 12 legally-separate and distinct entities for which the System is financially accountable, which are considered component units. Of the 12 component units, four are considered major component units due to their significance in terms of size.

The focus 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, 2023, the System's financial health remains strong, with assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by \$7,833,951,523, shown on the Statement of Net Position as total net position. This compares with total net position of \$7,213,296,179 as of June 30, 2022. As suggested earlier, when viewed over time, net position may be useful as an indicator of financial health.

For the year ended June 30, 2023, total net position increased by \$620,655,344. While net investment in capital assets increased by \$319,414,323, unrestricted net position increased by \$267,663,782 and restricted net position categories increased by \$33,577,239.

For the year ended June 30, 2022, total net position increased by \$220,798,346. Net investment in capital assets increased by \$116,350,595, unrestricted net position increased by \$98,120,870 and restricted net position categories increased by \$6,326,881.



**UNIVERSITY SYSTEM OF MARYLAND**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2023**

The table below presents summary-level information of the System's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30, 2023, and 2022.

	<u>2023</u>	<u>2022</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
Current and noncurrent assets	\$ 4,291,346,169	\$ 4,063,143,207
Capital assets, net	7,603,663,404	7,326,736,884
Total assets	11,895,009,573	11,389,880,091
Deferred outflows of resources	330,540,441	398,484,540
Total assets and deferred outflows of resources	<u>\$12,225,550,014</u>	<u>\$11,788,364,631</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>		
Debt and lease obligations	\$ 1,329,859,339	\$ 1,452,924,139
Other liabilities	1,379,785,548	1,272,253,160
Net pension liability	1,304,919,638	977,354,142
Total liabilities	4,014,564,525	3,702,531,441
Deferred inflows of resources	377,033,966	872,537,011
Total liabilities and deferred inflows of resources	<u>4,391,598,491</u>	<u>4,575,068,452</u>
<b>NET POSITION</b>		
Net investment in capital assets	6,015,846,849	5,696,432,526
Restricted	264,456,968	230,879,729
Unrestricted	1,553,647,706	1,285,983,924
Total net position	<u>7,833,951,523</u>	<u>7,213,296,179</u>
Total liabilities, deferred inflows of resources and net position	<u>\$12,225,550,014</u>	<u>\$11,788,364,631</u>

**UNIVERSITY SYSTEM OF MARYLAND**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2023**

The table below presents summary-level information on revenues, expenses, and other changes in the System's net position for the years ended June 30, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Operating revenues	\$ 4,134,278,781	\$ 3,867,836,723
Operating expenses	<u>6,262,627,295</u>	<u>5,927,553,375</u>
Operating loss	<u>(2,128,348,514)</u>	<u>(2,059,716,652)</u>
State appropriations	1,953,912,133	1,574,884,395
Other nonoperating revenues, net	<u>477,613,770</u>	<u>482,111,352</u>
Total nonoperating revenues	<u>2,431,525,903</u>	<u>2,056,995,747</u>
Income (loss) before other revenues	303,177,389	(2,720,905)
Other revenues	<u>317,477,955</u>	<u>223,519,251</u>
Increase in net position	620,655,344	220,798,346
Net position, beginning of year	<u>7,213,296,179</u>	<u>6,992,497,833</u>
Net position, end of year	<u>\$ 7,833,951,523</u>	<u>\$ 7,213,296,179</u>

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

For the years ended June 30, 2023 and 2022, operating revenues, which under the definitions used by GASB, excludes state appropriations, are detailed below:

	<u>2023</u>		<u>2022</u>	
	\$	%	\$	%
Tuition and fees, net	\$ 1,374,194,139	33.2 %	\$ 1,364,074,593	35.3 %
Contracts and grants	1,549,322,303	37.5	1,382,669,832	35.7
Sales and services of educational departments	411,628,170	10.0	400,319,333	10.3
Auxiliary enterprises, net	708,690,032	17.1	655,839,842	17.0
Other operating	<u>90,444,137</u>	<u>2.2</u>	<u>64,933,123</u>	<u>1.7</u>
Total	<u>\$ 4,134,278,781</u>	<u>100.0 %</u>	<u>\$ 3,867,836,723</u>	<u>100.0 %</u>

**UNIVERSITY SYSTEM OF MARYLAND**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2023**

For the years ended June 30, 2023 and 2022, operating expenses are detailed below:

	2023		2022	
	\$	%	\$	%
Instruction	\$ 1,600,428,234	25.4 %	\$ 1,469,203,096	24.8 %
Research	1,243,956,697	19.9	1,117,448,187	18.9
Public service	573,243,117	9.2	571,068,805	9.6
Academic support	558,525,052	8.9	535,209,518	9.0
Student services	358,122,854	5.7	329,216,282	5.6
Institutional support	617,157,870	9.9	618,297,026	10.4
Operation and maintenance of plant	468,746,425	7.5	411,381,014	6.9
Scholarships and fellowships	137,101,779	2.2	225,089,117	3.8
Auxiliary enterprises	705,345,267	11.3	650,640,330	11.0
<b>Total</b>	<b>\$ 6,262,627,295</b>	<b>100.0 %</b>	<b>\$ 5,927,553,375</b>	<b>100.0 %</b>

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

For the years ended June 30, 2023 and 2022, increases in total employee payments of \$295,726,860 and \$132,838,588, respectively, represent the largest component of the overall increase in operating expenses over the prior year. For 2023 and 2022, the largest increases associated with employee payments were for instruction and research, respectively.

**Capital Asset and Debt Administration**

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

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

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

	2023	2022
State of Maryland debt proceeds	\$305,138,195	\$179,148,592
System debt proceeds		142,907,335
System cash balances and donations	459,755,597	242,640,032
<b>Total</b>	<b>\$764,893,792</b>	<b>\$564,695,959</b>

**UNIVERSITY SYSTEM OF MARYLAND**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2023**

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Over the past two fiscal years ended June 30, major projects completed or placed in service are as follows:

<b>Project</b>	<b>Institution</b>	<b>Cost</b>
<b>Year ended June 30, 2023</b>		
School of Pharmacy & Health Professions	University of Maryland Eastern Shore	\$104,739,000
College of Business	Coppin State University	45,833,000
<b>Year ended June 30, 2022</b>		
Living and Learning Community	Bowie State University	\$ 52,792,942
Center for Well Being	University of Maryland Baltimore County	17,034,250

The System periodically issues Revenue Bonds to fund the construction, acquisition, and renewal and replacement of facilities, or refinance previously issued Revenue Bonds to realize lower current interest rates. The System did not issue Revenue Bonds during the year ended June 30, 2023. During the year ended June 30, 2022, the System issued the following Revenue Bonds:

<b>Debt issuance</b>	<b>Date of issue</b>	<b>Purpose</b>	<b>Total Par Value Issued</b>	<b>Present Value of Future Debt Service Savings</b>
2022 Series A	2/24/2022	Financing construction and facilities renewal	\$102,895,000	
2022 Series B	2/24/2022	Refinancing (Taxable)	23,525,000	\$ 550,273

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.

**UNIVERSITY SYSTEM OF MARYLAND**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2023**

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

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

Across all student categories, enrollment is expected to continue to increase over the next ten years, with approximately 8.9% more fulltime equivalent students anticipated by the fall 2032. While preliminary fall 2023 enrollment indicates a increase in fulltime equivalent enrollment of approximately 0.02%, the longterm projection remains a picture of continued but slower growth.

The University of Maryland, College Park, the University of Maryland, Baltimore, and the University of Maryland, Baltimore County each have considerable numbers of faculty that pursue research grants and other sponsored funding arrangements. Indirect cost recoveries associated with contracts and grants are an important funding source for institution's administrative costs. The Federal Budget Control Act places limits on Federal government spending commonly referred to as sequestration. These limits have constrained Federal spending on research activities, will reduce indirect cost recoveries generally, and will continue, unless Congress and the President agree upon and enact legislation that relieves the constraints on governmental spending currently in place.

As a region with a significant Federal government employee population, the potential for significant reductions in Federal spending in all likelihood would have serious implications for State tax revenues, both from income as well as sales taxes. The State government closely monitors revenue receipts and revises projections on a quarterly basis. As an economic engine for the entire state and region, System officials point out the impact that proposed reductions of State funding provided to higher education would have on statewide economic activity and workforce development.

Personnel costs account for more than two-thirds of the System's noncapital spending. Healthcare costs and the adoption of a statewide funding strategy for providing for retiree's healthcare costs are expected to be significant considerations for the System's future spending levels.

On June 30, 2023, the Supreme Court ruled against President Biden's student loan forgiveness program. The uncertainty around potential debt relief measures could influence students' decisions on attending or continuing their education, as a result lead to potential decrease in enrollment resulting in a decline in tuition revenue. The ruling puts pressure on the System to find alternative avenues for student debt relief, which could result in changes to federal funding and financial aid policies.

**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 Metzert Road, Adelphi, MD 20783.

**UNIVERSITY SYSTEM OF MARYLAND  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

**ASSETS**

**Current assets**

Cash and cash equivalents	\$ 3,270,618,496
Accounts receivable, net	440,016,302
Leases receivable, current portion, net	5,568,123
Notes receivable, current portion, net	2,946,582
Inventories	9,727,249
Prepaid expenses and other	<u>23,361,322</u>

**Total current assets** 3,752,238,074

**Noncurrent assets**

Restricted cash and cash equivalents	32,217,427
Endowment investments	445,202,520
Other investments	43,540,519
Leases receivable, net	8,700,878
Notes receivable, net	9,446,751
Capital assets, net	<u>7,603,663,404</u>

**Total noncurrent assets** 8,142,771,499

**Total assets** 11,895,009,573

**DEFERRED OUTFLOWS OF RESOURCES**

330,540,441

**Total assets and deferred outflows of resources** \$ 12,225,550,014

**LIABILITIES**

**Current liabilities**

Accounts payable and accrued liabilities	\$ 434,628,650
Accrued workers' compensation, current portion	4,352,250
Accrued vacation costs, current portion	135,247,076
Obligations under subscription arrangements, current portion	14,520,081
Obligations under lease arrangements, current portion	17,894,865
Revenue bonds and notes payable, current portion	94,879,968
Unearned revenues	<u>552,258,883</u>

**Total current liabilities** 1,253,781,773

**Noncurrent liabilities**

Accrued workers' compensation	24,662,750
Accrued vacation costs	185,654,115
Obligations under subscription arrangements	28,461,743
Obligations under lease arrangements	71,722,661
Revenue bonds and notes payable	1,145,361,845
Net pension liability	<u>1,304,919,638</u>

**Total noncurrent liabilities** 2,760,782,752

**Total liabilities** 4,014,564,525

**DEFERRED INFLOWS OF RESOURCES**

377,033,966

**NET POSITION**

Unrestricted	1,553,647,706
Net investment in capital assets	6,015,846,849
Restricted:	
Nonexpendable	46,005,383
Expendable	<u>218,451,585</u>

**Total net position** 7,833,951,523

**Total liabilities, deferred inflows of resources and net position** \$ 12,225,550,014

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND**  
**COMBINING STATEMENT OF FINANCIAL POSITION, COMPONENT UNITS**  
**JUNE 30, 2023**

	Major Component Units				Nonmajor Component Units	Total
	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.	University of Maryland Faculty Physicians, Inc.		
<b>ASSETS</b>						
<b>Current assets</b>						
Cash	\$ 206,000	\$ 54,133,064	\$ 3,142,048	\$ 37,922,195	\$ 66,183,837	\$ 161,587,144
Accounts receivable, net	12,417,000	80,808,771	18,709,517	15,550,981	14,511,373	141,997,642
Other assets	156,000	92,872	243,298	114,605,277	4,575,935	119,673,382
<b>Total current assets</b>	<b>12,779,000</b>	<b>135,034,707</b>	<b>22,094,863</b>	<b>168,078,453</b>	<b>85,271,145</b>	<b>423,258,168</b>
<b>Investments</b>						
Endowment investments	428,555,000	680,514,878	332,480,161		366,560,825	1,808,110,864
Other investments	618,639,000	164,191,947	92,317,673	20,336,048	9,372,832	904,857,500
<b>Total investments</b>	<b>1,047,194,000</b>	<b>844,706,825</b>	<b>424,797,834</b>	<b>20,336,048</b>	<b>375,933,657</b>	<b>2,712,968,364</b>
<b>Noncurrent assets</b>						
Accounts receivable, net	4,150,000	54,566,092	19,598,677	256,172	20,132,610	98,703,551
Capital assets, net	14,725,000	2,455,945		41,567,745	4,676,691	63,425,381
Other assets	492,000	6,363,791	4,028,951	93,272,207	9,678,860	113,835,809
<b>Total noncurrent assets</b>	<b>19,367,000</b>	<b>63,385,828</b>	<b>23,627,628</b>	<b>135,096,124</b>	<b>34,488,161</b>	<b>275,964,741</b>
<b>Total assets</b>	<b>\$1,079,340,000</b>	<b>\$1,043,127,360</b>	<b>\$ 470,520,325</b>	<b>\$ 323,510,625</b>	<b>\$ 495,692,963</b>	<b>\$3,412,191,273</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Accounts payable & accrued expenses	\$ 3,538,000	\$ 278,389	\$ 1,540,607	\$ 142,885,751	\$ 37,538,478	\$ 185,781,225
Long-term debt, current				7,267,371	1,752,486	9,019,857
Unearned revenues	2,410,000	3,596,201		626,272	1,345,787	7,978,260
<b>Total current liabilities</b>	<b>5,948,000</b>	<b>3,874,590</b>	<b>1,540,607</b>	<b>150,779,394</b>	<b>40,636,751</b>	<b>202,779,342</b>
<b>Noncurrent liabilities</b>						
Other payables	105,755,665	4,547,781	1,939,547	20,118,751	11,740,999	144,102,743
Due to primary government	445,072,335					445,072,335
Long-term debt, noncurrent				24,554,160		24,554,160
<b>Total noncurrent liabilities</b>	<b>550,828,000</b>	<b>4,547,781</b>	<b>1,939,547</b>	<b>44,672,911</b>	<b>11,740,999</b>	<b>613,729,238</b>
<b>Total liabilities</b>	<b>556,776,000</b>	<b>8,422,371</b>	<b>3,480,154</b>	<b>195,452,305</b>	<b>52,377,750</b>	<b>816,508,580</b>
<b>NET ASSETS</b>						
Without donor restrictions	84,676,000	48,871,843	42,674,504	128,058,320	69,491,935	373,772,602
With donor restrictions	437,888,000	985,833,146	424,365,667		373,823,278	2,221,910,091
<b>Total net assets</b>	<b>522,564,000</b>	<b>1,034,704,989</b>	<b>467,040,171</b>	<b>128,058,320</b>	<b>443,315,213</b>	<b>2,595,682,693</b>
<b>Total liabilities and net assets</b>	<b>\$1,079,340,000</b>	<b>\$1,043,127,360</b>	<b>\$ 470,520,325</b>	<b>\$ 323,510,625</b>	<b>\$ 495,692,963</b>	<b>\$3,412,191,273</b>

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2023**

<b>OPERATING REVENUES</b>		
Tuition and fees	\$ 1,776,662,985	
Less: scholarship allowances	<u>(402,468,846)</u>	\$ 1,374,194,139
Federal grants and contracts		953,874,024
State and local grants and contracts		277,496,646
Nongovernmental grants and contracts		317,951,633
Sales and services of educational departments		411,628,170
Auxiliary enterprises	745,172,779	
Less: scholarship allowances	<u>(36,482,747)</u>	708,690,032
Other operating revenues		<u>90,444,137</u>
<b>Total operating revenues</b>		<u><b>4,134,278,781</b></u>
<b>OPERATING EXPENSES</b>		
Instruction		1,600,428,234
Research		1,243,956,697
Public service		573,243,117
Academic support		558,525,052
Student services		358,122,854
Institutional support		617,157,870
Operation and maintenance of plant		468,746,425
Scholarships and fellowships		137,101,779
Auxiliary enterprises		<u>705,345,267</u>
<b>Total operating expenses</b>		<u><b>6,262,627,295</b></u>
<b>Operating loss</b>		<u><b>(2,128,348,514)</b></u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations		1,953,912,133
Pell grants		179,807,022
Other nonoperating grants		59,342,332
Gifts		65,435,471
Investment income	139,254,630	
Less: investment expense	<u>(1,771,876)</u>	137,482,754
Interest on indebtedness		(35,940,588)
Other revenues and gains (losses), net		<u>71,486,779</u>
<b>Total nonoperating revenues</b>		<u><b>2,431,525,903</b></u>
<b>Loss before other revenues</b>		<u><b>303,177,389</b></u>
<b>OTHER REVENUES</b>		
Capital appropriations		305,138,195
Capital gifts and grants		12,166,701
Additions to endowments		<u>173,059</u>
<b>Total other revenues</b>		<u><b>317,477,955</b></u>
<b>Increase in net position</b>		<b>620,655,344</b>
<b>Net position - beginning of year</b>		<u><b>7,213,296,179</b></u>
<b>Net position - end of year</b>		<u><u><b>\$ 7,833,951,523</b></u></u>

See accompanying notes.



**UNIVERSITY SYSTEM OF MARYLAND  
COMBINING STATEMENT OF ACTIVITIES, COMPONENT UNITS  
YEAR ENDED JUNE 30, 2023**

	<b>Major Component Units</b>					<b>Total</b>
	<b>University System of Maryland Foundation, Inc.</b>	<b>University of Maryland College Park Foundation, Inc.</b>	<b>University of Maryland Baltimore Foundation, Inc.</b>	<b>University of Maryland Faculty Physicians, Inc.</b>	<b>Nonmajor Component Units</b>	
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>						
<b>Revenues</b>						
Contributions & grants	\$ 2,891,000	\$ 20,000	\$ 4,975,769	\$ 47,418,741	\$ 1,557,635	\$ 56,863,145
Investment income, net	1,715,000	14,948,927	2,560,624	9,302,831	4,251,955	32,779,337
Other income	9,497,000	3,896,252	107,062	50,328,432	73,583,279	137,412,025
Assets released from restrictions	20,998,000	58,153,849	27,760,332		34,224,361	141,136,542
<b>Total revenues</b>	<b>35,101,000</b>	<b>77,019,028</b>	<b>35,403,787</b>	<b>107,050,004</b>	<b>113,617,230</b>	<b>368,191,049</b>
<b>Expenses</b>						
Program	25,999,000	63,053,814	28,908,310	90,671,176	62,665,989	271,298,289
General & administrative	9,920,000	2,857,534	3,097,449	13,059,130	19,525,911	48,460,024
Fundraising	2,016,000		2,304,098		1,454,873	5,774,971
Other expense					9,309,792	9,309,792
<b>Total expenses</b>	<b>37,935,000</b>	<b>65,911,348</b>	<b>34,309,857</b>	<b>103,730,306</b>	<b>92,956,565</b>	<b>334,843,076</b>
<b>Change in net assets without donor restrictions</b>	<b>(2,834,000)</b>	<b>11,107,680</b>	<b>1,093,930</b>	<b>3,319,698</b>	<b>20,660,665</b>	<b>33,347,973</b>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>						
Contributions & grants	19,215,000	149,505,112	35,937,359		39,783,725	244,441,196
Investment income	20,275,000	30,135,435	17,397,666		26,556,914	94,365,015
Other income (loss)		(6,480,627)			1,838,360	(4,642,267)
Assets released from restrictions	(20,998,000)	(58,153,849)	(27,760,332)		(34,224,361)	(141,136,542)
<b>Change in net assets with donor restrictions</b>	<b>18,492,000</b>	<b>115,006,071</b>	<b>25,574,693</b>		<b>33,954,638</b>	<b>193,027,402</b>
<b>Total changes in net assets</b>	<b>15,658,000</b>	<b>126,113,751</b>	<b>26,668,623</b>	<b>3,319,698</b>	<b>54,615,303</b>	<b>226,375,375</b>
<b>Net assets - beginning of year</b>	<b>506,906,000</b>	<b>908,591,238</b>	<b>440,371,548</b>	<b>124,738,622</b>	<b>388,699,910</b>	<b>2,369,307,318</b>
<b>Net assets - end of year</b>	<b>\$ 522,564,000</b>	<b>\$1,034,704,989</b>	<b>\$ 467,040,171</b>	<b>\$ 128,058,320</b>	<b>\$ 443,315,213</b>	<b>\$2,595,682,693</b>

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Tuition and fees	\$ 1,352,739,552
Research contracts and grants	1,505,448,115
Payments to employees	(4,168,946,556)
Payments to suppliers and contractors	(1,648,438,290)
Loans issued to students	(543,524)
Collection of loans from students	4,671,744
Student direct lending payments	(684,888,400)
Student direct lending receipts	684,888,400
Auxiliary enterprises	687,535,127
Other receipts	598,785,067
	<b>(1,668,748,765)</b>
<b>Net cash used by operating activities</b>	
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State appropriations	1,990,641,711
Gifts and grants received for other than capital purposes:	
Private gifts for endowment purposes	173,059
Pell grants	179,807,022
Other nonoperating grants	59,342,332
	<b>2,229,964,124</b>
<b>Net cash provided by noncapital financing activities</b>	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds of capital debt	
Capital appropriations	306,596,899
Capital grants and gifts received	11,282,142
Proceeds from sales of capital assets	46,926,649
Purchases of capital assets	(693,719,733)
Principal paid on debt and leases	(134,054,915)
Interest paid on debt and leases	(49,762,453)
	<b>(512,731,411)</b>
<b>Net cash used by capital and related financing activities</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investments	16,455,872
Interest on investments	112,931,650
Investment expense	(1,771,876)
Purchases of investments	(4,937,636)
	<b>122,678,010</b>
<b>Net cash provided by investing activities</b>	
<b>Net increase in cash and cash equivalents</b>	
	171,161,958
<b>Cash and cash equivalents - beginning of year</b>	<b>3,131,673,965</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 3,302,835,923</b>
<b>SUPPLEMENTARY SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>	
Gifts and contributions of capital assets	\$ 108,698,824
Right-to-use assets under subscription arrangements	59,148,229
Right-to-use assets under lease obligations	13,724,208
Changes in unrealized appreciation on investments	12,319,968
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>	
Operating loss	\$ (2,128,348,514)
<b>Adjustments to reconcile operating loss to net cash used by operating activities:</b>	
Depreciation and amortization expense	433,403,515
Loss on disposals of capital assets	49,906,585
Amortization of deferred service concession arrangement receipts	(19,908,776)
Gifts and other revenues, (expenses), gains, and (losses)	136,922,250
<b>Effect of changes in assets and liabilities:</b>	
Accounts receivable, net	(129,064,077)
Inventories	(533,190)
Prepaid expenses and other deferred charges	(3,228,762)
Notes receivable	4,151,033
Accounts payable and accrued liabilities	24,266,239
Unearned revenues	(8,764,525)
Accrued vacation	9,014,881
Accrued workers' compensation	(1,134,000)
Net pension liability and related deferred outflows and inflows of resources	(36,836,016)
<b>Net cash used by operating activities</b>	<b>\$ (1,670,153,357)</b>

See accompanying notes.

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## 1. ORGANIZATION AND PURPOSE

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

The System comprises eleven degree-granting institutions, one research entity and an administrative unit. Its degree-granting institutions provide a full range of undergraduate, graduate, professional and continuing education opportunities for students. Its research entity conducts basic and applied research, and transfers new technology to constituencies. The administrative unit includes the System Chancellor and staff who support the Board.

## 2. 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 by the Governmental Accounting Standards Board (GASB). Amounts held in System accounts on behalf of separately organized entities are included as assets, with a corresponding liability.

The System has recognized, as affiliated foundations, nine 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 nine affiliated foundations meet the criteria for inclusion in the financial reporting entity, and thus each of the affiliated foundations are shown in a discrete presentation.

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

**UNIVERSITY SYSTEM OF MARYLAND**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023**

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The following affiliated foundations are considered nonmajor component units:

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

During the year ended June 30, 2023, affiliated foundations distributed approximately \$117,376,344 to the System and its institutions for both restricted and unrestricted purposes.

Three legally separate entities (practice plans) that operate under the Medical Service Plan (MSP) of the University of Maryland Medical School (School of Medicine) are also recognized as discretely presented component units of the System due to the System's ability to appoint the majority of the governing boards of these organizations, the System's ability to impose its will on these organizations, and the significance of these organizations' financial statement amounts to the System and its financial statements. Two of the organizations, University of Maryland Pediatric Associates, P.A. (Pediatrics) and University of Maryland Orthopaedic Associates, P.A. (Orthopaedics) are professional associations organized under the Professional Service Corporation Act to engage in the practice of medicine under the MSP of the School of Medicine. The MSP sets forth accounting and operational guidelines for all professional association members. One of the organizations, University of Maryland Faculty Physicians, Inc. (FPI) is the umbrella corporation designated by the MSP to provide oversight and support to the professional association members. Based upon the significance of their respective financial statement amounts to the System and its financial statements, FPI is considered a major component unit of the System and Pediatrics and Orthopaedics are considered nonmajor component units.

Under the MSP of the School of Medicine, medical services are rendered by members of the faculty in connection with their duties to provide clinical instruction for medical students and post-graduate students and to deliver healthcare to the general public and, without charge, to the indigent on behalf of the School of Medicine. The MSP also establishes the Medical Service Plan Trust Fund, the Medical School Enrichment Fund, and the Department Development Funds, which are administered by FPI. During the year ended June 30, 2023, practice plans distributed approximately \$25,556,419 to the School of Medicine for unrestricted purposes.

Each of the System's affiliated foundations and practice plans are nongovernmental entities that prepare financial statements using the accounting standards promulgated by the Financial Accounting Standards Board (FASB). As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to their financial information in the System's financial reporting entity for these differences.

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

The System has also recognized as a blended component unit a not-for-profit organization created by the University of Maryland Global Campus (UMGC). The entity, named UMGC Ventures, Inc., is organized to support UMGC and other higher education institutions through provision of support and administrative services.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023

The condensed financial statements for UMGC Ventures, Inc. are as follows:

Condensed statements of financial position	
Current assets	\$ 37,777,295
Capital assets	354,250
Other assets	<u>5,220,772</u>
Total assets	<u>\$ 43,352,317</u>
Current liabilities	<u>\$ 3,421,813</u>
Invested in capital assets, net of related debt	354,250
Unrestricted net assets	<u>39,576,254</u>
Total net assets	<u>39,930,504</u>
Total liabilities & net assets	<u>\$ 43,352,317</u>
Condensed statements of activities	
Operating revenues	<u>\$ 39,961,542</u>
Operating expenses:	
Depreciation and amortization	78,134
Other expenses	<u>40,004,853</u>
Total operating expenses	<u>40,082,987</u>
Operating loss	(121,445)
Nonoperating revenues	<u>(740,420)</u>
Net income	(861,865)
Beginning net assets	<u>40,792,369</u>
Ending net assets	<u>\$ 39,930,504</u>
Condensed statements of cash flows	
Net cash (used) provided by:	
Operating activities	\$ 1,613,344
Investing activities	<u>(359,075)</u>
Beginning cash and cash equivalents	<u>23,880,417</u>
Ending cash and cash equivalents	<u>\$ 25,134,686</u>

### Measurement Focus and Basis of Accounting

The System is a special-purpose governmental entity engaged only in business-type activities. Accordingly, the System's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenue is recognized when earned, and expenses are recorded when an obligation has been incurred. All significant transactions among departments, campuses, and auxiliary units of the System have been eliminated.

### 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. Accounting principles generally accepted in the United State of America define State appropriations as nonoperating revenue.

### Cash and Cash Equivalents

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

### Investments

Investments are valued at fair value.

### Inventories

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

### Capital Assets

Property, plant, equipment, and books and materials which are part of a catalogued library, are stated principally at cost at the date of acquisition, or estimated acquisition 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 operating expense based on the nature and use of the capital asset.

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

### **Accrued Vacation Costs**

Annual leave, including employer-related costs, for employees is accrued and recognized as an operating expense at rates based upon length of service and job classification and compensatory time based upon job classification and hours worked.

### **Unearned Revenues**

Unearned revenue primarily includes amounts received from grants and contracts that have not been earned under the terms of the agreement and other revenue billed in advance of the event, such as student tuition and fees for housing and dining services.

### **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher's Pension System (TPS) and the Employee Retirement System (ERS) and additions to/deductions from TPS and ERS' fiduciary net position have been determined on the same basis as they are reported by TPS and ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit plan terms and provisions. Investments are reported at fair value.

### **Net Position**

The System's resources are required to be classified and reported in the Statement of Net Position in the following categories: (a) Net investment in capital assets: capital assets net of accumulated depreciation and related outstanding debt balances attributable to the acquisition, construction, or improvement of those assets; (b) Restricted nonexpendable: net position restricted by externally imposed stipulations, not available for expenditure; (c) Restricted expendable: net position subject to externally imposed restrictions that can be fulfilled by actions of the System pursuant to those stipulations or that expire by the passage of time, and (d) Unrestricted: net position not subject to externally imposed stipulations but may be designated for specific purposes by action of management or the Board. 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.



### **Scholarship Allowances**

The System recognizes scholarship allowances as the difference between the stated rates for tuition and fees and auxiliary services and the amount that is paid by the student and third parties on behalf of the student. Stipends and other payments made directly to students are reported as scholarship and fellowship expense.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Although management believes the estimates and assumptions are reasonable, they are based upon information available at the time the estimate or judgment is made and actual amounts could differ from those estimates.

### **Adoption of New Accounting Standard**

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires certain note disclosures regarding SBITAs. The System adopted the requirements of the guidance effective July 1, 2022, and applied the provisions of this standard to the beginning of the period of adoption.

### **Adjustments to Beginning Net Assets**

Beginning net asset balances for the period ended June 30, 2023 for the System's discretely presented component units were increased by \$123,594,270 for the correction of an error. During the period, System management identified three entities for which it is financial accountable that were not previously reported within its reporting entity as component units, in accordance with criteria established by GASB. These three entities, FPI, Pediatrics, and Orthopaedics were included in the System's reporting entity as discretely presented component units as of and for the period ended June 30, 2023. Were these entities included as component units for the period ended June 30, 2022, the total change in net assets for the System's discretely presented component units would have decreased by \$20,887,728 from \$43,748,772 to \$22,861,044 for that period.

Beginning net asset balances for the period ended June 30, 2023 for the System's discretely presented component units were increased by \$22,349,876 for a change in accounting principle. Effective July 1, 2022, the University of Maryland College Park Foundation, Inc. adopted Financial Accounting Standards Board Accounting Standards Codification 946, Financial Services—Investment Companies. The change in accounting principle resulted in an increase to investments in real estate which were stated at fair value beginning at this date.

Beginning net asset balances for the period ended June 30, 2023 for the System's discretely presented component units were decreased by \$10,443,975 for a change in reporting entity. During the period ended June 30, 2023, the System's management determined that the financial statements of the UMBC Research Park Corporation, Inc., formerly a nonmajor component unit, were not material to the System's

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023

financial statements as a whole. These balances were removed from the System's discretely presented component unit financial statements as of and for the period ended June 30, 2023.

The cumulative effect of these adjustments is as follows:

Total component unit net assets as of July 1, 2022	<u>\$2,233,807,147</u>
Cumulative effect of the error correction	123,594,270
Cumulative effect of the change in accounting principle	22,349,876
Cumulative effect of the change in reporting entity	<u>(10,443,975)</u>
Adjusted total component unit net assets as of July 1, 2022	<u><u>\$2,223,363,172</u></u>

**3. CASH AND INVESTMENTS**

**Cash and cash equivalents**

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

	<u>2023</u>
Cash and short-term investments on deposit with the State Treasurer	\$3,204,770,051
Demand and time deposits	<u>65,848,445</u>
Total	<u><u>\$3,270,618,496</u></u>

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

As of June 30, 2023, the carrying amount of the System's demand and time deposits was \$65,848,445 and, as compared to bank balances of \$64,772,798. The difference is primarily due to items in-transit. Of the bank balances, \$33,286,227 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 \$31,486,571 was uninsured and uncollateralized.

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

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

- United States Treasury and agency obligations.
- Deposits, having a maturity of no more than 365 days, in any bank, savings institution or trust company to the extent such deposits are fully insured or collateralized.

UNIVERSITY SYSTEM OF MARYLAND

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YEAR ENDED JUNE 30, 2023

- Commercial paper rated at least A-1 by Standard & Poor's Corporation (Standard & Poor's) and P-1 by Moody's Investors Service, Inc. (Moody's) having a maturity of no more than 270 days.
- Repurchase agreements.
- Obligations of any state or political subdivision rated by Standard & Poor's and Moody's in one of its two highest rating categories.
- Corporate obligations rated AAA by Standard & Poor's and Aaa by Moody's.

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

	<u>2023</u>
Money market accounts – endowment fund uninvested cash	\$ 48,649
Money market accounts – unspent proceeds of debt	<u>32,168,778</u>
Total	<u>\$ 32,217,427</u>

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

### Investments

In July 2005, the System transferred the proceeds of endowment investments, approximately \$197 million in fair market value at the time of the transfer, to the USMF, in exchange for an equivalent proportionate interest in the long-term investment portfolio managed by the USMF.

The System has entered into an agreement with the USMF to manage investment of the System's endowment funds. The agreement is for a term of five years, with renewable two-year extensions at the option of the System, unless notice of intent to terminate the arrangement is provided within 180 days prior to the expiration of the term. In the event of termination of the arrangement, funds invested with individual investment managers that have commitments from the USMF, to maintain investments for certain minimum time periods may not be returned to the System until those constraints have been satisfied. The per annum fee to be paid to the USMF for investment management services is 0.46% of the value of the managed funds as of December 31 of the previous fiscal year.

Investments in the USMF 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 endowment funds are reported as Endowment Investments on the Statement of Net Position of the System, and Investments on the Statement of Financial Position of the USMF, with a corresponding liability reflecting the fair value of the System's interest in the investment portfolio.

The System discloses investment 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 USMF are uninsured and are not registered in the name of the System, as they are a part of a commingled portfolio comprising proportionate interests of several different entities.

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

**Credit risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The System is exposed to credit risk on its Endowment investments managed by the USMF.

**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.

**Endowment investments**

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

	<u>2023</u>
Corporate debt	\$ 7,200
Corporate equities	122,985
Assets invested with USMF	<u>445,072,335</u>
Total	<u>\$445,202,520</u>

UNIVERSITY SYSTEM OF MARYLAND

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As of June 30, the net position balances of the fund groups making up the endowment were as follows:

	<u>2023</u>
Pure endowments	\$162,584,118
Funds functioning as endowments	276,583,493
Term endowments	<u>6,034,909</u>
Total	<u>\$445,202,520</u>

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

A spending rule has been adopted by the Board to ensure that endowment funds retain a consistent level of purchasing power over time. The spending rule provides for a target rate of spending of 4.25% of a rolling twelve-quarter average market value of the endowment fund. The spending rule is reviewed periodically by the Finance Committee of the Board.

Net appreciation on investments of the pure endowment funds totaled \$115,293,423 as of June 30, 2023, respectively. Reinvestments of net appreciation are considered to be subject to donor spending restrictions if applicable, and accordingly, are reflected as a component of restricted, expendable net assets.

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

**Other investments**

Other investments include an interest in a real estate partnership formed to facilitate the long-term development of a parcel of land owned by the University of Maryland College Park, and several investments in System-related start-up companies. The carrying value of partnership interests are assessed on an annual basis by reference to the reported value of the university's interest. The investments in University System-related start-up companies are valued at fair value as assessed by a review of the most recent financial statements, or an understanding of the current state of operations.

**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 year ended June 30, 2023 income attributed to unrestricted funds and restricted funds was:

Unrestricted funds	\$125,930,972
Restricted funds	<u>13,323,658</u>
Total	<u>\$139,254,630</u>

**4. FAIR VALUE MEASUREMENTS**

Generally accepted accounting principles define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement also establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. The following three-level hierarchy classifies the inputs used to determine fair value:

Level 1: Pricing inputs are quoted prices (unadjusted) available in active markets for identical investments as of the reporting date. Investments generally included in this category are listed equities and listed mutual funds.

Level 2: Pricing inputs are quoted prices for similar investments in active markets, quoted prices for identical or similar assets in markets that are not active, observable inputs other than quoted prices, and market corroborated data. Investments that are generally included in this category are fixed income securities.

Level 3: Pricing inputs are unobservable for the investment and must be developed using the best information available under the circumstances, which might include the System's own data. Investments that are generally included in this category are investments in private equity and investment funds as well as off-shore hedge funds.

System endowment investments are largely a proportionate interest in an investment portfolio managed by the USMF. As of June 30, 2023 the System also holds corporate debt investments of \$7,200 that are classified as level 3 investments, and corporate equity investments of \$122,985 that are classified as level 1 investments.

As of June 30, 2023, System other investments include partnership interests of \$26,226,063 that are classified as level 3 investments. As of June 30, 2023, other investments include mutual funds and short-term securities of \$17,314,456 that are classified as level 1 investments.

**Major component units**

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

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS  
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The following table shows the USMF's investments using the three-level fair value hierarchy as of June 30, 2023:

<b>Investments by fair value level</b>	<b>June 30, 2023</b>	<b>Fair Value Measurements</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Money market funds and short-term investments	\$ 99,162,000	\$ 99,162,000		
ETF's and mutual funds	226,738,000	226,738,000		
Common stock	12,945,000	12,945,000		
Separately managed accounts	460,834,000		\$ 382,102,000	\$ 78,732,000
<b>Total investments by fair value level</b>	<b>799,679,000</b>	<b>\$ 338,845,000</b>	<b>\$ 382,102,000</b>	<b>\$ 78,732,000</b>
<b>Investments measured at net asset value (NAV)</b>				
Intermediate assets	199,349,000			
Public equity	337,160,000			
Liquid credit	80,465,000			
Diversifying strategies	97,148,000			
Private risk assets	741,342,000			
<b>Total investments measured at NAV</b>	<b>1,455,464,000</b>			
Total investments	2,255,143,000			
Due to other System component units	(1,207,949,000)			
Total USMF investments reported	1,047,194,000			
Due to the System	(445,072,335)			
<b>Total USMF investments</b>	<b>\$ 602,121,665</b>			

System component unit investments managed by the USMF of \$1,207,949,000 were eliminated from the USMF financial statements as of June 30, 2023.

**Investments measured at net asset value**

Private investments measured at NAV consists of investments in partnership-based structures where the general partner or investment manager generally values their investments at fair value. The fair value of these investments has been estimated either by using the NAV per share of the investments or the ownership percentage of the fund's net assets as allowed as a practical expedient under fair value guidance. The private investments offer exposure to intermediate assets, public equity, liquid credit, diversifying strategies and/or private market, through the private investment structure as further discussed within the footnotes.

Due to the limited availability of valuation data as of the USMF's year-end, management utilizes the most recent NAV or ownership percentage which may be on a month to quarter lag. Management adjusts the net asset value or ownership percentage to be more representative of the year-end fair value by including capital contributions, and redemptions or returns of capital during the gap period. Management will also adjust for known performance adjustments for private investments that hold publicly traded securities. Performance adjustments ranged from (1.63)% to 6.08% for those investments on a one-month lag. No performance adjustments are made to investments on a quarter lag given the unobservability of investment performance at the time of report issuance.

USMF believes the carrying value of private investments in the statements of financial position is a reasonable estimate of its ownership interest in the private investment funds. As part of the USMF's overall valuation process, management evaluates these third-party methodologies to ensure that they are representative of exit prices in the security's principal markets. Management performs a retroactive review of its fair value estimates by comparing to actual year-end statements received subsequent to year-end.

As of June 30, 2023, unfunded commitments within the private investments measured at NAV equaled approximately \$405 million.

The following table shows FPI's investments using the three-level fair value hierarchy as of June 30, 2023:

<b>Investments by fair value level and NAV</b>	<b>Fair Value Measurements</b>			<b>NAV</b>	<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>		
Cash equivalents	\$ 217,155			\$ 7,377,989	\$ 7,595,144
Corporate bonds				5,708,552	5,708,552
U.S. government and agency securities				20,699,867	20,699,867
Common stocks, preferred stocks and mutual funds	433,806			111,731,879	112,165,685
<b>Total investments by fair value level and NAV</b>	<b>\$ 650,961</b>			<b>\$ 145,518,287</b>	<b>\$ 146,169,248</b>

These investments include the assets limited as to use set aside at the discretion of the board of directors for self-insurance trust arrangements which includes assets of the Maryland Medicine Comprehensive Insurance Program (MMCIP) Self-insurance Trust. These portfolios contain Level 1, Level 2 and alternative investments. As of June 30, 2023, the majority of these investments are subject to 30 day or



UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS  
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less notice requirements and are available to be redeemed on at least a monthly basis

Investments reported at fair value above are reflected in the following components in the consolidated statements of financial position s as of June 30, 2023:

	Assets limited as to use	Investments	Monies held on behalf of others	Total
Cash equivalents	\$ 5,082,012	\$ 1,247,937	\$ 1,265,195	\$ 7,595,144
Corporate bonds	1,643,319	2,872,065	1,193,168	5,708,552
U.S. government and agency bonds	12,874,507	555,397	7,269,963	20,699,867
Common stocks, preferred stocks, and mutual funds	71,648,543	12,459,931	28,057,211	112,165,685
Total	<u>\$ 91,248,381</u>	<u>\$ 17,135,330</u>	<u>\$ 37,785,537</u>	<u>\$ 146,169,248</u>

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

Accounts receivable as of June 30, were comprised of:

	<u>2023</u>
Tuition and fees	\$145,277,856
Contracts and grants	308,753,795
Other	19,027,984
Subtotal	473,059,635
Less: allowance for doubtful accounts receivable	(33,043,333)
Accounts receivable, net	<u>\$440,016,302</u>

Notes receivable as of June 30, were comprised of:

	<u>2023</u>
Student loans	\$ 15,992,900
Business development loans	5,072,258
Subtotal	21,065,158
Less: allowance for doubtful accounts receivable	(8,671,825)
Notes receivable, net	<u>\$ 12,393,333</u>

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

	<u>2023</u>
Payroll and benefits	\$187,261,097
Suppliers and contractors	166,378,635
Accrued interest payable	10,966,864
Asset retirement obligations	16,848,902
Other	<u>53,173,152</u>
Accounts payable and accrued liabilities	<u><u>\$434,628,650</u></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, contributions receivable were due as follows:

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

<u>Due</u>	<u>Discount Rates</u>	<u>2023</u>
Within one year	Not applicable	\$ 12,172,000
One to five years	9.25%	<u>4,646,000</u>
Subtotal		16,818,000
Less: pledge discount		<u>(1,179,000)</u>
Net contributions receivable		<u><u>\$ 15,639,000</u></u>

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

<u>Due</u>	<u>Discount Rates</u>	<u>2023</u>
Within one year	Not applicable	\$ 83,489,000
Two to five years	6.69%	59,716,000
More than five years	8.25%	<u>1,867,000</u>
Subtotal		145,072,000
Less: allowance for doubtful accounts		(4,642,000)
Less: pledge discount		<u>(5,055,000)</u>
Net contributions receivable		<u><u>\$135,375,000</u></u>

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023

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University of Maryland, Baltimore Foundation, Inc.

<u>Due</u>	<u>Discount Rates</u>	<u>2023</u>
Within one year	Not applicable	\$ 19,500,204
One to five years	4.49%	22,552,380
More than five years	4.49%	<u>8,800</u>
Subtotal		42,061,384
Less: allowance for doubtful accounts		(1,696,144)
Less: pledge discount		<u>(2,079,278)</u>
Net contributions receivable		<u>\$ 38,285,962</u>

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UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023

**6. CHANGES IN NET CAPITAL ASSETS**

Changes in net capital assets for the year ended June 30, 2023:

	June 30, 2022	GASB 96 Implementation	Additions	Decreases	June 30, 2023
<b>Capital assets being depreciated:</b>					
Infrastructure & land improvements	\$ 564,006,184		\$ 51,058,867	\$ 3,259,148	\$ 611,805,903
Buildings & improvements	9,879,365,119		255,882,166	107,633,008	10,027,614,277
Contents	1,696,900,909		119,981,184	40,566,216	1,776,315,877
Assets acquired with notes payable	27,500,000				27,500,000
Right-to-use equipment under lease agreements	4,357,804		3,724,658	2,001,452	6,081,010
Right-to-use buildings under lease agreements	166,615,112		128,310,983	69,651,650	225,274,445
Right-to-use subscription assets		59,148,229	281,358	15,634	59,413,953
<b>Total capital assets being depreciated</b>	<b>12,338,745,128</b>	<b>59,148,229</b>	<b>559,239,216</b>	<b>223,127,108</b>	<b>12,734,005,465</b>
<b>Less accumulated depreciation and amortization:</b>					
Infrastructure & land improvements	341,304,275		49,316,686	1,961,618	388,659,343
Buildings & improvements	4,099,104,531		263,835,080	72,169,358	4,290,770,253
Contents	1,348,539,769		85,622,132	38,283,984	1,395,877,917
Assets acquired with notes payable	2,750,000				2,750,000
Right-to-use equipment under lease agreements	1,406,363		3,336,862	2,142,544	2,600,681
Right-to-use buildings under lease agreements	33,541,598		72,203,989	57,276,397	48,469,190
Right-to-use subscription assets			13,774,289		13,774,289
<b>Total accumulated depreciation and amortization</b>	<b>5,826,646,536</b>		<b>488,089,038</b>	<b>171,833,901</b>	<b>6,142,901,673</b>
<b>Total capital assets being depreciated, net</b>	<b>6,512,098,592</b>	<b>59,148,229</b>	<b>71,150,178</b>	<b>51,293,207</b>	<b>6,591,103,792</b>
<b>Capital assets not being depreciated:</b>					
Land	190,257,894		27,120,000	7,727,496	209,650,398
Contents	32,640,267		28,850	5,760	32,663,357
Construction in progress	591,740,131		487,317,285	308,811,559	770,245,857
<b>Total capital assets not being depreciated</b>	<b>814,638,292</b>		<b>514,466,135</b>	<b>316,544,815</b>	<b>1,012,559,612</b>
<b>Capital assets, net</b>	<b>\$ 7,326,736,884</b>	<b>\$ 59,148,229</b>	<b>\$ 585,616,313</b>	<b>\$ 367,838,022</b>	<b>\$ 7,603,663,404</b>

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**7. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

The composition of deferred outflows of resources as of June 30, was summarized as follows:

	<u>2023</u>
Unamortized loss on refundings of debt	\$ 4,861,048
Deferred outflows related to asset retirement obligations	11,194,989
Deferred outflows related to the pension liability	<u>314,484,404</u>
Total deferred outflows of resources	<u><u>\$330,540,441</u></u>

The composition of deferred inflows of resources as of as of June 30, was summarized as follows:

	<u>2023</u>
Deferred service concession arrangement receipts	\$246,838,739
Deferred inflows related to leasing activity	13,940,687
Deferred inflows related to the pension liability	<u>116,254,540</u>
Total deferred inflows of resources	<u><u>\$377,033,966</u></u>

**8. SERVICE CONCESSION ARRANGEMENTS FOR STUDENT HOUSING**

The System has entered into long-term leases of university-owned land, and other agreements with a quasi-governmental entity to finance, construct, and manage student housing projects at seven of the System's institutions. These agreements satisfy the accounting criteria established to be considered service concession arrangements.

Under the terms of the ground leases, the System transfers rights to university-owned property for a term of 40 years to the quasi-governmental issuer of debt (the 'project owner'). The project owner contracts with a developer to build student housing on the property. The project owner also contracts with an operator that manages the facility on behalf of the project owner. Each student housing project is financed using tax-exempt debt that limits the use of the project to activities that support the institution. The operator charges and collects rent from the students, and pays the operating costs and debt service associated with the project. The residual cash flow from the project, after paying all operating costs and management fees, is paid to the university as the annual ground lease payment. The institution has the ability to approve what services the operator is required to provide and the rates that can be charged.

Upon final payment of the outstanding debt associated with the project, or upon termination of the ground lease, whichever is sooner, the project owner's rights to use the land and ownership of the project transfers to the university.

As of June 30, the following amounts associated with service concession arrangements were reflected on the Statement of Net Position:

	<u>2023</u>
Capital assets, net – Buildings & improvements	\$247,626,748
Deferred service concession arrangement receipts	246,838,739

## 9. ASSET RETIREMENT OBLIGATIONS

The System owns and operates facilities and equipment subject to certain legal and regulatory requirements to perform asset retirement activities.

A nonpower training nuclear reactor operated at the University of Maryland College Park is subject to statutory and regulatory requirements promulgated by the U.S. Nuclear Regulatory Commission (the NRC) under Title 10 of the Code of Federal Regulations (the CFR). Estimated asset retirement obligations for the reactor are \$14,762,674 as of June 30, 2023. The reactor had a remaining useful life of 16 years as of June 30, 2023.

The University of Maryland College Park is periodically required by the CFR to provide various disclosures to the NRC in order to maintain the operating license for the reactor, including, but not limited to, projected operating costs, projected decommissioning costs, and funding assurances. The University of Maryland College Park was in compliance with all such requirements as of June 30, 2023 and 2022.

The System also owns and operates various equipment assets, including gamma cell irradiators and underground oil tanks, that are also subject to statutory or regulatory asset retirement obligations of individually nominal dollar values. All such assets were fully depreciated as of June 30, 2023 and 2022.

Asset retirement obligations were estimated based upon the historical decommissioning costs of similar assets, stated in current dollars using the Implicit Price Deflator issued by the U.S. Department of Commerce, using current personnel costs, and a contingency factor of 25%.

Total asset retirement obligations of \$16,848,902, as of June 30, 2023, are included in accounts payable and accrued liabilities. The System is financially prepared to fund and satisfy all asset retirement obligations when required.



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**10. RESTRICTED NET POSITION**

Restricted net position as of June 30, were as follows:

	<u>2023</u>
Nonexpendable	
Scholarships and fellowships	\$ 21,439,572
Research	7,636,977
Other	16,928,834
Total restricted nonexpendable net position	<u>\$ 46,005,383</u>
Expendable	
Scholarships and fellowships	\$ 78,559,144
Research	78,683,998
Loans	22,664,745
Capital projects	4,891,748
Other	33,651,950
Total restricted expendable net position	<u>\$218,451,585</u>

**Major component units**

Net assets with donor restrictions as of June 30, 2023, were as follows:

	<b>University System of Maryland Foundation, Inc.</b>	<b>University of Maryland College Park Foundation, Inc.</b>	<b>University of Maryland Baltimore Foundation, Inc.</b>
Scholarships & fellowships	\$ 222,172,000	\$ 254,664,939	\$ 88,680,458
Research	25,894,000	34,589,293	18,122,933
Other	189,822,000	696,578,914	317,562,276
Total net assets with donor restrictions	<u>\$ 437,888,000</u>	<u>\$ 985,833,146</u>	<u>\$ 424,365,667</u>

**11. 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 lease obligations for real property to no more than \$1,700,000,000.

As of June 30, revenue bonds and notes payable consisted of the following:

	<u>2023</u>
Revenue Bonds, net	\$1,212,453,572
Other	27,788,241
Revenue bonds and notes payable, net	<u>\$1,240,241,813</u>

**Auxiliary Facility and Tuition Revenue Bonds**

As of June 30, 2023, Auxiliary Facility and Tuition Revenue Bonds (Revenue Bonds) consisted of the following:

	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>Principal Outstanding</u>
2012 Refunding Series B	3.25%	2024	\$ 2,550,000
2012 Series D	3.00% - 4.00%	2024-2027	28,760,000
2014 Series A	3.00% - 5.00%	2024-2028	36,920,000
2015 Series A	3.00% - 5.00%	2024-2028	30,060,000
2016 Series A	3.00% - 5.00%	2024-2036	105,235,000
2016 Refunding Series B	2.375% - 5.00%	2024-2030	35,690,000
2017 Series A	4.00% - 5.00%	2024-2037	91,360,000
2018 Series A	3.00% - 5.00%	2024-2038	95,455,000
2019 Series A	3.00% - 5.00%	2024-2039	95,775,000
2019 Refunding Series B	5.00%	2024-2029	33,065,000
2019 Refunding Series C	4.00% - 5.00%	2024-2030	87,230,000
2021 Series A	4.00% - 5.00%	2024-2051	211,760,000
2021 Refunding Series B	0.33% - 1.79%	2024-2034	106,285,000
2022 Series A	3.00% - 5.00%	2024-2052	99,635,000
2022 Refunding Series B	5.00%	2024-2026	18,155,000
Subtotal			1,077,935,000
Unamortized discounts and premiums			134,518,572
Revenue Bonds, net			<u>\$ 1,212,453,572</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 future annual debt service on Revenue Bonds. For the current year, principal and interest paid and total tuition and auxiliary facility fees were \$140,010,459 and \$2,521,835,764, respectively.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023

As of June 30, 2023, previously issued debt removed from the System's financial statements through advance refunding transactions still outstanding was \$55,000,000.

As of June 30, 2023, cash and cash equivalents and investments restricted by the terms of the Indenture of Trust totaled \$32,168,778.

**Other**

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

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

Future principal and interest payments as of June 30, 2023, are as follows:

Year ending June 30,	Auxiliary Facility and Tuition Revenue Bonds		Notes Payable and Other Long-term Debt		Total Payments
	Principal	Interest	Principal	Interest	
2024	\$ 90,770,000	\$ 42,430,471	\$ 4,109,968	\$ 479,427	\$ 137,789,866
2025	83,525,000	38,180,270	1,723,147	412,450	123,840,867
2026	83,715,000	34,323,440	1,435,366	389,327	119,863,133
2027	87,475,000	30,510,745	1,446,795	365,773	119,798,313
2028	85,050,000	26,862,066	1,309,987	341,779	113,563,832
2029 - 2033	324,130,000	88,115,863	6,925,803	1,333,028	420,504,694
2034 - 2038	191,350,000	42,363,525	7,596,463	662,368	241,972,356
2039 - 2043	59,230,000	19,187,800	3,240,712	62,820	81,721,332
2044 - 2048	40,715,000	10,717,100			51,432,100
2049 - 2053	31,975,000	2,550,650			34,525,650
Total	<u>\$1,077,935,000</u>	<u>\$ 335,241,930</u>	<u>\$ 27,788,241</u>	<u>\$ 4,046,972</u>	<u>\$1,445,012,143</u>

**12. LEASES**

**Lessee arrangements**

The System leases equipment as well as certain operating and office facilities for various terms under long-term, non-cancelable lease agreements. Upon inception, the System recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in its financial statements. Right-to-use assets acquired through outstanding leases are shown by underlying asset class in Note 6. Many of the leases provide for an optional extension of the terms of the agreements and increases in payment amounts based on changes in indices such as the Consumer Price Index. The leases expire at various dates through 2043.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023

Total future minimum lease payments under lease agreements as of June 30, 2023, are as follows:

Year ending June 30,	Principal	Interest	Total Payments
2024	\$ 17,894,865	\$ 2,558,683	\$ 20,453,548
2025	16,603,545	1,968,944	18,572,489
2026	11,661,258	1,528,068	13,189,326
2027	9,156,995	1,215,235	10,372,230
2028	9,525,627	1,532,251	11,057,878
2029 - 2033	18,845,978	1,594,208	20,440,186
2034 - 2038	3,569,063	710,224	4,279,287
2039 - 2043	2,360,195	238,661	2,598,856
Total	\$ 89,617,526	\$ 11,346,274	\$ 100,963,800

**Lessor**

The System, acting as lessor, leases land and buildings under long-term, non-cancelable lease agreements. The System recognized a lease receivable and a deferred inflow of resources in its financial statements. The leases expire at various dates and provide for renewal options. During the year ended June 30, 2023, the System recognized \$12,583,387 and \$974,640 in lease revenue and interest revenue, respectively, pursuant to these contracts.

**13 Subscription-Based Information Technology Arrangements**

The System has entered into contracts granting the System the right to use vendor-provided information technology for various terms under long-term, non-cancelable subscription agreements, referred to as Subscription-Based Information Technology Arrangements (SBITAs). Upon inception, the System recognizes a liability and an intangible right-to-use asset in its financial statements. Right-to-use assets acquired through SBITAs are shown with related accumulated depreciation in Note 6. Many of the subscriptions 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. The subscriptions expire at various dates through 2033.

Total future minimum subscription payments under SBITAs as of June 30, 2023, are as follows:

Year ending June 30,	Principal	Interest	Total Payments
2024	\$ 14,520,081	\$ 1,150,937	\$ 15,671,018
2025	10,872,346	870,984	11,743,330
2026	5,506,021	539,075	6,045,096
2027	3,784,479	351,905	4,136,384
2028	2,165,308	249,594	2,414,902
2029 - 2033	6,133,589	389,554	6,523,143
Total	\$ 42,981,824	\$ 3,552,049	\$ 46,533,873

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023

**14. AUXILIARY ENTERPRISES**

Auxiliary enterprises revenues for the year ended June 30, 2023 were as follows:

	<u>2023</u>	
Residential facilities	\$215,887,920	
Less: scholarship allowances	<u>(16,520,371)</u>	\$199,367,549
Dining facilities	150,819,587	
Less: scholarship allowances	<u>(8,663,551)</u>	142,156,036
Intercollegiate athletics	154,888,205	
Less: scholarship allowances	<u>(8,510,515)</u>	146,377,690
Bookstore	14,874,198	
Less: scholarship allowances	<u>(2,174,553)</u>	12,699,645
Parking facilities	42,664,914	
Less: scholarship allowances	<u>(157,119)</u>	42,507,795
Other	166,037,955	
Less: scholarship allowances	<u>(456,638)</u>	165,581,317
Total auxiliary enterprises revenues		<u><u>\$708,690,032</u></u>

Auxiliary enterprises expenses for the year ended June 30, 2023 were as follows:

	<u>2023</u>
Residential facilities	\$191,683,735
Dining facilities	144,142,417
Intercollegiate athletics	168,220,152
Bookstore	14,695,038
Parking facilities	27,324,429
Other	<u>159,279,496</u>
Total auxiliary enterprises expenses	<u><u>\$705,345,267</u></u>

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**15. CHANGES IN LONG-TERM LIABILITIES**

Changes in long-term liabilities for the year ended June 30, 2023, were as follows:

	June 30, 2022	Additions	Decreases	June 30, 2023	Due Within One Year
Accrued vacation costs	\$ 311,886,310	\$ 153,397,805	\$ 144,382,924	\$ 320,901,191	\$ 135,247,076
Accrued workers' compensation	30,149,000	4,368,275	5,502,275	29,015,000	4,352,250
Revenue bonds and notes payable, net	1,351,807,447		111,565,634	1,240,241,813	94,879,968
Obligations under subscription arrangements		59,148,229	16,166,405	42,981,824	14,520,081
Obligations under lease agreements	101,116,692	13,724,208	25,248,878	89,592,022	17,894,865
Net pension liability	977,354,142	327,565,496		1,304,919,638	
<b>Total long-term liabilities</b>	<b>\$ 2,772,313,591</b>	<b>\$ 558,204,013</b>	<b>\$ 302,866,116</b>	<b>\$ 3,027,651,488</b>	<b>\$ 266,894,240</b>

**16. OPERATING EXPENSES BY OBJECT**

The System reports operating expenses in the Statement of Revenues, Expenses and Changes in Net Position by program category. Operating expenses, grouped by object classification for the year ended June 30, 2023 were as follows:

	2023			
	Employee	Payments to Suppliers, Contractors and Others	Depreciation and Amortization	Total
Instruction	\$ 1,369,283,113	\$ 153,019,085	\$ 78,126,036	\$ 1,600,428,234
Research	772,277,969	435,480,900	36,197,828	1,243,956,697
Public service	450,607,067	116,349,440	6,286,610	573,243,117
Academic support	407,242,888	108,041,163	43,241,001	558,525,052
Student services	230,279,396	117,497,016	10,346,442	358,122,854
Institutional support	475,444,677	112,636,925	29,076,268	617,157,870
Operation and maintenance of plant	174,235,312	197,042,566	97,468,547	468,746,425
Scholarships and fellowships	9,745,843	127,355,936		137,101,779
Auxiliary enterprises:				
Residential facilities	58,031,860	65,146,185	68,505,690	191,683,735
Dining facilities	51,718,096	83,909,761	8,514,560	144,142,417
Intercollegiate athletics	82,655,340	71,930,115	13,634,697	168,220,152
Bookstore	3,814,640	10,876,926	3,472	14,695,038
Parking facilities	12,640,343	8,342,317	6,341,769	27,324,429
Other auxiliary enterprises	66,717,900	56,901,001	35,660,595	159,279,496
<b>Total</b>	<b>\$ 4,164,694,444</b>	<b>\$ 1,664,529,336</b>	<b>\$ 433,403,515</b>	<b>\$ 6,262,627,295</b>

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## 17. RETIREMENT AND PENSION PLANS

### General Information about the Pension Plan

#### Plan description

Some employees of the System are members of the Maryland State Retirement and Pension System (MSRPS). These employees are members of either the Teachers Pension System (TPS) or the Employees Retirement System (ERS) of the State of Maryland. The TPS and ERS are part of the MSRPS which is considered a multiple employer cost-sharing plan. Some employees of the System may choose as an alternative to participate in the Optional Retirement Program (ORP), which is a defined contribution plan. The State Personnel and Pensions Article of the Annotated Code of Maryland (the Article) grants the authority to establish and amend the benefit terms of TPS and ERS to the MSRPS Board of Trustees. MSRPS issues a publicly available financial report that can be obtained at:

[www.sra.state.md.us/agency/downloads/cafr/](http://www.sra.state.md.us/agency/downloads/cafr/)

#### Benefits provided

An individual who is a member of either the TPS or ERS on or before June 30, 2011, is eligible for full retirement benefits upon the earlier of attaining age 62, with specified years of eligibility service, or accumulating 30 years of eligibility service regardless of age. An individual who becomes a member of either the TPS or ERS on or after July 1, 2011, is eligible for full retirement benefits if the member's combined age and eligibility service equals at least 90 years or if the member is at least age 65 and has accrued at least 10 years of eligibility service. For most individuals who retired from either the TPS or ERS on or before June 30, 2006, the annual pension allowance equals 1.2% of the member's average final compensation (AFC), multiplied by the number of years of creditable service accumulated prior to July 1, 1998, plus 1.4% of the member's AFC, multiplied by the number of years of creditable service accumulated subsequent to June 30, 1998. With certain exceptions, for individuals who are members of the TPS or ERS on or after July 1, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of creditable service accumulated prior to July 1, 1998, plus 1.8% of the member's AFC, multiplied by the number of years of creditable service accumulated subsequent to June 30, 1998. Beginning July 1, 2011, any new member of the TPS or ERS shall earn an annual pension allowance equal to 1.5% of the member's AFC multiplied by the number of years of creditable service accumulated as a member of the TPS or ERS.

#### Disability and Death Benefits

Generally, a member covered under retirement plan provisions who is permanently disabled after 5 years of service receives a service allowance based on a minimum percentage (usually 25%) of the member's AFC. A member covered under pension plan provisions who is permanently disabled after accumulating 5 years of eligibility service receives a service allowance computed as if service had continued with no change in salary until the retiree attained age 62. Death benefits are equal to a member's annual salary as of the date of death plus all member contributions and interest.

**Contributions**

The Article sets contribution requirements of active employees and the participating governmental units and may be amended by the MSRPS Board. Members of the ERS are required to contribute 6% of their annual pay. Members of the TPS are required to contribute 7% of their annual pay. The State of Maryland is responsible for the net pension liability of TPS. The System's required contribution rates are based on annual actuarial valuations using the individual Entry Age Normal Cost method with projection and other actuarial assumptions adopted by the MSRPS Board of Trustees. These contribution rates have been established as the rates necessary to fully fund normal costs and amortize the unfunded actuarial accrued liability. As such, the State of Maryland is responsible for 100% of the net pension liability related to TPS and qualifies as a special funding situation.

The System's required contribution for the year ended June 30, 2023 was \$166,335,516 and was actuarially determined as an amount that, when combined with the State of Maryland and employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability (State only).

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

As of June 30, 2023 the System reported a liability of \$1,304,919,638 as its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The System's proportion of the net pension liability was a ratio of the System's long-term share of contributions to the pension plan relative to the contributions of all participating government units, actuarially determined. As of June 30, 2023 and 2021, the System's proportion for the net pension liability was 7.00% and 6.61%, respectively.

For the year ended June 30, 2023 the System recognized pension expense of \$112,097,320. As of June 30, 2023, the System reported deferred outflows of resources and deferred inflows of resources related to the net pension liability of the following sources:

	<b>2023</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes in actuarial assumptions	\$145,276,141	\$ 12,471,282
Net difference between projected and actual earnings on pension plan investments		6,773,084
Contributions made subsequent to the measurement date	166,335,516	
Change in proportionate share	2,872,747	4,442,535
Difference between actual and expected experience		92,567,639
Total	<u>\$314,484,404</u>	<u>\$116,254,540</u>

The System reported \$166,335,516 as deferred outflows of resources related to the pension resulting from the System's contributions subsequent to the measurement date that will be recognized as a reduction of the pension liability in the year ended June 30, 2024.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023

Amounts other than contributions made subsequent to the measurement date reported as deferred outflows of resources and deferred inflows of resources related to the pensions will be recognized in pension expense as follows:

Years ending June 30,	Deferred outflows	Deferred inflows
2024	\$ 42,801,040	\$ 54,854,859
2025	41,585,418	52,895,775
2026	41,585,418	71,411,220
2027	21,861,858	68,333,987
2028	315,154	5,426,673
Total	<u>\$148,148,888</u>	<u>\$116,254,540</u>

**Information included in the MSRPS financial statements**

Actuarial assumptions, long-term expected rate of return on pension plan investments, discount rate, and pension plan fiduciary net position are available at:

<https://sra.maryland.gov/annual-financial-reports>

**Sensitivity of the System's proportionate share of the net pension liability to changes in the discount rate.**

The System's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent is \$1,304,919,638. The System's proportionate share of the net pension liability, if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) is \$2,002,161,898, or 1-percentage-point higher (8.00 percent) is \$726,370,125.

**Optional Retirement Program**

Another option for employees if they choose not to participate in the MSRPS is the optional retirement programs (ORP), which are defined contribution money purchase plans funded currently each year and invested in specific funds offered by one of two 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. Employees in both the ORP and the State System can also participate in supplemental retirement plans.

State legislation provides that the System contribute 7.25 percent of covered employees' annual salaries each month. The employee does not have to contribute to the plan in order to receive the System's contribution. The System's contribution along with that of the employee is immediately and fully vested. Payroll for employees covered in the ORP for the year ended June 30, 2023, was \$1,652,257,539.

The amount contributed by the System for employees participating in the ORP for the year ended June 30, 2023 was \$119,788,672.

## Major Component Units

The USMF maintains a defined contribution plan for certain personnel provided by TIAA-CREF. The USMF contributes 7.25 percent of the employees' compensation to the plan. In addition, eligible employees are entitled to make voluntary contributions to the plan. Total pension expense for the year ended June 30, 2023, was approximately \$318,000.

## 18. OTHER POSTEMPLOYMENT BENEFITS

Members of the State Retirement and Pension System of Maryland and their dependents are provided postemployment health care benefits through the State Employee and Retiree Health and Welfare Benefits Program (the Plan). The Plan is a cost sharing defined benefit healthcare plan established by the State Personnel and Pensions Article, Section 2-501 through 2-516 of the Annotated Code of Maryland. The Plan is self-insured to provide medical, hospitalization, prescription drug and dental insurance benefits to eligible state employees, retirees, and their dependents.

State Employee and Retiree Health and Welfare Benefits Program of Maryland

### Plan Description

Effective July 1, 2004, the State established the Postretirement Health Benefits Trust Fund (OPEB Trust) to receive appropriated funds and contributions to assist the Plan in financing the State's postretirement health insurance subsidy. The OPEB Trust is established in accordance with Section 34-101 of the State Personnel and Pensions Article of the Annotated Code of Maryland and is administered by the Board of Trustees for the Maryland State Retirement and Pension System. The Plan is included in the State's CAFR, which can be obtained from the Comptroller of Maryland's website at:

[www.marylandtaxes.com](http://www.marylandtaxes.com)

System employees are members of the Plan. Eligibility for the Plan is determined by various factors, including date of hire. Generally, employees hired before July 1, 2011 may enroll and participate in the Plan if the employee left State service with at least 16 years of creditable service, retired directly from State service with at least 5 years of creditable service, left State service with at least 10 years of creditable service and within 5 years of normal retirement age, or retired directly from State service with a disability retirement. Employees hired on or after July 1, 2011, may enroll and participate in the Plan if the employee left State service with at least 25 years of creditable service, retired directly from State service with at least 10 years of creditable service, left State service with at least 10 years of creditable service and within 5 years of normal retirement age, or retired directly from State service with a disability retirement.

### Funding Policy

Funds deposited into the OPEB Trust may consist of any funds appropriated to the OPEB Trust, whether directly or through the budgets of any State agency. The State is required by law to include money in the State budget to pay the State's share of the costs of the Plan.

The State subsidizes a portion of the covered medical, dental, prescription, and hospitalization costs, depending on the type of insurance plan. Costs for postretirement benefits for State retirees are primarily funded by the State. The State does not distinguish employees by employer/State agency. The State has elected to maintain the entire net OPEB liability as a liability of the general fund of the State and has not

allocated any balances to State entities including the System.

A separate actuarial valuation is not performed by the System. The System's only obligation to the Plan is its required annual contribution, which it has fully funded during the years ended June 30, 2023, 2022, and 2021. The amount contributed for the years ended June 30, 2023, 2022, and 2021 was \$122,470,987, \$104,579,077, and \$89,821,855 respectively.

## 19. CONSTRUCTION COMMITMENTS

The estimated costs to complete construction in progress as of June 30, 2023 is \$397,808,000 of which \$64,049,000 is to be funded from Revenue Bond proceeds, \$269,367,000 is to be derived from State capital appropriations and grants, and \$64,392,000 to be provided from System funds.

## 20. CONTINGENT LIABILITIES

The System has entered into future purchase commitments for natural gas and electricity, as a means of hedging its risk against fluctuations in price of an important fuel commodity and electricity supplies. As of June 30, 2023, the System had entered into open contracts for the purchase of \$13,208,765 of natural gas to be delivered through June 2024. Future purchase commitments for electricity to be supplied through June 2024 totaled \$36,684,568 as of June 30, 2023. The System and its institutions generally take delivery of the natural gas and electricity purchased through future purchase contracts.

The System receives support from federal and state grant programs, primarily for student financial assistance and research activities. Entitlement to the resources requires compliance with terms of the grant agreements and applicable regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. As of June 30, 2023, the System estimates that adjustments, if any, as a result of such audits would not have a material adverse effect on the accompanying financial statements.

The System is involved in a number of legal actions that arise in the normal course of its operations. Management is not aware of any legal actions that will have a material adverse effect on the System's financial position.

## 21. 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

**UNIVERSITY SYSTEM OF MARYLAND**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023**

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a 4% discount rate. The provision for workers' compensation is based upon a separately determined actuarial valuation for the fiscal year ended June 30, 2023. Settlement amounts have not exceeded insurance coverage levels for the year ended June 30, 2023. As of June 30, 2023, the System has recorded \$29,015,000 in liabilities associated with workers' compensation, respectively.

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**REQUIRED SUPPLEMENTARY INFORMATION**



UNIVERSITY SYSTEM OF MARYLAND

REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2023

SCHEDULE OF PROPORTIONATE SHARE OF PENSION LIABILITY

	2023	2022	2021	2020	2019	2018	2017	2016	2015
The System's proportion of the net pension liability	7.000%	7.010%	6.610%	6.610%	6.660%	5.540%	5.580%	5.120%	4.049%
The System's proportionate share of the net pension liability	\$1,304,919,638	\$ 977,354,142	\$1,395,144,942	\$1,275,563,402	\$1,309,998,345	\$1,130,058,957	\$1,216,808,542	\$ 966,400,173	\$ 718,516,394
The System's covered-employee payroll	727,658,096	728,386,990	641,284,925	663,610,683	643,954,572	640,734,064	602,991,802	625,011,000	620,592,872
The System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	179%	134%	218%	192%	203%	175%	190%	160%	115%
Plan fiduciary net position as a percentage of the total pension liability	76.30%	82.00%	70.70%	72.34%	71.18%	69.38%	65.79%	68.78%	71.87%

This schedule is presented to illustrate the requirement to show information for 10 years. However, information prior to June 30, 2015 is not available.

SCHEDULE OF CONTRIBUTIONS TO THE TEACHERS PENSION SYSTEM AND THE EMPLOYEES RETIREMENT SYSTEM

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 166,335,513	\$ 148,933,334	\$ 149,169,018	\$ 140,862,090	\$ 127,554,617	\$ 124,482,282	\$ 127,341,536	\$ 108,699,493	\$ 107,709,938
Contributions in relation to the contractually required contribution	(166,335,513)	(148,933,334)	(149,169,018)	(140,862,090)	(127,554,617)	(124,482,282)	(127,341,536)	(108,699,493)	(107,709,938)
Contribution deficiency (excess)	None	None	None	None	None	None	None	None	None
The System's covered-employee payroll	\$ 810,901,858	\$ 727,658,096	\$ 728,386,990	\$ 641,284,925	\$ 663,610,683	\$ 643,954,572	\$ 640,734,064	\$ 602,991,802	\$ 625,011,000
Contributions as a percentage of covered-employee payroll	20.51%	20.47%	20.48%	21.97%	19.22%	19.33%	19.87%	18.03%	17.23%

This schedule is presented to illustrate the requirement to show information for 10 years. However, information prior to June 30, 2015 is not available.

SCHEDULE OF CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution	\$ 122,470,987	\$ 104,579,077	\$ 89,821,855	\$ 86,698,017	\$ 87,680,958	\$ 74,945,815	\$ 96,216,009
Contributions in relation to the statutorily required contribution	(122,470,987)	(104,579,077)	(89,821,855)	(86,698,017)	(87,680,958)	(74,945,815)	(96,216,009)
Contribution deficiency (excess)	None	None	None	None	None	None	None
The System's covered-employee payroll	\$2,192,816,482	\$2,189,042,706	\$2,003,657,367	\$1,936,933,552	\$1,916,898,172	\$1,884,516,905	\$1,884,516,905
Contributions as a percentage of covered-employee payroll	5.59%	4.78%	4.10%	4.33%	4.53%	3.91%	5.11%

This schedule is presented to illustrate the requirement to show information for 10 years. However, information prior to June 30, 2017 is not available.

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**SUPPLEMENTARY DATA**

**UNIVERSITY OF MARYLAND, BALTIMORE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<b>Institution</b>	<b>Component Units</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 556,945,485	\$ 73,614,366
Accounts receivable, net	102,201,884	44,597,003
Leases receivable, current portion, net	536,056	
Notes receivable, current portion, net	770,755	
Inventories	111,567	
Prepaid expenses and other	254,347	119,179,673
Inter-institutional balances	27,410,289	
<b>Total current assets</b>	<b>688,230,383</b>	<b>237,391,042</b>
<b>Noncurrent assets</b>		
Accounts receivable, net		19,895,630
Endowment investments	137,864,972	352,452,423
Other investments	3,849,424	253,021,771
Leases receivable, net	2,169,350	
Notes receivable, net	6,883,246	
Other assets		103,586,643
Capital assets, net	866,999,997	45,353,117
<b>Total noncurrent assets</b>	<b>1,017,766,989</b>	<b>774,309,584</b>
<b>Total assets</b>	<b>1,705,997,372</b>	<b>1,011,700,626</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
	<b>68,096,143</b>	
<b>Total assets and deferred outflows of resources</b>	<b>\$ 1,774,093,515</b>	<b>\$ 1,011,700,626</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 79,383,603	\$ 175,102,331
Accrued workers' compensation, current portion	1,353,750	
Accrued vacation costs, current portion	53,211,255	
Obligations under subscription arrangements, current portion	1,332,854	
Obligations under lease arrangements, current portion	3,614,894	6,427,371
Revenue bonds and notes payable, current portion	6,905,322	840,000
Unearned revenues	107,508,698	626,272
<b>Total current liabilities</b>	<b>253,310,376</b>	<b>182,995,974</b>
<b>Noncurrent liabilities</b>		
Accrued workers' compensation	7,671,250	
Accrued vacation costs	65,003,142	
Endowments invested on behalf of primary government		137,864,972
Other payables		33,308,052
Obligations under subscription arrangements	2,004,002	
Obligations under lease arrangements	4,408,842	18,461,942
Revenue bonds and notes payable	51,892,360	6,092,218
Net pension liability	281,800,437	
<b>Total noncurrent liabilities</b>	<b>412,780,033</b>	<b>195,727,184</b>
<b>Total liabilities</b>	<b>666,090,409</b>	<b>378,723,158</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
	<b>41,990,116</b>	
<b>NET POSITION</b>		
Unrestricted	189,303,477	189,791,146
Net investment in capital assets	779,936,285	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	11,062,487	
Research	4,039,391	
Other	10,298,255	
Expendable:		
Scholarships and fellowships	32,183,954	
Research	8,167,663	
Loans	11,897,914	
Other	19,123,564	
Net assets with donor restrictions		<b>443,186,322</b>
<b>Total net position</b>	<b>1,066,012,990</b>	<b>632,977,468</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 1,774,093,515</b>	<b>\$ 1,011,700,626</b>

**UNIVERSITY OF MARYLAND, BALTIMORE**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2023**

	<u>Institution</u>	<u>Component Units</u>
<b>OPERATING REVENUES</b>		
Tuition and fees	\$ 174,953,629	
Less: scholarship allowances	<u>(39,344,336)</u>	\$ 135,609,293
Federal grants and contracts	319,304,066	
State and local grants and contracts	116,416,310	
Nongovernmental grants and contracts	116,207,126	
Sales and services of educational departments	369,592,892	
Auxiliary enterprises:		
Residential facilities	2,323,912	
Parking facilities	13,727,600	
Other auxiliary enterprises revenues	<u>14,057,196</u>	
<b>Total operating revenues</b>	<u>1,087,238,395</u>	
<b>OPERATING EXPENSES</b>		
Instruction	222,857,470	
Research	448,573,783	
Public service	389,076,784	
Academic support	70,196,315	
Student services	15,037,562	
Institutional support	111,210,983	
Operation and maintenance of plant	109,284,967	
Scholarships and fellowships	436,876	
Auxiliary enterprises:		
Residential facilities	3,211,553	
Parking facilities	8,302,330	
Other auxiliary enterprises expenses	<u>13,779,774</u>	
<b>Total operating expenses</b>	<u>1,391,968,397</u>	
<b>Operating loss</b>	<u>(304,730,002)</u>	
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	326,861,990	
Pell grants	1,268,455	
Other nonoperating grants		
Gifts	22,719,541	\$ 88,458,253
Investment income	25,510,877	30,217,811
Less: investment expense	<u>(612,844)</u>	24,898,033
Interest on indebtedness	(1,612,560)	
Other revenues, (expenses), gains and (losses)	(453,640)	
Other affiliated foundation revenues		123,193,762
Other affiliated foundation expenses		(195,288,273)
Transfers (to) other University System of Maryland institutions	<u>(7,497,846)</u>	
<b>Total nonoperating revenues</b>	<u>366,183,973</u>	<u>46,581,553</u>
<b>Income before other revenues</b>	<u>61,453,971</u>	<u>46,581,553</u>
<b>OTHER REVENUES</b>		
Capital appropriations	17,269,861	
Capital gifts and grants	207,541	
Additions to endowments	<u>58,373</u>	
<b>Total other revenues</b>	<u>17,535,775</u>	
<b>Increase in net position</b>	78,989,746	46,581,553
<b>Net position - beginning of year</b>	<u>987,023,244</u>	<u>586,395,915</u>
<b>Net position - end of year</b>	<u>\$1,066,012,990</u>	<u>\$ 632,977,468</u>

**UNIVERSITY OF MARYLAND, BALTIMORE  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Tuition and fees	\$ 136,511,226
Research contracts and grants	546,514,344
Payments to employees	(1,020,871,539)
Payments to suppliers and contractors	(313,210,275)
Loans issued to students	(738,546)
Collection of loans to students	1,307,006
Student direct lending payments	(145,387,139)
Student direct lending receipts	145,387,139
Auxiliary enterprises:	
Residential facilities	571,945
Parking facilities	13,727,600
Other	14,057,196
Other receipts	<u>412,542,351</u>
<b>Net cash provided (used) by operating activities</b>	<u>(209,588,692)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State appropriations	326,861,990
Gifts and grants received for other than capital purposes:	
Private gifts for endowment purposes	58,373
Pell grants	<u>1,268,455</u>
<b>Net cash provided by noncapital financing activities</b>	<u>328,188,818</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital appropriations	17,269,861
Proceeds from sales of capital assets	5,550
Purchases of capital assets	(74,464,326)
Principal paid on debt and leases	(12,801,230)
Interest paid on debt and leases	(2,627,780)
Transfers (to) other University System of Maryland institutions	<u>(28,407,706)</u>
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(101,025,631)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investments	5,447,144
Interest on investments	18,007,150
Investment expense	(612,844)
Purchases of investments	<u>(3,283,823)</u>
<b>Net cash provided by investing activities</b>	<u>19,557,627</u>
<b>Net increase in cash and cash equivalents</b>	37,132,122
<b>Cash and cash equivalents - beginning of year</b>	<u>519,813,363</u>
<b>Cash and cash equivalents - end of year</b>	<u>\$ 556,945,485</u>

**UNIVERSITY OF MARYLAND, COLLEGE PARK  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	<u>Institution</u>	<u>Component Units</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 955,274,252	\$ 54,260,557
Accounts receivable, net	157,146,708	80,856,380
Leases receivable, current portion, net	2,384,644	
Notes receivable, current portion, net	1,454,720	
Inventories	3,055,449	
Prepaid expenses and other	2,478,395	97,372
Inter-institutional balances	32,269,542	
<b>Total current assets</b>	<u>1,154,063,710</u>	<u>135,214,309</u>
<b>Noncurrent assets</b>		
Restricted cash and cash equivalents	284,198	
Accounts receivable, net		54,896,721
Endowment investments	216,221,821	809,472,655
Other investments	16,047,244	398,930,959
Leases receivable, net	3,543,442	
Notes receivable, net	1,284,685	
Other assets		6,363,791
Capital assets, net	2,532,316,609	5,124,553
<b>Total noncurrent assets</b>	<u>2,769,697,999</u>	<u>1,274,788,679</u>
<b>Total assets</b>	<u>3,923,761,709</u>	<u>1,410,002,988</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>117,256,410</u>	
<b>Total assets and deferred outflows of resources</b>	<u>\$ 4,041,018,119</u>	<u>\$ 1,410,002,988</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 160,738,133	\$ 364,785
Accrued workers' compensation, current portion	1,815,750	
Accrued vacation costs, current portion	28,109,148	
Obligations under subscription arrangements, current portion	5,644,326	
Obligations under lease arrangements, current portion	10,412,314	
Revenue bonds and notes payable, current portion	31,788,019	
Unearned revenues	196,017,182	3,596,201
<b>Total current liabilities</b>	<u>434,524,872</u>	<u>3,960,986</u>
<b>Noncurrent liabilities</b>		
Accrued workers' compensation	10,289,250	
Accrued vacation costs	86,725,138	
Endowments invested on behalf of primary government		216,214,621
Other payables		4,547,781
Obligations under subscription arrangements	8,552,387	
Obligations under lease arrangements	47,584,440	
Revenue bonds and notes payable	391,619,256	
Net pension liability	438,847,935	
<b>Total noncurrent liabilities</b>	<u>983,618,406</u>	<u>220,762,402</u>
<b>Total liabilities</b>	<u>1,418,143,278</u>	<u>224,723,388</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>128,787,275</u>	
<b>NET POSITION</b>		
Unrestricted	409,796,469	75,290,927
Net investment in capital assets	1,946,358,862	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	9,142,261	
Research	3,597,586	
Other	5,169,124	
Expendable:		
Scholarships and fellowships	39,738,629	
Research	67,185,376	
Loans	4,210,491	
Other	8,888,768	
Net assets with donor restrictions		1,109,988,673
<b>Total net position</b>	<u>2,494,087,566</u>	<u>1,185,279,600</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 4,041,018,119</u>	<u>\$ 1,410,002,988</u>

**UNIVERSITY OF MARYLAND, COLLEGE PARK**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2023**

	<u>Institution</u>	<u>Component Units</u>
<b>OPERATING REVENUES</b>		
Tuition and fees	\$ 688,489,865	
Less: scholarship allowances	<u>(131,791,634)</u>	\$ 556,698,231
Federal grants and contracts		495,031,577
State and local grants and contracts		66,744,007
Nongovernmental grants and contracts		154,392,113
Sales and services of educational departments		27,662,102
Auxiliary enterprises:		
Residential facilities	89,480,441	
Less: scholarship allowances	<u>(5,634,858)</u>	83,845,583
Dining facilities	70,916,931	
Less: scholarship allowances	<u>(1,712,945)</u>	69,203,986
Intercollegiate athletics		100,992,892
Parking facilities		15,919,074
Other auxiliary enterprises revenues		59,018,527
Other operating revenues		<u>45,728,696</u>
<b>Total operating revenues</b>		<u>1,675,236,788</u>
<b>OPERATING EXPENSES</b>		
Instruction		686,009,444
Research		616,748,198
Public service		99,586,795
Academic support		235,827,246
Student services		76,812,237
Institutional support		154,576,537
Operation and maintenance of plant		141,305,711
Scholarships and fellowships		37,027,496
Auxiliary enterprises:		
Residential facilities		89,837,470
Dining facilities		73,292,941
Intercollegiate athletics		106,170,016
Parking facilities		8,033,194
Other auxiliary enterprises expenses		<u>66,720,110</u>
<b>Total operating expenses</b>		<u>2,391,947,395</u>
<b>Operating loss</b>		<u>(716,710,607)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations		759,629,441
Pell grants		30,911,260
Other nonoperating grants		
Gifts		39,623,835
Investment income	48,947,458	\$ 152,735,429
Less: investment expense	<u>(892,191)</u>	47,138,268
Interest on indebtedness		(13,407,783)
Other revenues, (expenses), gains and (losses)		(9,038,691)
Other affiliated foundation revenues		6,193,137
Other affiliated foundation expenses		(75,496,077)
Transfers from other University System of Maryland institutions		<u>(1,952,004)</u>
<b>Total nonoperating revenues</b>		<u>130,570,757</u>
<b>Income before other revenues</b>		<u>137,110,718</u>
<b>OTHER REVENUES</b>		
Capital appropriations		74,482,672
Capital gifts and grants		11,279,797
Additions to endowments		<u>114,686</u>
<b>Total other revenues</b>		<u>85,877,155</u>
<b>Increase in net position</b>		130,570,757
<b>Net position - beginning of year</b>		<u>2,271,099,693</u>
<b>Net position - end of year</b>	<u>\$ 2,494,087,566</u>	<u>\$ 1,185,279,600</u>



**UNIVERSITY OF MARYLAND, COLLEGE PARK  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Tuition and fees	\$ 555,781,186
Research contracts and grants	667,898,285
Payments to employees	(1,665,623,346)
Payments to suppliers and contractors	(560,791,590)
Collection of loans to students	677,560
Student direct lending payments	(119,739,922)
Student direct lending receipts	119,739,922
Auxiliary enterprises:	
Residential facilities	76,135,467
Dining facilities	69,203,986
Intercollegiate athletics	103,868,156
Parking facilities	15,919,074
Other	59,415,142
Other receipts	<u>112,876,371</u>
<b>Net cash provided (used) by operating activities</b>	<u>(564,639,709)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State appropriations	759,629,441
Gifts and grants received for other than capital purposes:	
Private gifts for endowment purposes	114,686
Pell grants	<u>30,911,260</u>
<b>Net cash provided by noncapital financing activities</b>	<u>790,655,387</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital appropriations	74,482,672
Capital grants and gifts received	11,279,797
Proceeds from sales of capital assets	
Purchases of capital assets	(271,658,573)
Principal paid on debt and leases	(40,544,407)
Interest paid on debt and leases	(18,941,662)
Transfers from other University System of Maryland institutions	<u>11,979,786</u>
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(233,402,387)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investments	7,460,821
Interest on investments	34,897,232
Investment expense	(892,191)
Purchases of investments	<u>(115,669)</u>
<b>Net cash provided by investing activities</b>	<u>41,350,193</u>
<b>Net increase in cash and cash equivalents</b>	33,963,484
<b>Cash and cash equivalents - beginning of year</b>	<u>921,594,966</u>
<b>Cash and cash equivalents - end year</b>	<u>\$ 955,558,450</u>

**BOWIE STATE UNIVERSITY  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	<u>Institution</u>	<u>Component Units</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 94,701,750	\$ 6,366,903
Accounts receivable, net	25,460,737	84,860
Notes receivable, current portion, net	33,501	
Inter-institutional balances	21,891,953	
<b>Total current assets</b>	<u>142,087,941</u>	<u>6,451,763</u>
<b>Noncurrent assets</b>		
Accounts receivable, net		4,233,019
Endowment investments	2,811,035	42,883,380
Other investments		2,811,035
Notes receivable, net	257,841	
Capital assets, net	380,192,448	
<b>Total noncurrent assets</b>	<u>383,261,324</u>	<u>49,927,434</u>
<b>Total assets</b>	<u>525,349,265</u>	<u>56,379,197</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
	<u>9,027,050</u>	
<b>Total assets and deferred outflows of resources</b>	<u>\$ 534,376,315</u>	<u>\$ 56,379,197</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 20,286,990	\$ 1,881,753
Accrued workers' compensation, current portion	129,600	
Accrued vacation costs, current portion	2,022,384	
Revenue bonds and notes payable, current portion	2,490,815	
Unearned revenues	29,423,167	
<b>Total current liabilities</b>	<u>54,352,956</u>	<u>1,881,753</u>
<b>Noncurrent liabilities</b>		
Accrued workers' compensation	734,400	
Accrued vacation costs	2,326,653	
Endowments invested on behalf of primary government		2,811,035
Revenue bonds and notes payable	28,463,068	
Net pension liability	36,470,088	
<b>Total noncurrent liabilities</b>	<u>67,994,209</u>	<u>2,811,035</u>
<b>Total liabilities</b>	<u>122,347,165</u>	<u>4,692,788</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
	<u>67,671,796</u>	
<b>NET POSITION</b>		
Unrestricted	59,060,676	25,807,628
Net investment in capital assets	284,906,638	
Restricted:		
Expendable:		
Loans	390,040	
Net assets with donor restrictions		25,878,781
<b>Total net position</b>	<u>344,357,354</u>	<u>51,686,409</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 534,376,315</u>	<u>\$ 56,379,197</u>

**BOWIE STATE UNIVERSITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2023**

	<u>Institution</u>	<u>Component Units</u>
<b>OPERATING REVENUES</b>		
Tuition and fees	\$ 47,368,303	
Less: scholarship allowances	<u>(20,663,869)</u>	\$ 26,704,434
Federal grants and contracts		18,796,692
State and local grants and contracts		840,404
Nongovernmental grants and contracts		498,273
Sales and services of educational departments		31,124
Auxiliary enterprises:		
Residential facilities	8,092,374	
Less: scholarship allowances	<u>(839,747)</u>	7,252,627
Dining facilities	9,073,315	
Less: scholarship allowances	<u>(1,739,313)</u>	7,334,002
Intercollegiate athletics	4,551,768	
Less: scholarship allowances	<u>(563,505)</u>	3,988,263
Parking facilities		304,436
Other auxiliary enterprises revenues		11,276,310
Other operating revenues		<u>39,106</u>
<b>Total operating revenues</b>		<u><b>77,065,671</b></u>
<b>OPERATING EXPENSES</b>		
Instruction		49,203,650
Research		2,123,784
Public service		956,736
Academic support		33,763,576
Student services		17,702,124
Institutional support		25,504,012
Operation and maintenance of plant		23,390,135
Scholarships and fellowships		7,194,956
Auxiliary enterprises:		
Residential facilities		8,971,577
Dining facilities		10,433,933
Intercollegiate athletics		5,092,256
Other auxiliary enterprises expenses		<u>6,030,480</u>
<b>Total operating expenses</b>		<u><b>190,367,219</b></u>
<b>Operating loss</b>		<u><b>(113,301,548)</b></u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations		72,755,092
Pell grants		13,709,633
Other nonoperating grants		24,244,792
Gifts		\$ 13,996,923
Investment income	3,184,613	2,040,999
Less: investment expense	<u>(7,887)</u>	3,176,726
Interest on indebtedness		(585,820)
Other revenues, (expenses), gains and (losses)		
Other affiliated foundation revenues		358,989
Other affiliated foundation expenses		(9,464,013)
Transfers from other University System of Maryland institutions		<u>(848,148)</u>
<b>Total nonoperating revenues (expenses)</b>		<u><b>112,452,275</b></u>
<b>Income (loss) before other revenues</b>		<u><b>(849,273)</b></u>
<b>OTHER REVENUES</b>		
Capital appropriations		<u>58,865,720</u>
<b>Total other revenues</b>		<u><b>58,865,720</b></u>
<b>Increase in net position</b>		<u><b>58,016,447</b></u>
<b>Net position - beginning of year</b>		<u><b>286,340,907</b></u>
<b>Net position - end of year</b>	<u><b>\$ 344,357,354</b></u>	<u><b>\$ 51,686,409</b></u>

**BOWIE STATE UNIVERSITY  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Tuition and fees	\$ 25,265,251
Research contracts and grants	20,545,907
Payments to employees	(90,820,319)
Payments to suppliers and contractors	(83,923,712)
Collection of loans to students	22,607
Student direct lending payments	(31,656,341)
Student direct lending receipts	31,656,341
Auxiliary enterprises:	
Residential facilities	4,103,430
Dining facilities	7,334,002
Intercollegiate athletics	3,988,263
Parking facilities	304,436
Other	11,276,310
Other receipts (payments)	<u>20,029,946</u>
<b>Net cash provided (used) by operating activities</b>	<u>(81,873,879)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State appropriations	72,755,092
Pell grants	13,709,633
Other nonoperating grants	<u>24,244,792</u>
<b>Net cash provided by noncapital financing activities</b>	<u>110,709,517</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital appropriations	58,865,720
Purchases of capital assets	(58,655,778)
Principal paid on debt and leases	(2,899,888)
Interest paid on debt and leases	(1,086,344)
Transfers from other University System of Maryland institutions	<u>(23,617,240)</u>
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(27,393,530)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investments	117,411
Interest on investments	3,018,572
Investment expense	<u>(7,887)</u>
<b>Net cash provided by investing activities</b>	<u>3,128,096</u>
<b>Net increase in cash and cash equivalents</b>	4,570,204
<b>Cash and cash equivalents - beginning of year</b>	<u>90,131,546</u>
<b>Cash and cash equivalents - end of year</b>	<u>\$ 94,701,750</u>

**TOWSON UNIVERSITY  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	<b>Institution</b>	<b>Component Units</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 260,356,639	\$ 4,592,271
Accounts receivable, net	16,671,724	159,143
Leases receivable, current portion, net	27,565	
Notes receivable, current portion, net	595,017	
Inventories	3,754,750	
Prepaid expenses and other	5,104,523	224,449
Inter-institutional balances	59,800,120	
<b>Total current assets</b>	<b>346,310,338</b>	<b>4,975,863</b>
<b>Noncurrent assets</b>		
Restricted cash and cash equivalents	48,649	
Accounts receivable, net		6,492,454
Endowment investments	10,159,263	100,548,813
Other investments		10,036,278
Leases receivable, net	1,231,635	
Notes receivable, net	438,620	
Capital assets, net	1,195,154,740	2,270
<b>Total noncurrent assets</b>	<b>1,207,032,907</b>	<b>117,079,815</b>
<b>Total assets</b>	<b>1,553,343,245</b>	<b>122,055,678</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>Total assets and deferred outflows of resources</b>	<b>34,892,888</b>	
	<b>\$ 1,588,236,133</b>	<b>\$ 122,055,678</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 51,534,877	\$ 3,276,181
Accrued workers' compensation, current portion	273,750	
Accrued vacation costs, current portion	11,188,304	
Obligations under subscription arrangements, current portion	1,312,428	
Revenue bonds and notes payable, current portion	25,334,346	
Unearned revenues	70,269,222	
<b>Total current liabilities</b>	<b>159,912,927</b>	<b>3,276,181</b>
<b>Noncurrent liabilities</b>		
Accrued workers' compensation	1,551,250	
Accrued vacation costs	3,091,727	
Endowments invested on behalf of primary government		10,036,278
Obligations under subscription arrangements	1,644,340	
Revenue bonds and notes payable	349,618,656	
Net pension liability	132,335,884	
<b>Total noncurrent liabilities</b>	<b>488,241,857</b>	<b>10,036,278</b>
<b>Total liabilities</b>	<b>648,154,784</b>	<b>13,312,459</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>37,669,753</b>	
<b>NET POSITION</b>		
Unrestricted	103,190,729	4,163,468
Net investment in capital assets	791,575,496	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	265,025	
Expendable:		
Scholarships and fellowships	88,170	
Research	3,264,380	
Loans	924,097	
Other	3,103,699	
Net assets with donor restrictions	104,579,751	104,579,751
<b>Total net position</b>	<b>902,411,596</b>	<b>108,743,219</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 1,588,236,133</b>	<b>\$ 122,055,678</b>

**TOWSON UNIVERSITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2023**

	<u>Institution</u>	<u>Component Units</u>
<b>OPERATING REVENUES</b>		
Tuition and fees	\$ 175,104,544	
Less: scholarship allowances	<u>(54,292,282)</u>	\$ 120,812,262
Federal grants and contracts		7,961,145
State and local grants and contracts		3,584,142
Nongovernmental grants and contracts		5,419,216
Sales and services of educational departments		4,766,722
Auxiliary enterprises:		
Residential facilities	39,258,621	
Less: scholarship allowances	<u>(1,327,292)</u>	37,931,329
Dining facilities	26,719,241	
Less: scholarship allowances	<u>(652,252)</u>	26,066,989
Intercollegiate athletics	21,422,113	-
Less: scholarship allowances	5,792,968	15,629,145
Bookstore	6,169,894	
Less: scholarship allowances	<u>(2,064,391)</u>	4,105,503
Parking facilities	8,330,404	
Less: scholarship allowances		8,330,404
Other auxiliary enterprises revenues		<u>38,948,906</u>
<b>Total operating revenues</b>		<u><b>273,555,763</b></u>
<b>OPERATING EXPENSES</b>		
Instruction		160,043,437
Research		6,435,596
Public service		8,225,072
Academic support		47,018,549
Student services		31,020,734
Institutional support		67,515,620
Operation and maintenance of plant		36,804,487
Scholarships and fellowships		13,596,908
Auxiliary enterprises:		
Residential facilities		28,133,447
Dining facilities		23,260,764
Intercollegiate athletics		20,676,213
Bookstore		6,084,731
Parking facilities		7,508,250
Other auxiliary enterprises expenses		<u>36,020,335</u>
<b>Total operating expenses</b>		<u><b>492,344,143</b></u>
<b>Operating loss</b>		<u><b>(218,788,380)</b></u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations		179,883,214
Pell grants		29,574,386
Other nonoperating grants		
Gifts		972,679
Investment income	10,159,731	\$ 7,721,380
Less: investment expense	<u>(26,402)</u>	7,120,029
Interest on indebtedness		(10,621,367)
Other revenues, (expenses), gains and (losses)		1,122,191
Other affiliated foundation revenues		1,096,088
Other affiliated foundation expenses		(9,193,775)
Transfers from other University System of Maryland institutions		<u>471,272</u>
<b>Total nonoperating revenues (expenses)</b>		<u><b>211,535,704</b></u>
<b>Income (loss) before other revenues</b>		<u><b>(7,252,676)</b></u>
<b>OTHER REVENUES</b>		
Capital appropriations		75,017,315
Capital gifts and grants		<u>165,164</u>
<b>Total other revenues</b>		<u><b>75,182,479</b></u>
<b>Increase (decrease) in net position</b>		<u><b>67,929,803</b></u>
<b>Net position - beginning of year</b>		<u><b>834,481,793</b></u>
<b>Net position - end of year</b>		<u><u><b>\$ 902,411,596</b></u></u>
		<u><u><b>\$ 108,743,219</b></u></u>

**TOWSON UNIVERSITY  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees		\$ 120,449,542
Research contracts and grants		15,925,997
Payments to employees		(302,382,164)
Payments to suppliers and contractors		(123,018,407)
Collection of loans to students		1,073,823
Student direct lending payments		(88,666,651)
Student direct lending receipts		88,666,651
Auxiliary enterprises:		
Residential facilities		34,971,373
Dining facilities		24,951,647
Intercollegiate athletics		15,929,594
Bookstores		3,632,765
Parking facilities		8,192,036
Other		35,823,364
Other receipts		<u>7,887,260</u>
<b>Net cash provided (used) by operating activities</b>		<u>(156,563,170)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State appropriations		216,612,792
Pell grants		<u>29,574,386</u>
<b>Net cash provided by noncapital financing activities</b>		<u>246,187,178</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital appropriations		75,174,479
Purchases of capital assets		(128,555,284)
Principal paid on debt and leases		(31,400,153)
Interest paid on debt and leases		(14,001,747)
Transfers from other University System of Maryland institutions		<u>(18,042,132)</u>
<b>Net cash provided (used) by capital and related financing activities</b>		<u>(116,824,837)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments		417,208
Interest on investments		9,947,433
Investment expense		<u>(26,402)</u>
<b>Net cash provided by investing activities</b>		<u>10,338,239</u>
<b>Net increase in cash and cash equivalents</b>		(16,862,590)
<b>Cash and cash equivalents - beginning of year</b>		<u>277,267,878</u>
<b>Cash and cash equivalents - end of year</b>		<u>\$ 260,405,288</u>

**UNIVERSITY OF MARYLAND EASTERN SHORE  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	<b>Institution</b>	<b>Component Units</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 4,108,564	
Accounts receivable, net	8,471,354	\$ 2,006,941
Notes receivable, current portion, net	32,623	
Prepaid expenses and other	892,453	
Inter-institutional balances	9,147,456	
<b>Total current assets</b>	<b>22,652,450</b>	<b>2,006,941</b>
<b>Noncurrent assets</b>		
Accounts receivable, net		1,317,192
Endowment investments	8,478,945	60,019,109
Other investments		8,581,860
Notes receivable, net	92,236	
Capital assets, net	288,004,256	3,488
<b>Total noncurrent assets</b>	<b>296,575,437</b>	<b>69,921,649</b>
<b>Total assets</b>	<b>319,227,887</b>	<b>71,928,590</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>Total assets and deferred outflows of resources</b>	<b>\$ 329,188,404</b>	<b>\$ 71,928,590</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 9,078,611	\$ 89,675
Accrued workers' compensation, current portion	109,950	
Accrued vacation costs, current portion	2,806,023	
Obligations under subscription arrangements, current portion	348,480	
Obligations under lease arrangements, current portion	119,719	
Revenue bonds and notes payable, current portion	1,557,198	
Unearned revenues	11,829,237	
<b>Total current liabilities</b>	<b>25,849,218</b>	<b>89,675</b>
<b>Noncurrent liabilities</b>		
Accrued workers' compensation	623,050	
Accrued vacation costs	2,947,609	
Endowments invested on behalf of primary government		8,478,945
Obligations under subscription arrangements	460,400	
Obligations under lease arrangements	520,219	
Revenue bonds and notes payable	17,428,042	
Net pension liability	37,256,062	
<b>Total noncurrent liabilities</b>	<b>59,235,382</b>	<b>8,478,945</b>
<b>Total liabilities</b>	<b>85,084,600</b>	<b>8,568,620</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>680,629</b>	
<b>NET POSITION</b>		
Unrestricted	(34,741,366)	23,321,927
Net investment in capital assets	267,687,505	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	28,009	
Expendable:		
Scholarships and fellowships	3,956,994	
Loans	4,414,118	
Other	2,077,915	
Net assets with donor restrictions	40,038,043	40,038,043
<b>Total net position</b>	<b>243,423,175</b>	<b>63,359,970</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 329,188,404</b>	<b>\$ 71,928,590</b>



**UNIVERSITY OF MARYLAND EASTERN SHORE  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2023**

	<u>Institution</u>	<u>Component Units</u>
<b>OPERATING REVENUES</b>		
Tuition and fees	\$ 25,326,730	
Less: scholarship allowances	(11,531,746)	\$ 13,794,984
Federal grants and contracts		12,154,130
State and local grants and contracts		12,038,008
Nongovernmental grants and contracts		4,320,367
Sales and services of educational departments		18,996
Auxiliary enterprises:		
Residential facilities	9,002,145	
Less: scholarship allowances	(695,415)	8,306,730
Dining facilities	5,096,739	
Less: scholarship allowances	(1,257,284)	3,839,455
Intercollegiate athletics		2,866,515
Parking facilities		56,670
Other auxiliary enterprises revenues		4,909,093
Other operating revenues		4,583,322
<b>Total operating revenues</b>		<b>66,888,270</b>
<b>OPERATING EXPENSES</b>		
Instruction		51,092,320
Research		17,177,430
Public service		3,913,270
Academic support		7,271,589
Student services		4,695,830
Institutional support		27,814,630
Operation and maintenance of plant		14,291,435
Scholarships and fellowships		3,948,893
Auxiliary enterprises:		
Residential facilities		6,861,671
Dining facilities		4,532,796
Intercollegiate athletics		5,223,632
Other auxiliary enterprises expenses		5,799,968
<b>Total operating expenses</b>		<b>152,623,464</b>
<b>Operating loss</b>		<b>(85,735,194)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations		64,020,456
Pell grants		5,608,048
Other nonoperating grants		16,221,955
Gifts		\$ 3,085,005
Investment income	773,427	928,916
Less: investment expense	(33,337)	740,090
Interest on indebtedness		(339,804)
Other revenues, (expenses), gains and (losses)		117,036
Other affiliated foundation revenues		2,228,459
Other affiliated foundation expenses		(3,357,760)
Transfers from other University System of Maryland institutions		1,086,457
<b>Total nonoperating revenues</b>		<b>87,454,238</b>
<b>Income (loss) before other revenues</b>		<b>1,719,044</b>
<b>OTHER REVENUES</b>		
Capital appropriations		13,963,107
<b>Total other revenues</b>		<b>13,963,107</b>
<b>Increase in net position</b>		<b>15,682,151</b>
<b>Net position - beginning of year</b>		<b>227,741,024</b>
<b>Net position - end of year</b>	<b>\$ 243,423,175</b>	<b>\$ 63,359,970</b>

**UNIVERSITY OF MARYLAND EASTERN SHORE  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Tuition and fees	\$ 2,479,571
Research contracts and grants	27,211,178
Payments to employees	(85,473,534)
Payments to suppliers and contractors	(53,621,338)
Collection of loans to students	89,436
Student direct lending payments	(20,270,566)
Student direct lending receipts	20,270,566
Auxiliary enterprises:	
Residential facilities	8,306,730
Dining facilities	3,839,455
Intercollegiate athletics	2,866,515
Parking facilities	56,670
Other	4,962,529
Other receipts (payments)	<u>5,843,293</u>
<b>Net cash provided (used) by operating activities</b>	<u>(83,439,495)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State appropriations	64,020,456
Pell grants	5,608,048
Other nonoperating grants	<u>16,221,955</u>
<b>Net cash provided by noncapital financing activities</b>	<u>85,850,459</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital appropriations	13,963,107
Purchases of capital assets	(34,442,794)
Principal paid on debt and leases	(2,705,501)
Interest paid on debt and leases	(615,786)
Transfers to other University System of Maryland institutions	<u>18,274,777</u>
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(5,526,197)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investments	133,340
Interest on investments	285,252
Investment expense	<u>(33,337)</u>
<b>Net cash provided by investing activities</b>	<u>385,255</u>
<b>Net increase in cash and cash equivalents</b>	(2,729,978)
<b>Cash and cash equivalents - beginning of year</b>	<u>6,838,542</u>
<b>Cash and cash equivalents - end of year</b>	<u><u>\$ 4,108,564</u></u>

**FROSTBURG STATE UNIVERSITY  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	<b>Institution</b>	<b>Component Units</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 45,602,915	\$ 483,952
Accounts receivable, net	4,368,717	155,489
Leases receivable, current portion, net	22,924	
Notes receivable, current portion, net	9,308	
Inventories	1,179,559	
Prepaid expenses and other	1,012,756	13,330
Inter-institutional balances	22,447,899	
	<b>74,644,078</b>	<b>652,771</b>
<b>Noncurrent assets</b>		
Accounts receivable, net		706,964
Endowment investments	5,497,853	34,373,227
Other investments		11,930,297
Leases receivable, net	459,337	
Notes receivable, net	130,399	
Other assets		435,871
Capital assets, net	261,439,110	8,550
	<b>267,526,699</b>	<b>47,454,909</b>
<b>Total noncurrent assets</b>		
	<b>267,526,699</b>	<b>47,454,909</b>
<b>Total assets</b>	<b>342,170,777</b>	<b>48,107,680</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
	<b>13,088,915</b>	
<b>Total assets and deferred outflows of resources</b>	<b>\$ 355,259,692</b>	<b>\$ 48,107,680</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 9,647,680	\$ 92,925
Accrued workers' compensation, current portion	111,900	
Accrued vacation costs, current portion	3,323,717	
Obligations under subscription arrangements, current portion	135,548	
Obligations under lease arrangements, current portion	157,147	
Revenue bonds and notes payable, current portion	3,191,817	
Unearned revenues	29,302,035	4,825
	<b>45,869,844</b>	<b>97,750</b>
<b>Total current liabilities</b>		
	<b>45,869,844</b>	<b>97,750</b>
<b>Noncurrent liabilities</b>		
Accrued workers' compensation	634,100	
Accrued vacation costs	938,855	
Endowments invested on behalf of primary government		5,497,853
Other payables		12,987
Obligations under subscription arrangements	297,052	
Obligations under lease arrangements	521,884	
Revenue bonds and notes payable	48,769,517	
Net pension liability	48,420,411	
	<b>99,581,819</b>	<b>5,510,840</b>
<b>Total noncurrent liabilities</b>		
	<b>99,581,819</b>	<b>5,510,840</b>
<b>Total liabilities</b>	<b>145,451,663</b>	<b>5,608,590</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
	<b>16,154,125</b>	
<b>NET POSITION</b>		
Unrestricted	(6,972,474)	3,214,138
Net investment in capital assets	196,707,585	
Restricted:		
Nonexpendable:		
Other	750,000	
Expendable:		
Scholarships and fellowships	2,498,275	
Research	55,068	
Loans	183,338	
Other	432,112	
Net assets with donor restrictions		39,284,952
	<b>193,653,904</b>	<b>42,499,090</b>
<b>Total net position</b>		
	<b>193,653,904</b>	<b>42,499,090</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 355,259,692</b>	<b>\$ 48,107,680</b>

**FROSTBURG STATE UNIVERSITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2023**

	<u>Institution</u>	<u>Component Units</u>
<b>OPERATING REVENUES</b>		
Tuition and fees	\$ 31,114,866	
Less: scholarship allowances	<u>(13,781,457)</u>	\$ 17,333,409
Federal grants and contracts		2,956,883
State and local grants and contracts		2,934,885
Nongovernmental grants and contracts		85,595
Sales and services of educational departments		1,063,096
Auxiliary enterprises:		
Residential facilities	8,002,613	
Less: scholarship allowances	<u>(1,725,940)</u>	6,276,673
Dining facilities	6,147,313	
Less: scholarship allowances	<u>(449,186)</u>	5,698,127
Intercollegiate athletics	2,704,671	
Less: scholarship allowances	<u>(452,130)</u>	2,252,541
Bookstore	1,076,923	
Less: scholarship allowances	<u>(108,526)</u>	968,397
Parking facilities	103,781	
Less: scholarship allowances		103,781
Other auxiliary enterprises revenues	3,761,725	
Less: scholarship allowances	<u>(430,811)</u>	3,330,914
Other operating revenues		<u>355,364</u>
<b>Total operating revenues</b>		<b><u>43,359,665</u></b>
<b>OPERATING EXPENSES</b>		
Instruction		37,012,231
Research		141,132
Public service		5,802,133
Academic support		9,703,322
Student services		6,558,040
Institutional support		16,583,633
Operation and maintenance of plant		13,370,763
Scholarships and fellowships		2,386,487
Auxiliary enterprises:		
Residential facilities		7,334,822
Dining facilities		4,860,711
Intercollegiate athletics		5,974,292
Bookstore		1,174,897
Other auxiliary enterprises expenses		<u>3,782,245</u>
<b>Total operating expenses</b>		<b><u>114,684,708</u></b>
<b>Operating loss</b>		<b><u>(71,325,043)</u></b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations		55,047,296
Pell grants		5,809,026
Other nonoperating grants		2,118,066
Gifts		\$ 2,310,593
Investment income	1,963,841	2,093,396
Less: investment expense	<u>(20,488)</u>	1,943,353
Interest on indebtedness		(1,564,802)
Other revenues, (expenses), gains and (losses)		(79,233)
Other affiliated foundation revenues		454,278
Other affiliated foundation expenses		(3,468,366)
Transfers from other University System of Maryland institutions		<u>1,960,425</u>
<b>Total nonoperating revenues</b>		<b><u>65,234,131</u></b>
<b>Income before other revenues</b>		<b><u>(6,090,912)</u></b>
<b>OTHER REVENUES</b>		
Capital appropriations		36,018,148
Capital gifts and grants		<u>450,202</u>
<b>Total other revenues</b>		<b><u>36,468,350</u></b>
<b>Increase in net position</b>		<b>30,377,438</b>
<b>Net position - beginning of year</b>		<b><u>163,276,466</u></b>
<b>Net position - end of year</b>		<b><u>\$ 193,653,904</u></b>
		<b><u>\$ 42,499,090</u></b>

**FROSTBURG STATE UNIVERSITY  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees		\$ 16,065,384
Research contracts and grants		11,025,540
Payments to employees		(74,383,920)
Payments to suppliers and contractors		(30,226,630)
Collection of loans to students		100,752
Student direct lending payments		(16,865,904)
Student direct lending receipts		16,865,904
Auxiliary enterprises:		
Residential facilities		5,144,656
Dining facilities		5,643,342
Intercollegiate athletics		2,204,922
Bookstores		965,012
Parking facilities		98,831
Other		3,315,846
Other receipts		<u>(19,024,432)</u>
<b>Net cash provided (used) by operating activities</b>		<u>(79,070,697)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State appropriations		55,047,296
Pell grants		<u>5,809,026</u>
<b>Net cash provided by noncapital financing activities</b>		<u>60,856,322</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital appropriations		36,018,148
Purchases of capital assets		(37,188,669)
Principal paid on debt and leases		(3,512,572)
Interest paid on debt and leases		(2,005,604)
Transfers to other University System of Maryland institutions		<u>26,061,106</u>
<b>Net cash provided (used) by capital and related financing activities</b>		<u>19,372,409</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments		107,589
Interest on investments		1,656,110
Investment expense		<u>(20,488)</u>
<b>Net cash provided by investing activities</b>		<u>1,743,211</u>
<b>Net increase in cash and cash equivalents</b>		2,901,245
<b>Cash and cash equivalents - beginning of year</b>		<u>42,701,670</u>
<b>Cash and cash equivalents - end of year</b>		<u>\$ 45,602,915</u>

**COPPIN STATE UNIVERSITY  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	<b>Institution</b>	<b>Component Units</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 23,898,474	\$ 6,758,849
Accounts receivable, net	11,238,261	2,679,023
Notes receivable, current portion, net	24,032	
Prepaid expenses and other	106,417	2,643
Inter-institutional balances	9,706,770	
<b>Total current assets</b>	<b>44,973,954</b>	<b>9,440,515</b>
<b>Noncurrent assets</b>		
Endowment investments	3,379,240	12,172,211
Other investments		3,379,240
Notes receivable, net	296,487	
Capital assets, net	320,915,723	206,500
<b>Total noncurrent assets</b>	<b>324,591,450</b>	<b>15,757,951</b>
<b>Total assets</b>	<b>369,565,404</b>	<b>25,198,466</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>Total assets and deferred outflows of resources</b>	<b>\$ 379,157,410</b>	<b>\$ 25,198,466</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 12,994,100	\$ 952,475
Accrued workers' compensation, current portion	83,550	
Accrued vacation costs, current portion	1,780,212	
Obligations under subscription arrangements, current portion	801,066	
Obligations under lease arrangements, current portion	116,504	
Revenue bonds and notes payable, current portion	2,473,281	
Unearned revenues	13,519,797	
<b>Total current liabilities</b>	<b>31,768,510</b>	<b>952,475</b>
<b>Noncurrent liabilities</b>		
Accrued workers' compensation	473,450	
Accrued vacation costs	1,931,224	
Endowments invested on behalf of primary government		3,379,240
Other payables		6,411
Obligations under subscription arrangements	2,142,612	
Obligations under lease arrangements	300,315	
Revenue bonds and notes payable	23,361,753	
Net pension liability	40,227,952	
<b>Total noncurrent liabilities</b>	<b>68,437,306</b>	<b>3,385,651</b>
<b>Total liabilities</b>	<b>100,205,816</b>	<b>4,338,126</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>5,876,684</b>	
<b>NET POSITION</b>		
Unrestricted	(20,163,145)	187,617
Net investment in capital assets	291,962,587	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	434,289	
Other	240,125	
Expendable:		
Scholarships and fellowships	59,037	
Loans	516,125	
Other	25,892	
Net assets with donor restrictions		20,672,723
<b>Total net position</b>	<b>273,074,910</b>	<b>20,860,340</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 379,157,410</b>	<b>\$ 25,198,466</b>

**COPPIN STATE UNIVERSITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2023**

	<u>Institution</u>	<u>Component Units</u>
<b>OPERATING REVENUES</b>		
Tuition and fees	\$ 12,440,164	
Less: scholarship allowances	<u>(10,670,226)</u>	\$ 1,769,938
Federal grants and contracts		8,000,546
State and local grants and contracts		1,282,617
Nongovernmental grants and contracts		972,360
Sales and services of educational departments		479,716
Auxiliary enterprises:		
Residential facilities	3,385,554	
Less: scholarship allowances	<u>(170,100)</u>	3,215,454
Dining facilities		2,852,682
Intercollegiate athletics	2,777,747	
Less: scholarship allowances	<u>(1,701,912)</u>	1,075,835
Parking facilities	859,617	
Less: scholarship allowances	<u>(157,119)</u>	702,498
Other auxiliary enterprises revenues		2,129,381
Other operating revenues		<u>31</u>
<b>Total operating revenues</b>		<u>22,481,058</u>
<b>OPERATING EXPENSES</b>		
Instruction		27,647,034
Research		1,140,515
Public service		157,380
Academic support		10,723,445
Student services		7,130,849
Institutional support		27,129,207
Operation and maintenance of plant		12,276,702
Scholarships and fellowships		275,034
Auxiliary enterprises:		
Residential facilities		2,804,177
Dining facilities		3,234,624
Intercollegiate athletics		4,663,133
Parking facilities		1,035,868
Other auxiliary enterprises expenses		<u>1,955,615</u>
<b>Total operating expenses</b>		<u>100,173,583</u>
<b>Operating loss</b>		<u>(77,692,525)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations		62,651,967
Pell grants		5,167,363
Other nonoperating grants		8,382,332
Gifts		\$ 5,617,429
Investment income	1,033,140	755,522
Less: investment expense	<u>(11,897)</u>	
Interest on indebtedness		(628,992)
Other revenues, (expenses), gains and (losses)		(151,160)
Other affiliated foundation revenues		163,901
Other affiliated foundation expenses		(3,103,249)
Transfers from other University System of Maryland institutions		<u>3,985,909</u>
<b>Total nonoperating revenues</b>		<u>80,428,662</u>
<b>Income (loss) before other revenues</b>		<u>2,736,137</u>
<b>OTHER REVENUES</b>		
Capital appropriations		<u>15,193,809</u>
<b>Total other revenues</b>		<u>15,193,809</u>
<b>Increase in net position</b>		17,929,946
<b>Net position - beginning of year</b>		<u>255,144,964</u>
<b>Net position - end of year</b>	<u>\$ 273,074,910</u>	<u>\$ 20,860,340</u>

**COPPIN STATE UNIVERSITY  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Tuition and fees	\$ 1,769,938
Research contracts and grants	10,764,149
Payments to employees	(53,140,872)
Payments to suppliers and contractors	(34,627,934)
Collection of loans to students	117,486
Student direct lending payments	(7,473,089)
Student direct lending receipts	7,473,089
Auxiliary enterprises:	
Residential facilities	3,215,454
Dining facilities	2,852,682
Intercollegiate athletics	1,075,836
Parking facilities	702,498
Other	2,129,411
Other receipts	<u>(5,071,192)</u>
<b>Net cash provided (used) by operating activities</b>	<b><u>(70,212,544)</u></b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State appropriations	62,651,967
Gifts and grants received for other than capital purposes:	
Pell grants	5,167,363
Other nonoperating grants	<u>8,382,332</u>
<b>Net cash provided by noncapital financing activities</b>	<b><u>76,201,662</u></b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds of capital debt	15,193,809
Capital appropriations	(27,685,031)
Purchases of capital assets	(2,807,490)
Principal paid on debt and leases	(932,862)
Interest paid on debt and leases	14,818,192
Transfers to other University System of Maryland institutions	<u>14,818,192</u>
<b>Net cash provided (used) by capital and related financing activities</b>	<b><u>(1,413,382)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investments	268,963
Interest on investments	826,320
Investment expense	<u>(11,897)</u>
<b>Net cash provided by investing activities</b>	<b><u>1,083,386</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>5,659,122</b>
<b>Cash and cash equivalents - beginning of year</b>	<b><u>18,239,352</u></b>
<b>Cash and cash equivalents - end of year</b>	<b><u>\$ 23,898,474</u></b>



**UNIVERSITY OF BALTIMORE  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	<u>Institution</u>	<u>Component Units</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 75,758,103	\$ 15,377,686
Accounts receivable, net	8,979,229	17,970
Leases receivable, current portion, net	1,376,875	
Notes receivable, current portion, net	21,702	
Prepaid expenses and other	1,229,829	
Inter-institutional balances	(1,031,208)	
<b>Total current assets</b>	<u>86,334,530</u>	<u>15,395,656</u>
<b>Noncurrent assets</b>		
Accounts receivable, net		5,991,717
Endowment investments	1,604,467	75,647,120
Other investments		1,604,467
Leases receivable, net	679,522	
Notes receivable, net	63,237	
Other assets		82,413
Capital assets, net	<u>184,506,645</u>	<u>567,851</u>
<b>Total noncurrent assets</b>	<u>186,853,871</u>	<u>83,893,568</u>
<b>Total assets</b>	<u>273,188,401</u>	<u>99,289,224</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>8,715,470</u>	
<b>Total assets and deferred outflows of resources</b>	<u>\$ 281,903,871</u>	<u>\$ 99,289,224</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 9,242,221	\$ 615,462
Accrued workers' compensation, current portion	60,450	
Accrued vacation costs, current portion	3,405,699	
Obligations under subscription arrangements, current portion	164,417	
Obligations under lease arrangements, current portion	848,787	
Revenue bonds and notes payable, current portion	1,382,023	
Unearned revenues	<u>8,222,427</u>	<u>1,196,345</u>
<b>Total current liabilities</b>	<u>23,326,024</u>	<u>1,811,807</u>
<b>Noncurrent liabilities</b>		
Accrued workers' compensation	342,550	
Accrued vacation costs	2,530,472	
Endowments invested on behalf of primary government		1,604,467
Obligations under subscription arrangements	569,836	
Obligations under lease arrangements	5,908,648	
Revenue bonds and notes payable	5,157,241	
Net pension liability	<u>41,633,641</u>	
<b>Total noncurrent liabilities</b>	<u>56,142,388</u>	<u>1,604,467</u>
<b>Total liabilities</b>	<u>79,468,412</u>	<u>3,416,274</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>7,596,817</u>	
<b>NET POSITION</b>		
Unrestricted	24,238,396	9,985,699
Net investment in capital assets	170,515,307	
Restricted:		
Expendable:		
Loans	84,939	
Net assets with donor restrictions		<u>85,887,251</u>
<b>Total net position</b>	<u>194,838,642</u>	<u>95,872,950</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 281,903,871</u>	<u>\$ 99,289,224</u>

**UNIVERSITY OF BALTIMORE**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2023**

	<u>Institution</u>	<u>Component Units</u>
<b>OPERATING REVENUES</b>		
Tuition and fees	\$ 48,489,493	
Less: scholarship allowances	<u>(15,459,710)</u>	\$ 33,029,783
Federal grants and contracts		10,851,999
State and local grants and contracts		9,890,443
Nongovernmental grants and contracts		4,824,643
Sales and services of educational departments		257,707
Auxiliary enterprises:		
Parking facilities		527,756
Other auxiliary enterprises revenues		5,098,518
Other operating revenues		<u>759,255</u>
<b>Total operating revenues</b>		<u>65,240,104</u>
<b>OPERATING EXPENSES</b>		
Instruction		42,082,092
Research		7,264,858
Public service		12,873,576
Academic support		14,960,588
Student services		11,782,191
Institutional support		14,011,765
Operation and maintenance of plant		8,926,315
Scholarships and fellowships		3,939,077
Auxiliary enterprises:		
Parking facilities		491,440
Other auxiliary enterprises expenses		<u>2,903,112</u>
<b>Total operating expenses</b>		<u>119,235,014</u>
<b>Operating loss</b>		<u>(53,994,910)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	54,781,236	
Pell grants	3,063,767	
Other nonoperating grants	6,057,828	
Gifts		\$ 5,956,477
Investment income	2,769,500	6,499,759
Interest on indebtedness	(66,660)	
Other revenues, (expenses), gains and (losses)	(771,119)	
Other affiliated foundation revenues		80,468
Other affiliated foundation expenses		(5,553,364)
Transfers from other University System of Maryland institutions	<u>(1,916,652)</u>	
<b>Total nonoperating revenues (expenses)</b>	<u>63,917,900</u>	<u>6,983,340</u>
<b>Income (loss) before other revenues</b>	<u>9,922,990</u>	<u>6,983,340</u>
<b>OTHER REVENUES</b>		
Capital gifts and grants	<u>2,345</u>	
<b>Total other revenues</b>	<u>2,345</u>	
<b>Increase (decrease) in net position</b>	9,925,335	6,983,340
<b>Net position - beginning of year</b>	<u>184,913,307</u>	<u>88,889,610</u>
<b>Net position - end of year</b>	<u>\$ 194,838,642</u>	<u>\$ 95,872,950</u>

**UNIVERSITY OF BALTIMORE  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Tuition and fees	\$ 32,811,517
Research contracts and grants	23,411,492
Payments to employees	(89,720,512)
Payments to suppliers and contractors	(22,539,955)
Collection of loans to students	97,870
Student direct lending payments	(36,049,048)
Student direct lending receipts	36,049,048
Auxiliary enterprises:	
Parking facilities	527,756
Other	5,098,560
Other receipts	<u>5,719,142</u>
<b>Net cash provided (used) by operating activities</b>	<b><u>(44,594,130)</u></b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State appropriations	54,781,236
Pell grants	3,063,767
Other nonoperating grants	<u>6,057,828</u>
<b>Net cash provided by noncapital financing activities</b>	<b><u>63,902,831</u></b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital grants and gifts received	2,345
Purchases of capital assets	(1,321,233)
Principal paid on debt and leases	(3,266,234)
Interest paid on debt and leases	(308,433)
Transfers from other University System of Maryland institutions	<u>(4,624,888)</u>
<b>Net cash provided (used) by capital and related financing activities</b>	<b><u>(10,409,595)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investments	11,714
Interest on investments	<u>2,555,745</u>
<b>Net cash provided by investing activities</b>	<b><u>2,567,459</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>11,466,565</b>
<b>Cash and cash equivalents - beginning of year</b>	<b><u>64,291,538</u></b>
<b>Cash and cash equivalents - end of year</b>	<b><u>\$ 75,758,103</u></b>

**SALISBURY UNIVERSITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<b>Institution</b>	<b>Component Units</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 137,004,227	\$ 54,053
Accounts receivable, net	6,202,507	1,079,610
Notes receivable, current portion, net	4,924	
Inventories	1,153,179	
Prepaid expenses and other	165,088	4,415
Inter-institutional balances	<u>2,300,842</u>	
<b>Total current assets</b>	<u>146,830,767</u>	<u>1,138,078</u>
<b>Noncurrent assets</b>		
Accounts receivable, net		2,708,456
Endowment investments	4,355,586	100,936,074
Other investments		7,129,349
Notes receivable, net		
Other assets		2,875,091
Capital assets, net	<u>428,259,466</u>	<u>106,148</u>
<b>Total noncurrent assets</b>	<u>432,615,052</u>	<u>113,755,118</u>
<b>Total assets</b>	579,445,819	114,893,196
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>11,618,413</u>	
<b>Total assets and deferred outflows of resources</b>	<u>\$ 591,064,232</u>	<u>\$ 114,893,196</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 15,515,467	\$ 43,709
Accrued workers' compensation, current portion	152,250	
Accrued vacation costs, current portion	3,148,290	
Obligations under subscription arrangements, current portion	262,909	
Obligations under lease arrangements, current portion	356,904	
Revenue bonds and notes payable, current portion	6,514,671	1,752,486
Unearned revenues	<u>7,276,551</u>	<u>144,617</u>
<b>Total current liabilities</b>	<u>33,227,042</u>	<u>1,940,812</u>
<b>Noncurrent liabilities</b>		
Accrued workers' compensation	862,750	
Accrued vacation costs	3,567,567	
Endowments invested on behalf of primary government		4,355,586
Other payables		471,847
Obligations under subscription arrangements	270,796	
Obligations under lease arrangements	995,113	
Revenue bonds and notes payable	58,077,226	
Net pension liability	<u>53,531,157</u>	
<b>Total noncurrent liabilities</b>	<u>117,304,609</u>	<u>4,827,433</u>
<b>Total liabilities</b>	<u>150,531,651</u>	<u>6,768,245</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>18,278,249</u>	
<b>NET POSITION</b>		
Unrestricted	72,984,958	10,605,131
Net investment in capital assets	349,225,691	
Restricted:		
Expendable:		
Loans	43,683	
Net assets with donor restrictions		97,519,820
<b>Total net position</b>	<u>422,254,332</u>	<u>108,124,951</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 591,064,232</u>	<u>\$ 114,893,196</u>

**SALISBURY UNIVERSITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2023**

	<u>Institution</u>	<u>Component Units</u>
<b>OPERATING REVENUES</b>		
Tuition and fees	\$ 69,430,256	
Less: scholarship allowances	<u>(22,539,670)</u>	\$ 46,890,586
Federal grants and contracts		2,800,221
State and local grants and contracts		8,478,292
Nongovernmental grants and contracts		942,910
Sales and services of educational departments		230,163
Auxiliary enterprises:		
Residential facilities	26,503,600	
Less: scholarship allowances	<u>(1,691,807)</u>	24,811,793
Dining facilities	14,153,698	
Less: scholarship allowances	<u>(39,303)</u>	14,114,395
Intercollegiate athletics		5,448,853
Bookstore		3,656,163
Parking facilities		958,733
Other auxiliary enterprises revenues	1,946,472	
Less: scholarship allowances	<u>(25,827)</u>	<u>1,920,645</u>
<b>Total operating revenues</b>		<u>110,252,754</u>
<b>OPERATING EXPENSES</b>		
Instruction		66,107,370
Research		1,562,359
Public service		11,168,370
Academic support		18,680,041
Student services		9,793,519
Institutional support		22,564,001
Operation and maintenance of plant		29,649,468
Scholarships and fellowships		247,065
Auxiliary enterprises:		
Residential facilities		14,242,074
Dining facilities		11,941,847
Intercollegiate athletics		7,992,780
Bookstore		3,763,385
Parking facilities		685,294
Other auxiliary enterprises expenses		<u>963,717</u>
<b>Total operating expenses</b>		<u>199,361,290</u>
<b>Operating loss</b>		<u>(89,108,536)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations		78,645,174
Pell grants		8,055,717
Other nonoperating grants		
Gifts		\$ 5,738,558
Investment income	5,124,412	11,671,712
Less: investment expense	<u>(12,432)</u>	
Interest on indebtedness		(1,598,959)
Other revenues, (expenses), gains and (losses)		(262,704)
Other affiliated foundation revenues		709,352
Other affiliated foundation expenses		(5,660,389)
Transfers from other University System of Maryland institutions		<u>(641,934)</u>
<b>Total nonoperating revenues (expenses)</b>		<u>89,309,274</u>
<b>Income (loss) before other revenues</b>		<u>200,738</u>
<b>OTHER REVENUES</b>		
Capital appropriations		964,616
Capital gifts and grants		<u>61,652</u>
<b>Total other revenues</b>		<u>1,026,268</u>
<b>Decrease in net position</b>		1,227,006
<b>Net position - beginning of year</b>		<u>421,027,326</u>
<b>Net position - end of year</b>	<u>\$ 422,254,332</u>	<u>\$ 108,124,951</u>

**SALISBURY UNIVERSITY  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Tuition and fees	\$ 46,574,309
Research contracts and grants	10,065,227
Payments to employees	(134,266,617)
Payments to suppliers and contractors	(45,196,982)
Collection of loans to students	168,954
Student direct lending payments	(35,744,771)
Student direct lending receipts	35,744,771
Auxiliary enterprises:	
Residential facilities	23,060,465
Dining facilities	14,082,375
Intercollegiate athletics	5,451,192
Bookstores	3,656,163
Parking facilities	958,733
Other	1,894,007
Other receipts (payments)	<u>(489,359)</u>
<b>Net cash provided (used) by operating activities</b>	<b><u>(74,041,533)</u></b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State appropriations	78,645,174
Pell grants	<u>8,055,717</u>
<b>Net cash provided by noncapital financing activities</b>	<b><u>86,700,891</u></b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital appropriations	3,157,308
Purchases of capital assets	(7,707,978)
Principal paid on debt and leases	(6,481,083)
Interest paid on debt and leases	(2,679,189)
Transfers from other University System of Maryland institutions	<u>(2,645,045)</u>
<b>Net cash provided (used) by capital and related financing activities</b>	<b><u>(16,355,987)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investments	274,907
Interest on investments	4,861,865
Investment expense	<u>(12,432)</u>
<b>Net cash provided by investing activities</b>	<b><u>5,124,340</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>1,427,711</b>
<b>Cash and cash equivalents - beginning of year</b>	<b><u>135,576,516</u></b>
<b>Cash and cash equivalents - end of year</b>	<b><u>\$ 137,004,227</u></b>

**UNIVERSITY OF MARYLAND GLOBAL CAMPUS  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	<b>Institution</b>	<b>Component Units</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 380,960,109	
Accounts receivable, net	69,736,763	\$ 76,067
Inventories	25,210	
Prepaid expenses and other	10,108,602	750
Inter-institutional balances	794,913	
<b>Total current assets</b>	<b>461,625,597</b>	<b>76,817</b>
<b>Noncurrent assets</b>		
Accounts receivable, net		524,752
Endowment investments	12,695,936	43,271,082
Other investments	17,314,456	15,383,585
Capital assets, net	65,235,507	9,400,877
<b>Total noncurrent assets</b>	<b>95,245,899</b>	<b>68,580,296</b>
<b>Total assets</b>	<b>556,871,496</b>	<b>68,657,113</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>Total assets and deferred outflows of resources</b>	<b>\$ 564,780,346</b>	<b>\$ 68,657,113</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 19,109,129	\$ 120
Accrued workers' compensation, current portion	86,850	
Accrued vacation costs, current portion	11,099,268	
Obligations under subscription arrangements, current portion	2,667,846	
Obligations under lease arrangements, current portion	1,285,548	
Unearned revenues	47,834,821	
<b>Total current liabilities</b>	<b>82,083,462</b>	<b>120</b>
<b>Noncurrent liabilities</b>		
Accrued workers' compensation	492,150	
Accrued vacation costs	7,737,409	
Endowments invested on behalf of primary government		12,695,936
Obligations under subscription arrangements	186,616	
Obligations under lease arrangements	2,085,652	
Net pension liability	46,985,983	
<b>Total noncurrent liabilities</b>	<b>57,487,810</b>	<b>12,695,936</b>
<b>Total liabilities</b>	<b>139,571,272</b>	<b>12,696,056</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>1,296,646</b>	
<b>NET POSITION</b>		
Unrestricted	364,827,564	11,467,230
Net investment in capital assets	59,009,845	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	29,423	
Expendable:		
Scholarships and fellowships	34,085	
Research	11,511	
Net assets with donor restrictions	44,493,827	
<b>Total net position</b>	<b>423,912,428</b>	<b>55,961,057</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 564,780,346</b>	<b>\$ 68,657,113</b>

**UNIVERSITY OF MARYLAND GLOBAL CAMPUS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2023**

	<u>Institution</u>	<u>Component Units</u>
<b>OPERATING REVENUES</b>		
Tuition and fees	\$ 343,357,169	
Less: scholarship allowances	<u>(52,026,522)</u>	
Federal grants and contracts	\$ 291,330,647	
State and local grants and contracts	2,169,194	
Nongovernmental grants and contracts	4,605,609	
Sales and services of educational departments	2,518,789	
Auxiliary enterprises:		
Bookstore		
Parking facilities	50	
Other operating revenues	<u>19,289,660</u>	
<b>Total operating revenues</b>	<u>321,073,141</u>	
<b>OPERATING EXPENSES</b>		
Instruction	97,779,384	
Public service	16,507,774	
Academic support	65,951,792	
Student services	150,793,918	
Institutional support	67,133,612	
Operation and maintenance of plant	15,778,693	
Scholarships and fellowships	38,620,984	
Auxiliary enterprises:		
Other auxiliary enterprises expenses	<u>1,454</u>	
<b>Total operating expenses</b>	<u>452,567,611</u>	
<b>Operating loss</b>	<u>(131,494,470)</u>	
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	57,317,002	
Pell grants	59,446,474	
Other nonoperating grants	4,435,425	
Gifts		\$ 1,087,797
Investment income	10,250,262	744,862
Less: investment expense	<u>(38,256)</u>	
Interest on indebtedness	10,212,006	
Other revenues, (expenses), gains and (losses)	(140,667)	
Other affiliated foundation revenues	31,091,248	
Other affiliated foundation expenses		1,336,199
Transfers (to) other University System of Maryland institutions	<u>(387,064)</u>	<u>(1,806,026)</u>
<b>Total nonoperating revenues</b>	<u>161,974,424</u>	<u>1,362,832</u>
Capital appropriations	<u>218,693</u>	
<b>Total other revenues</b>	<u>218,693</u>	
<b>Increase (decrease) in net position</b>	30,698,647	1,362,832
<b>Net position - beginning of year</b>	<u>393,213,781</u>	<u>54,598,225</u>
<b>Net position - end of year</b>	<u>\$ 423,912,428</u>	<u>\$ 55,961,057</u>



**UNIVERSITY OF MARYLAND GLOBAL CAMPUS  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Tuition and fees	\$ 284,980,266
Research contracts and grants	10,339,646
Payments to employees	(271,218,161)
Payments to suppliers and contractors	(181,572,385)
Student direct lending payments	(144,017,194)
Student direct lending receipts	144,017,194
Auxiliary enterprises:	
Parking facilities	50
Other receipts (payments)	<u>47,786,418</u>
<b>Net cash provided (used) by operating activities</b>	<b><u>(109,684,166)</u></b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State appropriations	57,317,002
Pell grants	59,446,474
Other nonoperating grants	<u>4,435,425</u>
<b>Net cash provided by noncapital financing activities</b>	<b><u>121,198,901</u></b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital appropriations	218,693
Proceeds from sales of capital assets	46,921,099
Purchases of capital assets	(11,371,933)
Principal paid on debt and leases	(1,314,897)
Interest paid on debt and leases	(140,667)
Transfers (to) other University System of Maryland institutions	<u>(1,307,818)</u>
<b>Net cash provided (used) by capital and related financing activities</b>	<b><u>33,004,477</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investments	930,706
Interest on investments	9,908,861
Investment expense	<u>(38,256)</u>
<b>Net cash provided by investing activities</b>	<b><u>10,801,311</u></b>
<b>Net decrease in cash and cash equivalents</b>	<b>55,320,523</b>
<b>Cash and cash equivalents - beginning of year</b>	<b><u>325,639,586</u></b>
<b>Cash and cash equivalents - end of year</b>	<b><u>\$ 380,960,109</u></b>

UNIVERSITY OF MARYLAND, BALTIMORE COUNTY  
STATEMENT OF NET POSITION  
JUNE 30, 2023

	Institution	Component Units
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 252,288,143	
Accounts receivable, net	22,645,980	\$ 10,101,899
Leases receivable, current portion, net	1,220,059	
Notes receivable, current portion, net		
Inventories	447,535	
Prepaid expenses and other	261,535	18,048
Inter-institutional balances	864,465	
<b>Total current assets</b>	<b>277,727,717</b>	<b>10,119,947</b>
<b>Noncurrent assets</b>		
Accounts receivable, net		1,826,543
Endowment investments	11,293,204	148,622,372
Other investments	400,000	31,171,025
Leases receivable, net	617,592	
Notes receivable, net		
Capital assets, net	692,113,710	40,959
<b>Total noncurrent assets</b>	<b>704,424,506</b>	<b>181,660,899</b>
<b>Total assets</b>	<b>982,152,223</b>	<b>191,780,846</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
	<b>28,026,090</b>	
<b>Total assets and deferred outflows of resources</b>	<b>\$1,010,178,313</b>	<b>\$ 191,780,846</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 33,744,117	\$ 197,395
Accrued workers' compensation, current portion	162,750	
Accrued vacation costs, current portion	12,378,103	
Obligations under subscription arrangements, current portion	448,473	
Obligations under lease arrangements, current portion	597,329	
Revenue bonds and notes payable, current portion	9,995,562	
Unearned revenues	18,534,797	
<b>Total current liabilities</b>	<b>75,861,131</b>	<b>197,395</b>
<b>Noncurrent liabilities</b>		
Accrued workers' compensation	922,250	
Accrued vacation costs	4,862,234	
Endowments invested on behalf of primary government		11,293,204
Obligations under subscription arrangements	255,772	
Obligations under lease arrangements	4,288,462	
Revenue bonds and notes payable	130,950,925	
Net pension liability	127,406,626	
<b>Total noncurrent liabilities</b>	<b>268,686,269</b>	<b>11,293,204</b>
<b>Total liabilities</b>	<b>344,547,400</b>	<b>11,490,599</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
	<b>38,216,084</b>	
<b>NET POSITION</b>		
Unrestricted	102,917,270	13,375,460
Net investment in capital assets	524,367,085	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	130,474	
Expendable:		
Loans		
Net assets with donor restrictions		166,914,787
<b>Total net position</b>	<b>627,414,829</b>	<b>180,290,247</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$1,010,178,313</b>	<b>\$ 191,780,846</b>

**UNIVERSITY OF MARYLAND, BALTIMORE COUNTY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2023**

	<u>Institution</u>	<u>Component Units</u>
<b>OPERATING REVENUES</b>		
Tuition and fees	\$ 160,587,966	
Less: scholarship allowances	<u>(30,367,394)</u>	\$ 130,220,572
Federal grants and contracts		59,927,364
State and local grants and contracts		46,219,043
Nongovernmental grants and contracts		23,457,316
Sales and services of educational departments		2,057,998
Auxiliary enterprises:		
Residential facilities	29,838,660	
Less: scholarship allowances	<u>(4,435,212)</u>	25,403,448
Dining facilities	15,859,668	
Less: scholarship allowances	<u>(2,813,268)</u>	13,046,400
Intercollegiate athletics		14,123,646
Bookstore	3,971,218	
Less: scholarship allowances	<u>(1,636)</u>	3,969,582
Parking facilities		1,876,793
Other auxiliary enterprises revenues		24,891,827
Other operating revenues		<u>18,150,564</u>
<b>Total operating revenues</b>		<u><b>363,344,553</b></u>
<b>OPERATING EXPENSES</b>		
Instruction		160,593,802
Research		91,032,189
Public service		24,975,227
Academic support		30,749,875
Student services		26,795,850
Institutional support		48,178,219
Operation and maintenance of plant		63,216,395
Scholarships and fellowships		29,428,003
Auxiliary enterprises:		
Residential facilities		30,286,944
Dining facilities		12,584,801
Intercollegiate athletics		12,427,830
Bookstore		3,672,025
Parking facilities		1,268,053
Other auxiliary enterprises expenses		<u>21,322,686</u>
<b>Total operating expenses</b>		<u><b>556,531,899</b></u>
<b>Operating loss</b>		<u><b>(193,187,346)</b></u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations		190,913,456
Pell grants		17,192,893
Other nonoperating grants		
Gifts		1,350
Investment income	8,990,994	\$ 10,311,974
Less: investment expense	<u>(35,884)</u>	2,276,491
Interest on indebtedness		(4,233,334)
Other revenues, (expenses), gains and (losses)		49,971,253
Other affiliated foundation revenues		5,015,484
Other affiliated foundation expenses		(10,570,913)
Transfers from other University System of Maryland institutions		<u>(2,590,649)</u>
<b>Total nonoperating revenues</b>		<u><b>260,210,079</b></u>
<b>Income before other revenues</b>		<u><b>7,033,036</b></u>
<b>OTHER REVENUES</b>		
Capital appropriations		<u>10,644,185</u>
<b>Total other revenues</b>		<u><b>10,644,185</b></u>
<b>Increase in net position</b>		<u><b>77,666,918</b></u>
<b>Net position - beginning of year</b>		<u><b>549,747,911</b></u>
<b>Net position - end of year</b>		<u><u><b>\$ 627,414,829</b></u></u>
		<u><u><b>\$ 180,290,247</b></u></u>

**UNIVERSITY MARYLAND, BALTIMORE COUNTY  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Tuition and fees	\$ 130,051,362
Research contracts and grants	129,141,430
Payments to employees	(324,619,473)
Payments to suppliers and contractors	(183,037,213)
Loans issued to students	195,022
Collection of loans to students	1,016,250
Student direct lending payments	(39,017,775)
Student direct lending receipts	39,017,775
Auxiliary enterprises:	
Residential facilities	23,760,290
Dining facilities	13,125,504
Intercollegiate athletics	14,209,281
Bookstores	3,993,651
Parking facilities	1,888,172
Other	25,042,753
Other receipts	<u>28,437,121</u>
<b>Net cash provided (used) by operating activities</b>	<u>(136,795,850)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State appropriations	190,913,456
Pell grants	<u>17,192,893</u>
<b>Net cash provided by noncapital financing activities</b>	<u>208,106,349</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital appropriations	10,644,185
Purchases of capital assets	(22,849,946)
Principal paid on debt and leases	(19,808,354)
Interest paid on debt and leases	(2,306,728)
Transfers from other University System of Maryland institutions	<u>(4,526,337)</u>
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(38,847,180)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investments	403,204
Interest on investments	8,320,261
Investment expense	<u>(35,884)</u>
<b>Net cash provided by investing activities</b>	<u>8,687,581</u>
<b>Net increase in cash and cash equivalents</b>	41,150,900
<b>Cash and cash equivalents - beginning of year</b>	<u>211,137,243</u>
<b>Cash and cash equivalents - end of year</b>	<u>\$ 252,288,143</u>

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	<b>Institution</b>	<b>Component Units</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 25,875,399	
Accounts receivable, net	5,910,921	\$ 470
Prepaid expenses and other	1,747,377	
Inter-institutional balances	11,697,378	
<b>Total current assets</b>	<b>45,231,075</b>	<b>470</b>
<b>Noncurrent assets</b>		
Endowment investments	488,229	3,891,670
Other investments	50,000	5,157,838
Capital assets, net	64,116,060	649
<b>Total noncurrent assets</b>	<b>64,654,289</b>	<b>9,050,157</b>
<b>Total assets</b>	<b>109,885,364</b>	<b>9,050,627</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>Total assets and deferred outflows of resources</b>	<b>\$ 113,262,406</b>	<b>\$ 9,050,627</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 2,392,503	
Accrued workers' compensation, current portion	4,950	
Accrued vacation costs, current portion	1,992,561	
Revenue bonds and notes payable, current portion	553,397	
Unearned revenues	11,137,339	
<b>Total current liabilities</b>	<b>16,080,750</b>	
<b>Noncurrent liabilities</b>		
Accrued workers' compensation	28,050	
Accrued vacation costs	2,205,127	
Endowments invested on behalf of primary government	3,806,157	\$ 488,229
Revenue bonds and notes payable	10,724,648	
Net pension liability	16,763,982	488,229
<b>Total noncurrent liabilities</b>	<b>16,763,982</b>	<b>488,229</b>
<b>Total liabilities</b>	<b>32,844,732</b>	<b>488,229</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>2,169,226</b>	
<b>NET POSITION</b>		
Unrestricted	18,475,323	870,892
Net investment in capital assets	59,773,125	
Restricted:		
Expendable:		
Net assets with donor restrictions	7,691,506	7,691,506
<b>Total net position</b>	<b>78,248,448</b>	<b>8,562,398</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 113,262,406</b>	<b>\$ 9,050,627</b>

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2023**

	<u>Institution</u>	<u>Component Units</u>
<b>OPERATING REVENUES</b>		
Federal grants and contracts	\$ 13,646,918	
State and local grants and contracts	4,462,886	
Nongovernmental grants and contracts	4,312,925	
Sales and services of educational departments	<u>4,308,462</u>	
<b>Total operating revenues</b>	<u>26,731,191</u>	
<b>OPERATING EXPENSES</b>		
Research	51,756,853	
Operation and maintenance of plant	<u>451,354</u>	
<b>Total operating expenses</b>	<u>52,208,207</u>	
<b>Operating loss</b>	<u>(25,477,016)</u>	
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	26,581,720	
Gifts		\$ 2,544,124
Investment income	858,540	63,694
Interest on indebtedness	(88,408)	
Other revenues, (expenses), gains and (losses)	6,714	
Other affiliated foundation revenues		144,855
Other affiliated foundation expenses		(1,781,125)
Transfers from other University System of Maryland institutions	<u>676,630</u>	
<b>Total nonoperating revenues (expenses)</b>	<u>28,035,196</u>	<u>971,548</u>
<b>Income (loss) before other revenues</b>	<u>2,558,180</u>	<u>971,548</u>
<b>OTHER REVENUES</b>		
Capital appropriations	<u>1,229,934</u>	
<b>Total other revenues</b>	<u>1,229,934</u>	
<b>Increase (decrease) in net position</b>	3,788,114	971,548
<b>Net position - beginning of year</b>	<u>74,460,334</u>	<u>7,590,850</u>
<b>Net position - end of year</b>	<u>\$ 78,248,448</u>	<u>\$ 8,562,398</u>

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Research contracts and grants	\$ 32,443,092
Payments to employees	(36,191,674)
Payments to suppliers and contractors	(14,132,155)
Other receipts	<u>4,315,176</u>
<b>Net cash provided (used) by operating activities</b>	<u>(13,565,561)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State appropriations	<u>26,581,720</u>
<b>Net cash provided by noncapital financing activities</b>	<u>26,581,720</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital appropriations	1,229,934
Purchases of capital assets	(1,119,603)
Principal paid on debt and leases	(808,608)
Interest paid on debt and leases	(165,444)
Transfers from other University System of Maryland institutions	<u>(11,157,524)</u>
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(12,021,245)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investments	18,591
Interest on investments	<u>829,783</u>
<b>Net cash provided by investing activities</b>	<u>848,374</u>
<b>Net increase in cash and cash equivalents</b>	1,843,288
<b>Cash and cash equivalents - beginning of year</b>	<u>24,032,111</u>
<b>Cash and cash equivalents - end of year</b>	<u>\$ 25,875,399</u>

UNIVERSITY SYSTEM OF MARYLAND OFFICE  
STATEMENT OF NET POSITION  
JUNE 30, 2023

	Institution	Component Units
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 457,844,436	\$ 78,507
Accounts receivable, net	981,517	182,787
Prepaid expenses and other		132,702
Inter-institutional balances	(197,300,419)	
<b>Total current assets</b>	<b>261,525,534</b>	<b>393,996</b>
<b>Noncurrent assets</b>		
Restricted cash and cash equivalents	31,884,580	
Accounts receivable, net		110,103
Endowment investments	30,351,969	23,820,728
Other investments	5,879,395	155,719,796
Other assets		492,000
Capital assets, net	324,409,133	2,610,419
<b>Total noncurrent assets</b>	<b>392,525,077</b>	<b>182,753,046</b>
<b>Total assets</b>	<b>654,050,611</b>	<b>183,147,042</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
	8,980,647	
<b>Total assets and deferred outflows of resources</b>	<b>\$ 663,031,258</b>	<b>\$ 183,147,042</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 10,961,219	\$ 3,164,414
Accrued workers' compensation, current portion	6,750	
Accrued vacation costs, current portion	782,112	
Obligations under subscription arrangements, current portion	1,401,734	
Obligations under lease arrangements, current portion	385,719	
Revenue bonds and notes payable, current portion	2,693,517	
Unearned revenues	1,383,610	2,410,000
<b>Total current liabilities</b>	<b>17,614,661</b>	<b>5,574,414</b>
<b>Noncurrent liabilities</b>		
Accrued workers' compensation	38,250	
Accrued vacation costs	1,786,958	
Endowments invested on behalf of primary government		30,351,969
Other payables		105,755,665
Obligations under subscription arrangements	12,077,930	
Obligations under lease arrangements	5,109,086	
Revenue bonds and notes payable	36,217,644	
Net pension liability	9,278,814	
<b>Total noncurrent liabilities</b>	<b>64,508,682</b>	<b>136,107,634</b>
<b>Total liabilities</b>	<b>82,123,343</b>	<b>141,682,048</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
	10,646,566	
<b>NET POSITION</b>		
Unrestricted	270,729,829	5,691,339
Net investment in capital assets	293,820,838	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	347,604	
Other	471,330	
Expendable:		
Capital projects	4,891,748	
Net assets with donor restrictions		35,773,655
<b>Total net position</b>	<b>570,261,349</b>	<b>41,464,994</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 663,031,258</b>	<b>\$ 183,147,042</b>



**UNIVERSITY SYSTEM OF MARYLAND OFFICE  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2023**

	Institution	Component Units
<b>OPERATING REVENUES</b>		
Federal grants and contracts	\$ 273,289	
Other operating revenues	<u>1,538,139</u>	
<b>Total operating revenues</b>	<u>1,811,428</u>	
<b>OPERATING EXPENSES</b>		
Academic support	13,678,714	
Institutional support	<u>34,935,651</u>	
<b>Total operating expenses</b>	<u>48,614,365</u>	
<b>Operating loss</b>	<u>(46,802,937)</u>	
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	24,824,089	
Gifts		\$ 1,740,399
Investment income	\$ 19,687,835	15,012,893
Less: investment expense	<u>(80,258)</u>	
Interest on indebtedness	(1,051,432)	
Other revenues, (expenses), gains and (losses)	(65,116)	
Other affiliated foundation revenues		8,130,214
Other affiliated foundation expenses		(9,594,746)
Transfers to other University System of Maryland institutions	<u>7,653,604</u>	
<b>Total nonoperating revenues (expenses)</b>	<u>50,968,722</u>	<u>(971,668)</u>
<b>Loss before other revenues</b>	<u>4,165,785</u>	<u>(971,668)</u>
<b>OTHER REVENUES</b>		
Capital appropriations	<u>1,270,135</u>	
<b>Total other revenues</b>	<u>1,270,135</u>	
<b>Decrease in net position</b>	5,435,920	(971,668)
<b>Net position - beginning of year</b>	<u>564,825,429</u>	<u>42,436,662</u>
<b>Net position - end of year</b>	<u>\$ 570,261,349</u>	<u>\$ 41,464,994</u>

**UNIVERSITY SYSTEM OF MARYLAND OFFICE  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Research contracts and grants	\$ 161,828
Payments to employees	(20,234,425)
Payments to suppliers and contractors	(2,539,714)
Other receipts (payments)	<u>(22,067,028)</u>
<b>Net cash provided (used) by operating activities</b>	<u>(44,679,339)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State appropriations	<u>24,824,089</u>
<b>Net cash provided by noncapital financing activities</b>	<u>24,824,089</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital appropriations	1,270,135
Purchases of capital assets	(16,698,585)
Principal paid on debt and leases	(5,704,498)
Interest paid on debt and leases	(3,950,207)
Transfers from other University System of Maryland institutions	<u>23,194,829</u>
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(1,888,326)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investments	864,274
Interest on investments	17,817,066
Investment expense	(80,258)
Purchases of investments	<u>(1,538,144)</u>
<b>Net cash provided by investing activities</b>	<u>17,062,938</u>
<b>Net increase in cash and cash equivalents</b>	(4,680,638)
<b>Cash and cash equivalents - beginning of year</b>	<u>494,409,654</u>
<b>Cash and cash equivalents - end of year</b>	<u><u>\$ 489,729,016</u></u>

**UNIVERSITY SYSTEM OF MARYLAND**  
**COMBINING STATEMENT OF FINANCIAL POSITION, NONMAJOR COMPONENT UNITS**  
**JUNE 30, 2023**

	University of Maryland Pediatric Associates, P.A.	University of Maryland Orthopaedic Associates, P.A.	Bowie State University Foundation, Inc.	Towson University Foundation, Inc.	Frostburg State University Foundation, Inc.	Coppin State University Development Foundation, Inc.	University of Baltimore Foundation, Inc. and University Properties, Inc.	Salisbury University Foundation, Inc.	Total Nonmajor Component Units
<b>ASSETS</b>									
<b>Current Assets</b>									
Cash	\$ 21,356,692	\$ 11,193,431	\$ 6,366,903	\$ 4,592,271	\$ 483,952	\$ 6,758,849	\$ 15,377,686	\$ 54,053	\$ 66,183,837
Accounts receivable, net	5,275,508	5,059,770	84,860	159,143	155,489	2,679,023	17,970	1,079,610	14,511,373
Other assets	4,192,740	138,358		224,449	13,330	2,643		4,415	4,575,935
<b>Total current assets</b>	<b>30,824,940</b>	<b>16,391,559</b>	<b>6,451,763</b>	<b>4,975,863</b>	<b>652,771</b>	<b>9,440,515</b>	<b>15,395,656</b>	<b>1,138,078</b>	<b>85,271,145</b>
<b>Investments</b>									
Endowment investments			42,883,380	100,548,813	34,373,227	12,172,211	75,647,120	100,936,074	366,560,825
Other investments		166,625			6,432,444			2,773,763	9,372,832
<b>Total investments</b>		<b>166,625</b>	<b>42,883,380</b>	<b>100,548,813</b>	<b>40,805,671</b>	<b>12,172,211</b>	<b>75,647,120</b>	<b>103,709,837</b>	<b>375,933,657</b>
<b>Noncurrent assets</b>									
Accounts receivable, net			4,233,019	6,492,454	706,964		5,991,717	2,708,456	20,132,610
Capital assets, net	297,096	3,488,276		2,270	8,550	206,500	567,851	106,148	4,676,691
Other assets		6,285,485			435,871		82,413	2,875,091	9,678,860
<b>Total noncurrent assets</b>	<b>297,096</b>	<b>9,773,761</b>	<b>4,233,019</b>	<b>6,494,724</b>	<b>1,151,385</b>	<b>206,500</b>	<b>6,641,981</b>	<b>5,689,695</b>	<b>34,488,161</b>
<b>Total assets</b>	<b>\$ 31,122,036</b>	<b>\$ 26,331,945</b>	<b>\$ 53,568,162</b>	<b>\$ 112,019,400</b>	<b>\$ 42,609,827</b>	<b>\$ 21,819,226</b>	<b>\$ 97,684,757</b>	<b>\$ 110,537,610</b>	<b>\$ 495,692,963</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Accounts payable & accrued expenses	\$ 21,710,144	\$ 8,965,829	\$ 1,881,753	\$ 3,276,181	\$ 92,925	\$ 952,475	\$ 615,462	\$ 43,709	\$ 37,538,478
Long-term debt, current								1,752,486	1,752,486
Unearned revenues					4,825		1,196,345	144,617	1,345,787
<b>Total current liabilities</b>	<b>21,710,144</b>	<b>8,965,829</b>	<b>1,881,753</b>	<b>3,276,181</b>	<b>97,750</b>	<b>952,475</b>	<b>1,811,807</b>	<b>1,940,812</b>	<b>40,636,751</b>
<b>Noncurrent liabilities</b>									
Other payables	4,130,617	7,119,137			12,987	6,411		471,847	11,740,999
<b>Total noncurrent liabilities</b>	<b>4,130,617</b>	<b>7,119,137</b>			<b>12,987</b>	<b>6,411</b>		<b>471,847</b>	<b>11,740,999</b>
<b>Total liabilities</b>	<b>25,840,761</b>	<b>16,084,966</b>	<b>1,881,753</b>	<b>3,276,181</b>	<b>110,737</b>	<b>958,886</b>	<b>1,811,807</b>	<b>2,412,659</b>	<b>52,377,750</b>
<b>NET ASSETS</b>									
Without donor restrictions	5,281,275	10,246,979	25,807,628	4,163,468	3,214,138	187,617	9,985,699	10,605,131	69,491,935
With donor restrictions			25,878,781	104,579,751	39,284,952	20,672,723	85,887,251	97,519,820	373,823,278
<b>Total net assets</b>	<b>5,281,275</b>	<b>10,246,979</b>	<b>51,686,409</b>	<b>108,743,219</b>	<b>42,499,090</b>	<b>20,860,340</b>	<b>95,872,950</b>	<b>108,124,951</b>	<b>443,315,213</b>
<b>Total liabilities and net assets</b>	<b>\$ 31,122,036</b>	<b>\$ 26,331,945</b>	<b>\$ 53,568,162</b>	<b>\$ 112,019,400</b>	<b>\$ 42,609,827</b>	<b>\$ 21,819,226</b>	<b>\$ 97,684,757</b>	<b>\$ 110,537,610</b>	<b>\$ 495,692,963</b>

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**UNIVERSITY SYSTEM OF MARYLAND  
COMBINING STATEMENT OF ACTIVITIES, NONMAJOR COMPONENT UNITS  
YEAR ENDED JUNE 30, 2023**

	University of Maryland Pediatric Associates, P.A.	University of Maryland Orthopaedic Associates, P.A.	Bowie State University Foundation, Inc.	Towson University Foundation, Inc.	Frostburg State University Foundation, Inc.	Coppin State University Development Foundation, Inc.	University of Baltimore Foundation, Inc. and University Properties, Inc.	Salisbury University Foundation, Inc.	Total Nonmajor Component Units
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>									
<b>Revenues</b>									
Contributions & grants				\$ 650,384	\$ 119,852	\$ 274,041	\$ 152,590	\$ 360,768	\$ 1,557,635
Investment income	\$ 451,241	\$ 176,211	\$ 1,298,784	723,558	188,369	124,610	761,564	527,618	4,251,955
Other income	35,214,994	37,343,569	291,546	18,419	37,573	44,845	4,295	628,038	73,583,279
Assets released from restrictions			8,787,842	8,709,627	3,319,349	2,275,820	5,956,358	5,175,365	34,224,361
<b>Total revenues</b>	<b>35,666,235</b>	<b>37,519,780</b>	<b>10,378,172</b>	<b>10,101,988</b>	<b>3,665,143</b>	<b>2,719,316</b>	<b>6,874,807</b>	<b>6,691,789</b>	<b>113,617,230</b>
<b>Expenses</b>									
Program	13,424,669	18,122,305	9,193,422	7,908,529	3,078,446	2,075,822	4,341,340	4,521,456	62,665,989
General & administrative	10,190,152	5,466,491	225,037	791,764	389,920	795,745	846,694	820,108	19,525,911
Fundraising			45,554	493,482		231,682	365,330	318,825	1,454,873
Other expense	3,240,559	6,069,233							9,309,792
<b>Total expenses</b>	<b>26,855,380</b>	<b>29,658,029</b>	<b>9,464,013</b>	<b>9,193,775</b>	<b>3,468,366</b>	<b>3,103,249</b>	<b>5,553,364</b>	<b>5,660,389</b>	<b>92,956,565</b>
<b>Change in net assets without donor restrictions</b>	<b>8,810,855</b>	<b>7,861,751</b>	<b>914,159</b>	<b>908,213</b>	<b>196,777</b>	<b>(383,933)</b>	<b>1,321,443</b>	<b>1,031,400</b>	<b>20,660,665</b>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>									
Contributions & grants			13,996,923	7,070,996	2,190,741	5,343,388	5,803,887	5,377,790	39,783,725
Investment income			742,215	6,396,471	1,905,027	630,912	5,738,195	11,144,094	26,556,914
Other income			67,443	1,077,669	416,705	119,056	76,173	81,314	1,838,360
Assets released from restrictions			(8,787,842)	(8,709,627)	(3,319,349)	(2,275,820)	(5,956,358)	(5,175,365)	(34,224,361)
<b>Change in net assets with donor restrictions</b>			<b>6,018,739</b>	<b>5,835,509</b>	<b>1,193,124</b>	<b>3,817,536</b>	<b>5,661,897</b>	<b>11,427,833</b>	<b>33,954,638</b>
<b>Total change in net assets</b>	<b>8,810,855</b>	<b>7,861,751</b>	<b>6,932,898</b>	<b>6,743,722</b>	<b>1,389,901</b>	<b>3,433,603</b>	<b>6,983,340</b>	<b>12,459,233</b>	<b>54,615,303</b>
<b>Net assets - beginning of year</b>	<b>(3,529,580)</b>	<b>2,385,228</b>	<b>44,753,511</b>	<b>101,999,497</b>	<b>41,109,189</b>	<b>17,426,737</b>	<b>88,889,610</b>	<b>95,665,718</b>	<b>388,699,910</b>
<b>Net assets - end of year</b>	<b>\$ 5,281,275</b>	<b>\$ 10,246,979</b>	<b>\$ 51,686,409</b>	<b>\$ 108,743,219</b>	<b>\$ 42,499,090</b>	<b>\$ 20,860,340</b>	<b>\$ 95,872,950</b>	<b>\$ 108,124,951</b>	<b>\$ 443,315,213</b>

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## UNIVERSITY SYSTEM OF MARYLAND

### NOTES TO SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2023

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#### ACCOUNTING AND REPORTING PRACTICES

##### Supplementary data reporting units

University System of Maryland Office (System Office), composed of the offices of the Chancellor and Vice Chancellors and their respective staffs, provides central executive and administrative services and supports and coordinates the efforts of the entire System. The expenses incurred in connection with these activities are reported on the financial records of the System Office.

##### Facilities maintenance expenses

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

##### System-wide financing arrangements

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

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

##### Component Unit information included in Supplementary Information Institutional Financial Statements

The System provides supplementary information financial statements for each System institution that reflect the financial information for each System institution, along with financial information reported by component units that have received assets for the benefit of the institution.

All but one affiliated foundation reported as component units perform fundraising for the benefit of a single, unique System institution. The University System of Maryland Foundation, Inc. (USMF), which performs investment management activities on behalf of the System, as well as other affiliated foundations reported as component units, is the lone affiliated foundation that holds assets received for the benefit of multiple System institutions.

The component unit information reported in supplementary information financial statements for System institutions is made up of the financial statement information from institution-specific affiliated foundations recognized as component units, and an allocation of financial statement balances and activity for the USMF. The allocation of balances and activity of the USMF is based on the proportionate amounts of assets held by the USMF for the benefit of each System institution.

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**HOLD FOR AUDITOR'S REPORT**

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**HOLD FOR AUDITOR'S REPORT**

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## **2.1.4 - Draft USM Financial Statements for June 30, 2023 and 2022**

**UNIVERSITY SYSTEM OF MARYLAND  
STATEMENTS OF NET POSITION  
JUNE 30, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>	
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 3,270,618,496	\$ 3,043,519,564	
Accounts receivable, net	440,016,302	349,952,225	
Leases receivable, current portion, net	5,568,123	12,935,917	
Notes receivable, current portion, net	2,946,582	4,351,323	
Inventories	9,727,249	9,194,059	
Prepaid expenses and other	23,361,322	20,132,560	
<b>Total current assets</b>	<b>3,752,238,074</b>	<b>3,440,085,648</b>	
<b>Noncurrent assets:</b>			
Restricted cash and cash equivalents	32,217,427	88,154,401	
Endowment investments	445,202,520	434,364,389	
Other investments	43,540,519	40,831,935	
Leases receivable, net	8,700,878	47,513,791	
Notes receivable, net	9,446,751	12,193,043	
Capital assets, net	7,603,663,404	7,326,736,884	
<b>Total noncurrent assets</b>	<b>8,142,771,499</b>	<b>7,949,794,443</b>	
<b>Total assets</b>	<b>11,895,009,573</b>	<b>11,389,880,091</b>	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized loss on refundings of debt	4,861,048	6,034,722	
Asset retirement obligations	11,194,989	11,741,954	
Deferred changes, pension expense	314,484,404	380,707,864	F
<b>Total assets and deferred outflows of resources</b>	<b>\$ 12,225,550,014</b>	<b>\$ 11,788,364,631</b>	
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	\$ 434,628,650	\$ 410,362,411	
Accrued workers' compensation, current portion	4,352,250	4,522,350	
Accrued vacation costs, current portion	135,247,076	130,262,070	
Lease obligations, current portion	17,894,865	17,732,713	H
Obligations under subscription arrangements, current portion	14,520,081	14,520,081	D
Revenue bonds and notes payable, current portion	94,879,968	96,971,293	H
Unearned revenues	552,258,883	519,855,439	
<b>Total current liabilities</b>	<b>1,253,781,773</b>	<b>1,179,706,276</b>	
<b>Noncurrent liabilities:</b>			
Accrued workers' compensation	24,662,750	25,626,650	
Accrued vacation costs	185,654,115	181,624,240	
Lease obligations	71,722,661	83,383,979	H
Obligations under subscription arrangements	28,461,743	28,461,743	D
Revenue bonds and notes payable	1,145,361,845	1,254,836,154	H
Net pension liability	1,304,919,638	977,354,142	F
<b>Total noncurrent liabilities</b>	<b>2,760,782,752</b>	<b>2,522,825,165</b>	
<b>Total liabilities</b>	<b>4,014,564,525</b>	<b>3,702,531,441</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred service concession arrangement receipts	246,838,739	266,747,515	I
Deferred inflows related to leases	13,940,687	58,909,984	
Deferred changes, pension expense	116,254,540	546,879,512	F
<b>Total deferred inflows of resources</b>	<b>377,033,966</b>	<b>872,537,011</b>	
<b>NET POSITION</b>			
Unrestricted	1,553,647,706	1,285,983,924	B
Net investment in capital assets	6,015,846,849	5,696,432,526	C
Restricted:			
Nonexpendable:			
Scholarships and fellowships	21,439,572	21,267,637	
Research	7,636,977	7,636,377	
Other	16,928,834	16,928,309	
Expendable:			
Scholarships and fellowships	78,559,144	46,686,730	
Research	78,683,998	71,756,398	
Loans	22,664,745	27,800,658	
Capital projects	4,891,748	4,633,279	
Other	33,651,950	34,170,341	
<b>Total net position</b>	<b>7,833,951,523</b>	<b>7,213,296,179</b>	A
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 12,225,550,014</b>	<b>\$ 11,788,364,631</b>	

**UNIVERSITY OF SYSTEM OF MARYLAND  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEARS ENDED JUNE 30, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>OPERATING REVENUES:</b>		
Tuition and fees	\$ 1,776,662,985	\$ 1,763,780,683
Less: scholarship allowances	(402,468,846)	(399,706,090)
Federal grants and contracts	953,874,024	871,536,573
State and local grants and contracts	277,496,646	232,407,684
Nongovernmental grants and contracts	317,951,633	278,725,575
Sales and services of educational departments	411,628,170	400,319,333
Auxiliary enterprises:		
Residential facilities	215,887,920	198,025,714
Less: scholarship allowances	(16,520,371)	(11,039,449)
Dining facilities	150,819,587	128,954,082
Less: scholarship allowances	(8,663,551)	(6,419,028)
Intercollegiate athletics	154,888,205	132,226,377
Less: scholarship allowances	(8,510,515)	(1,987,735)
Bookstore	14,874,198	28,215,539
Less: scholarship allowances	(2,174,553)	(4,550,328)
Parking facilities	42,664,914	38,232,144
Less: scholarship allowances	(157,119)	(1,248,965)
Other auxiliary enterprises revenues	166,037,955	155,481,618
Less: scholarship allowances	(456,638)	(50,127)
Other operating revenues	90,444,137	64,933,123
<b>Total operating revenues</b>	<b>4,134,278,781</b>	<b>3,867,836,723</b>
<b>OPERATING EXPENSES:</b>		
Instruction	1,600,428,234	1,469,203,096
Research	1,243,956,697	1,117,448,187
Public service	573,243,117	571,068,805
Academic support	558,525,052	535,209,518
Student services	358,122,854	329,216,282
Institutional support	617,157,870	618,297,026
Operation and maintenance of plant	468,746,425	411,381,014
Scholarships and fellowships	137,101,779	225,089,117
Auxiliary enterprises:		
Residential facilities	191,683,735	187,999,542
Dining facilities	144,142,417	126,247,532
Intercollegiate athletics	168,220,152	155,492,122
Bookstore	14,695,038	14,417,486
Parking facilities	27,324,429	25,308,991
Other auxiliary enterprises expenses	159,279,496	141,174,657
<b>Total operating expenses</b>	<b>6,262,627,295</b>	<b>5,927,553,375</b>
<b>Operating loss</b>	<b>(2,128,348,514)</b>	<b>(2,059,716,652)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	1,953,912,133	1,574,884,395
Pell grants	179,807,022	167,701,242
Other nonoperating grants	59,342,332	269,784,264
Gifts	65,435,471	53,354,623
Investment Income	139,254,630	26,289,922
Less: investment expense	(1,771,876)	(1,505,288)
Interest on indebtedness	137,482,754	24,784,634
Other revenues, (expenses), gains and (losses)	(35,940,588)	(39,248,619)
	71,486,779	5,735,208
<b>Total nonoperating revenues</b>	<b>2,431,525,903</b>	<b>2,056,995,747</b>
<b>Income (loss) before other revenues</b>	<b>303,177,389</b>	<b>(2,720,905)</b>
<b>OTHER REVENUES:</b>		
Capital appropriations	305,138,195	179,148,592
Capital gifts and grants	12,166,701	41,469,786
Additions to permanent endowments	173,059	2,900,873
<b>Total other revenues</b>	<b>317,477,955</b>	<b>223,519,251</b>
<b>Increase in net position</b>	<b>620,655,344</b>	<b>220,798,346</b>
<b>Net position - beginning of year</b>	<b>7,213,296,179</b>	<b>6,992,497,833</b>
<b>Net position - end of year</b>	<b>\$ 7,833,951,523</b>	<b>\$ 7,213,296,179</b>

## **2.1.5 -Financial Snapshot June 30. 2023**

**University System of Maryland  
Preliminary Financial Snapshot  
June 30, 2023 and 2022**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
<b>From the June 30, 2023 draft financial statements and 2022 audited financial statements</b>		
USM unrestricted net position	\$ 1,553,647,706	\$ 1,285,983,924 <b>B</b>
Net pension liability	1,107,531,953	1,143,525,790 <b>F</b>
USM accrued leave	320,901,191	311,866,310 <b>G</b>
Affiliated foundations unrestricted net assets	<u>373,772,602</u>	<u>204,924,458</u>
<b>Available funds</b>	<u>\$ 3,355,853,452</u>	<u>\$ 2,946,300,482</u>
<b>Debt outstanding</b>	\$ 1,576,698,078	\$ 1,719,671,472 <b>DHI</b>
<b>Ratio of available resources to debt outstanding per financial statements</b>	<b>213%</b>	<b>171% <b>K</b></b>
<b>Claims against the June 30 available resources not reflected in financial statements:</b>		
Available funds per financial statements	\$ 3,355,853,452	\$ 2,946,300,482
Cash-funded capital projects not fully spent at June 30,	(216,854,321)	(186,852,870)
Future years cash-funded capital projects committed but not yet authorized	(194,893,849)	(255,578,000)
Noncapital cash-funded projects not yet authorized	<u>(68,486,443)</u>	<u>(68,486,443)</u>
<b>Adjusted available funds</b>	<u>\$ 2,875,618,839</u>	<u>\$ 2,435,383,169</u>
Debt outstanding per financial statements	\$ 1,576,698,078	\$ 1,719,671,472
Revenue bond-funded projects authorized but debt not yet issued	214,849,316	184,888,969
Future obligations pending approval	<u>609,000,000</u>	<u>450,000,000</u>
<b>Adjusted total debt outstanding</b>	<u>\$ 2,400,547,394</u>	<u>\$ 2,354,560,441</u>
<b>Ratio of available resources to debt outstanding, adjusted</b>	<b>120%</b>	<b>103% <b>J</b></b>


While rating agencies base their assessments based on financial statement balances, the System manages the ratio of available funds to debt outstanding to not fall below 1:1 ratio to ensure that financial health does not fall below medians for Aa1 rating category.


## 2.1.6 - Financial Dashboards



## University System of Maryland Financial Dashboard Indicators - for the year ended and as of June 30, 2023


Is performance **ADEQUATE** on the Dashboard Indicators

 Meets or exceeds benchmark

 Does not meet benchmark

	#	Indicator	System Wide	UMB	UMCP	BSU	TU	UMES	FSU	CSU	UBalt	SU	UMGC	UMBC	UMCES
Financial Strength indicators	60	Ratio of unrestricted net position to debt (>50%)	194.5%												
	61	Primary reserve ratio (>25%)	46.0%												
	62	Ratio of current assets to current liabilities (>200%)	299.3%												
Operational performance indicators	64	Net operating revenues ratio (>1%)	5.6%												
	65	Ratio of debt service payments to operating spending (<4.5%)	2.9%												
	66	Met fund balance goal for FY 2023													
	<b>FY23</b>	<b>Meets benchmark</b>		6	6	6	3	1	3	4	6	5	6	6	6
	<b>FY23</b>	<b>Does not meet benchmark</b>		0	0	0	3	5	3	2	0	1	0	0	0
	<b>FY22</b>	<b>Meets benchmark</b>		6	6	5	4	2	5	2	6	5	6	5	5
	<b>FY22</b>	<b>Does not meet benchmark</b>		0	0	1	2	4	1	4	0	1	0	1	1

Is performance **IMPROVING** on the Dashboard Indicators

As compared to PY, ratio:  Improved

 Maintained

 Worsened

	#	Indicator	System Wide Changes	UMB	UMCP	BSU	TU	UMES	FSU	CSU	UBalt	SU	UMGC	UMBC	UMCES
Financial Strength indicators	60	Ratio of unrestricted net position to debt	26.6%										N/A		
	61	Primary reserve ratio	1.9%												
	62	Ratio of current assets to current liabilities	7.7%												
Operational performance indicators	64	Net operating revenues ratio	1.9%												
	65	Ratio of debt service payments to operating spending	0.4%												
Enrollment Performance Indicators	67	Net tuition per FTE	2.6%												N/A
	68	Net tuition dependency ratio	2.0%												
	<b>FY23</b>	<b>Has improved or maintained</b>		6	6	3	3	2	4	6	5	4	6	6	3
	<b>FY23</b>	<b>Has not improved</b>		1	1	4	4	5	3	1	2	3	0	1	2
		<b>Overall trend since PY</b>													
	<b>FY22</b>	<b>Has improved or maintained</b>		4	7	5	4	5	5	2	4	3	3	7	2
	<b>FY22</b>	<b>Has not improved</b>		3	0	2	3	2	2	5	3	4	4	0	3

**University System of Maryland  
Financial Performance Dashboard Indicators  
Year ended June 30, 2023**

(% indicates change from prior year)

	UMB	UMCP	BSU	TU	UMES	FSU	CSU	UBalt	SU	UMGC	UMBC	UMCES	Total USM
<b><u>Financial strength indicators</u></b>													
Ratio of unrestricted net position to debt	118.71%	10.82%	38.09%	-1.84%	-6.54%	-3.74%	8.47%	147.80%	19.01%	N/A	32.54%	205.75%	26.56%
Primary reserve ratio	2.33%	0.72%	-1.79%	-5.08%	-2.17%	0.49%	3.59%	9.31%	0.40%	17.57%	2.40%	9.55%	1.86%
Ratio of current assets to current liabilities	3.24%	13.63%	-143.71%	-54.20%	-11.66%	13.43%	13.75%	45.90%	-48.08%	107.89%	21.59%	-224.38%	7.67%
<b><u>Operational performance indicators</u></b>													
Net operating revenues ratio	1.61%	-5.08%	-1.80%	-9.59%	-5.54%	-11.71%	25.49%	-0.13%	-1.19%	28.36%	-2.54%	17.28%	1.93%
Ratio of debt service payments to operating spending	-0.01%	0.53%	-0.09%	1.34%	0.14%	0.71%	0.26%	-0.30%	-0.16%	0.32%	0.70%	-0.03%	0.36%
<b><u>Enrollment performance indicators</u></b>													
Net tuition per FTE	0.7%	4.1%	-4.7%	3.2%	-1.2%	-22.7%	-26.4%	3.3%	0.9%	3.9%	5.4%	N/A	2.6%
Net tuition dependency ratio	0.3%	2.6%	6.1%	3.9%	3.6%	5.6%	12.1%	3.3%	4.1%	0.3%	2.3%	N/A	2.0%

**University System of Maryland**  
**Financial Performance Dashboard Indicators Data**  
**Year ended June 30, 2019**  
**(in thousands)**

	UMB	UMCP	BSU	TU	UMES	FSU	CSU	UBalt	SU	UMGC	UMBC	UMCES	Total USM
<b><u>Financial Strength indicators</u></b>													
<b>Ratio of unrestricted net assets to debt: &gt;50%</b>													
<b>Fiscal year ended June 30, 2023</b>													
Unrestricted net position(adjusted for pension liability)	425,513	775,470	89,844	211,393	(6,648)	32,399	16,592	62,418	120,620	405,201	217,558	28,009	2,660,337
Debt outstanding(including loss on refunding)	69,106	494,884	31,230	375,756	20,317	53,006	28,953	13,991	66,398	6,226	146,180	4,343	1,367,980
<b>Ratio</b>	<b>615.74%</b>	<b>156.70%</b>	<b>287.68%</b>	<b>56.26%</b>	<b>-32.72%</b>	<b>61.12%</b>	<b>57.31%</b>	<b>446.13%</b>	<b>181.66%</b>	<b>6508.21%</b>	<b>148.83%</b>	<b>644.92%</b>	<b>194.47%</b>
<b>Fiscal year ended June 30, 2022</b>													
Unrestricted net position(adjusted for pension liability)	378,106	726,552	85,524	225,544	(4,077)	35,196	13,792	49,183	118,563	329,537	181,013	22,604	2,429,510
Debt outstanding(including loss on refunding)	76,073	498,058	34,265	388,201	15,570	54,264	28,241	16,486	72,893	1,570	155,656	5,147	1,446,889
<b>Ratio</b>	<b>497.03%</b>	<b>145.88%</b>	<b>249.60%</b>	<b>58.10%</b>	<b>-26.18%</b>	<b>64.86%</b>	<b>48.84%</b>	<b>298.33%</b>	<b>162.65%</b>	<b>20989.62%</b>	<b>116.29%</b>	<b>439.17%</b>	<b>167.91%</b>
<b>Fiscal year ended June 30, 2021</b>													
Unrestricted net position	348,846	605,266	80,242	214,132	(5,061)	32,236	16,650	36,015	115,338	344,323	141,426	21,873	2,288,075
Debt outstanding	68,235	429,907	35,750	372,949	14,771	55,560	30,704	10,840	77,587	-	156,423	5,795	1,347,729
<b>Ratio</b>	<b>511.24%</b>	<b>140.79%</b>	<b>224.45%</b>	<b>57.42%</b>	<b>-34.26%</b>	<b>58.02%</b>	<b>54.23%</b>	<b>332.24%</b>	<b>148.66%</b>	<b>N/A</b>	<b>90.41%</b>	<b>377.45%</b>	<b>169.77%</b>
<b>Primary reserve ratio: &gt;25%</b>													
<b>Fiscal year ended June 30, 2023</b>													
Expendable net position	496,886	895,493	90,234	218,773	3,801	35,568	17,193	62,503	120,663	405,247	217,558	28,009	2,878,789
Operating expenses	1,391,968	2,391,947	190,367	492,344	152,623	114,685	100,174	119,235	199,361	452,568	556,532	52,208	6,262,627
<b>Ratio</b>	<b>35.70%</b>	<b>37.44%</b>	<b>47.40%</b>	<b>44.43%</b>	<b>2.49%</b>	<b>31.01%</b>	<b>17.16%</b>	<b>52.42%</b>	<b>60.52%</b>	<b>89.54%</b>	<b>39.09%</b>	<b>53.65%</b>	<b>45.97%</b>
<b>Fiscal year ended June 30, 2022</b>													
Expendable net position	448,153	811,870	85,895	234,215	6,168	38,323	14,572	49,557	118,800	329,570	182,225	22,604	2,614,557
Operating expenses	1,343,269	2,211,257	174,612	473,035	132,457	125,540	107,398	114,959	197,588	457,876	496,702	51,254	5,927,553
<b>Ratio</b>	<b>33.36%</b>	<b>36.72%</b>	<b>49.19%</b>	<b>49.51%</b>	<b>4.66%</b>	<b>30.53%</b>	<b>13.57%</b>	<b>43.11%</b>	<b>60.13%</b>	<b>71.98%</b>	<b>36.69%</b>	<b>44.10%</b>	<b>44.11%</b>
<b>Fiscal year ended June 30, 2021</b>													
Expendable net position	419,950	686,485	80,681	226,555	5,323	31,353	17,632	36,445	115,678	344,681	142,590	21,873	2,469,696
Operating expenses	1,327,539	2,026,771	148,488	428,742	119,601	116,821	96,674	111,441	184,475	449,400	449,358	51,641	5,544,805
<b>Ratio</b>	<b>31.63%</b>	<b>33.87%</b>	<b>54.34%</b>	<b>52.84%</b>	<b>4.45%</b>	<b>26.84%</b>	<b>18.24%</b>	<b>32.70%</b>	<b>62.71%</b>	<b>76.70%</b>	<b>31.73%</b>	<b>42.36%</b>	<b>44.54%</b>
<b>Ratio of current assets to current liabilities: &gt;200%</b>													
<b>Fiscal year ended June 30, 2023</b>													
Current assets	688,230	1,154,064	142,088	346,310	22,652	74,644	44,974	86,335	146,831	461,626	277,728	45,231	3,752,238
Current liabilities	253,310	434,525	54,353	159,913	25,849	45,870	31,769	23,326	33,227	82,083	75,861	16,081	1,253,782
<b>Ratio</b>	<b>271.69%</b>	<b>265.59%</b>	<b>261.42%</b>	<b>216.56%</b>	<b>87.63%</b>	<b>162.73%</b>	<b>141.57%</b>	<b>370.12%</b>	<b>441.90%</b>	<b>562.39%</b>	<b>366.10%</b>	<b>281.27%</b>	<b>299.27%</b>
<b>Fiscal year ended June 30, 2022</b>													
Current assets	627,861	1,069,400	110,382	324,112	34,546	95,783	50,832	71,260	140,800	394,533	236,846	29,606	3,440,086
Current liabilities	233,882	424,426	27,246	119,702	34,792	64,156	39,770	21,979	28,736	86,806	68,748	5,855	1,179,706
<b>Ratio</b>	<b>268.45%</b>	<b>251.96%</b>	<b>405.13%</b>	<b>270.77%</b>	<b>99.29%</b>	<b>149.30%</b>	<b>127.81%</b>	<b>324.22%</b>	<b>489.98%</b>	<b>454.50%</b>	<b>344.51%</b>	<b>505.65%</b>	<b>291.61%</b>
<b>Fiscal year ended June 30, 2021</b>													
Current assets	560,059	888,936	100,836	294,772	13,551	45,736	29,015	56,581	135,459	402,806	187,814	27,210	3,050,605
Current liabilities	196,715	378,136	22,399	101,288	14,318	20,680	13,782	21,049	25,257	83,594	61,251	4,572	970,308
<b>Ratio</b>	<b>284.71%</b>	<b>235.08%</b>	<b>450.18%</b>	<b>291.02%</b>	<b>94.64%</b>	<b>221.16%</b>	<b>210.53%</b>	<b>268.81%</b>	<b>536.32%</b>	<b>481.86%</b>	<b>306.63%</b>	<b>595.14%</b>	<b>314.40%</b>
<b><u>Operational performance indicators</u></b>													
<b>Net operating revenues ratio: &gt;1%</b>													
<b>Fiscal year ended June 30, 2023</b>													
Change in unrestricted net position	47,407	48,918	4,319	(14,151)	(2,571)	(2,797)	2,800	13,235	2,057	75,665	36,545	5,404	230,828

**University System of Maryland**  
**Financial Performance Dashboard Indicators Data**  
**Year ended June 30, 2019**  
**(in thousands)**

	UMB	UMCP	BSU	TU	UMES	FSU	CSU	UBalt	SU	UMGC	UMBC	UMCES	Total USM
Operating revenues	1,087,238	1,675,237	77,066	273,556	66,888	43,360	22,481	65,240	110,253	321,073	363,345	26,731	4,134,279
<b>Ratio</b>	<b>4.36%</b>	<b>2.92%</b>	<b>5.60%</b>	<b>-5.17%</b>	<b>-3.84%</b>	<b>-6.45%</b>	<b>12.45%</b>	<b>20.29%</b>	<b>1.87%</b>	<b>23.57%</b>	<b>10.06%</b>	<b>20.22%</b>	<b>5.58%</b>
<b>Fiscal year ended June 30, 2022</b>													
Change in unrestricted net position	29,260	121,286	5,282	11,412	984	2,960	(2,858)	13,168	3,225	(14,786)	39,588	732	141,435
Operating revenues	1,065,045	1,516,367	71,317	258,258	57,873	56,291	21,932	64,483	105,476	308,535	314,218	24,966	3,867,837
<b>Ratio</b>	<b>2.75%</b>	<b>8.00%</b>	<b>7.41%</b>	<b>4.42%</b>	<b>1.70%</b>	<b>5.26%</b>	<b>-13.03%</b>	<b>20.42%</b>	<b>3.06%</b>	<b>-4.79%</b>	<b>12.60%</b>	<b>2.93%</b>	<b>3.66%</b>
<b>Fiscal year ended June 30, 2021</b>													
Change in unrestricted net position (adjusted for pension)	34,313	44,237	(519)	(30,391)	2,162	6,004	5,655	8,800	5,714	5,382	(6,876)	1,803	80,576
Operating revenues	1,026,397	1,258,922	65,304	207,416	50,516	55,442	25,273	64,920	105,506	330,008	237,391	24,298	3,454,424
<b>Ratio</b>	<b>3.34%</b>	<b>3.51%</b>	<b>-0.79%</b>	<b>-14.65%</b>	<b>4.28%</b>	<b>10.83%</b>	<b>22.38%</b>	<b>13.56%</b>	<b>5.42%</b>	<b>1.63%</b>	<b>-2.90%</b>	<b>7.42%</b>	<b>2.33%</b>
<b>Ratio of debt service payments to operating spending: &lt; 4.5%</b>													
<b>Fiscal year ended June 30, 2023</b>													
Debt service payments	15,429	59,486	3,986	45,402	3,321	5,518	3,740	3,575	9,160	1,456	22,115	974	183,817
Operating expenses	1,391,968	2,391,947	190,367	492,344	152,623	114,685	100,174	119,235	199,361	452,568	556,532	52,208	6,262,627
<b>Ratio</b>	<b>1.11%</b>	<b>2.49%</b>	<b>2.09%</b>	<b>9.22%</b>	<b>2.18%</b>	<b>4.81%</b>	<b>3.73%</b>	<b>3.00%</b>	<b>4.59%</b>	<b>0.32%</b>	<b>3.97%</b>	<b>1.87%</b>	<b>2.94%</b>
<b>Fiscal year ended June 30, 2022</b>													
Debt service payments	14,986	43,173	3,806	37,284	2,694	5,145	3,734	3,788	9,390	0	16,282	971	152,778
Operating expenses	1,343,269	2,211,257	174,612	473,035	132,457	125,540	107,398	114,959	197,588	457,876	496,702	51,254	5,927,553
<b>Ratio</b>	<b>1.12%</b>	<b>1.95%</b>	<b>2.18%</b>	<b>7.88%</b>	<b>2.03%</b>	<b>4.10%</b>	<b>3.48%</b>	<b>3.30%</b>	<b>4.75%</b>	<b>0.00%</b>	<b>3.28%</b>	<b>1.89%</b>	<b>2.58%</b>
<b>Fiscal year ended June 30, 2021</b>													
Debt service payments	9,958	39,789	3,240	36,157	3,392	4,910	3,864	1,288	9,139	0	14,921	819	131,104
Operating expenses	1,327,539	2,026,771	148,488	428,742	119,601	116,821	96,674	111,441	184,475	449,400	449,358	51,641	5,544,805
<b>Ratio</b>	<b>0.75%</b>	<b>1.96%</b>	<b>2.18%</b>	<b>8.43%</b>	<b>2.84%</b>	<b>4.20%</b>	<b>4.00%</b>	<b>1.16%</b>	<b>4.95%</b>	<b>0.00%</b>	<b>3.32%</b>	<b>1.59%</b>	<b>2.36%</b>
<b>Enrollment Performance Indicators</b>													
<b>Net Tuition per FTE</b>													
<b>Fall 2022 (FY 2023) Enrollment</b>													
Net Tuition and Fees	136,878	587,609	40,414	150,387	19,403	23,142	6,937	36,094	54,946	350,777	147,413	N/A	1,554,001
FTE	7,170	33,483	5,036	16,170	2,305	3,005	1,598	2,261	6,335	35,292	11,319	N/A	123,974
<b>Net Tuition per FTE</b>	<b>\$ 19,090</b>	<b>\$ 17,549</b>	<b>\$ 8,025</b>	<b>\$ 9,300</b>	<b>\$ 8,418</b>	<b>\$ 7,701</b>	<b>\$ 4,341</b>	<b>\$ 15,964</b>	<b>\$ 8,673</b>	<b>\$ 9,939</b>	<b>\$ 13,024</b>	<b>N/A</b>	<b>\$ 12,535</b>
<b>Fall 2021 (FY 2022) Enrollment</b>													
Net Tuition and Fees	137,029	571,958	41,770	152,036	18,883	33,220	9,432	37,826	56,841	338,008	134,772	N/A	1,531,776
FTE	7,230	33,914	4,959	16,870	2,217	3,335	1,600	2,447	6,611	35,322	10,910	N/A	125,415
<b>Net Tuition per FTE</b>	<b>\$ 18,953</b>	<b>\$ 16,865</b>	<b>\$ 8,423</b>	<b>\$ 9,012</b>	<b>\$ 8,517</b>	<b>\$ 9,961</b>	<b>\$ 5,895</b>	<b>\$ 15,458</b>	<b>\$ 8,598</b>	<b>\$ 9,569</b>	<b>\$ 12,353</b>	<b>N/A</b>	<b>\$ 12,214</b>
<b>Fall 2020 (FY 2021) Enrollment</b>													
Net Tuition and Fees	132,689	541,570	39,938	161,592	16,229	33,297	10,239	41,168	60,395	365,351	124,102	N/A	1,526,572
FTE	7,168	33,907	5,035	17,025	2,205	3,408	1,698	2,486	6,687	35,404	10,938	N/A	125,961
<b>Net Tuition per FTE</b>	<b>\$ 18,511</b>	<b>\$ 15,972</b>	<b>\$ 7,932</b>	<b>\$ 9,491</b>	<b>\$ 7,360</b>	<b>\$ 9,770</b>	<b>\$ 6,030</b>	<b>\$ 16,560</b>	<b>\$ 9,032</b>	<b>\$ 10,319</b>	<b>\$ 11,346</b>	<b>N/A</b>	<b>\$ 12,119</b>
<b>Net Tuition Dependency Ratio</b>													
<b>Fiscal year ended June 30, 2023</b>													
Net Tuition and Fees	136,878	587,609	40,414	150,387	19,403	23,142	6,937	36,094	54,946	350,777	147,413	N/A	1,554,001
Operating revenues	1,087,238	1,675,237	77,066	273,556	66,888	43,360	22,481	65,240	110,253	321,073	363,345	N/A	4,134,279
<b>Ratio</b>	<b>12.59%</b>	<b>35.08%</b>	<b>52.44%</b>	<b>54.97%</b>	<b>29.01%</b>	<b>53.37%</b>	<b>30.86%</b>	<b>55.32%</b>	<b>49.84%</b>	<b>109.25%</b>	<b>40.57%</b>	<b>N/A</b>	<b>37.59%</b>
<b>Fiscal year ended June 30, 2022</b>													

**University System of Maryland**  
**Financial Performance Dashboard Indicators Data**  
**Year ended June 30, 2019**  
**(in thousands)**

	<b>UMB</b>	<b>UMCP</b>	<b>BSU</b>	<b>TU</b>	<b>UMES</b>	<b>FSU</b>	<b>CSU</b>	<b>UBalt</b>	<b>SU</b>	<b>UMGC</b>	<b>UMBC</b>	<b>UMCES</b>	<b>Total USM</b>
Net Tuition and Fees	137,029	571,958	41,770	152,036	18,883	33,220	9,432	37,826	56,841	338,008	134,772	N/A	1,531,776
Operating revenues	1,065,045	1,516,367	71,317	258,258	57,873	56,291	21,932	64,483	105,476	308,535	314,218	N/A	3,867,837
<b>Ratio</b>	<b>12.87%</b>	<b>37.72%</b>	<b>58.57%</b>	<b>58.87%</b>	<b>32.63%</b>	<b>59.01%</b>	<b>43.01%</b>	<b>58.66%</b>	<b>53.89%</b>	<b>109.55%</b>	<b>42.89%</b>	<b>N/A</b>	<b>39.60%</b>
<b>Fiscal year ended June 30, 2021</b>													
Net Tuition and Fees	132,689	541,570	39,938	161,592	16,229	33,297	10,239	41,168	60,395	365,351	124,102	N/A	1,526,572
Operating revenues	1,026,397	1,258,922	65,304	207,416	50,516	55,442	25,273	64,920	105,506	330,008	237,391	N/A	3,454,424
<b>Ratio</b>	<b>12.93%</b>	<b>43.02%</b>	<b>61.16%</b>	<b>77.91%</b>	<b>32.13%</b>	<b>60.06%</b>	<b>40.51%</b>	<b>63.41%</b>	<b>57.24%</b>	<b>110.71%</b>	<b>52.28%</b>	<b>N/A</b>	<b>44.19%</b>



## **Financial Dashboards Overview and Descriptions**

The intent of financial dashboards is to highlight how each institution is performing and trending relative to the System's primary financial planning parameters (fund balance goal and debt authorizations annually), and to give regents a visual display of whether or not institutions are financially healthy and whether the institution is improving or not, financially.

Fall below the standards, and it is either a balance sheet stress (meaning that liquidity, or debt outstanding, or fund balance levels, are or are becoming an issue) or an operating efficiency stress (the lack of an operating margin means that the institution is out of step with the rest of the USM institutions in keeping pace financially to support the capital program System-wide).

Recognizing the subjectivity of applying the standards and measures at an institution-level, the bottom part of the analysis, which shows directional movements rather than whether or not the institution met some standard, may be more important and useful.

### **Financial Strength Indicators (statement of net position)**

- **Unrestricted net position to debt**  
A ratio that shows the institution's ability to cover their debt with available net assets. The higher the ratio, the better. Unrestricted net position is adjusted for the impact of recording the pension liability.
- **Primary reserve ratio (expendable net position/operating expenses)**  
This measure shows how long an institution could operate solely using reserves, without relying on new additional revenues from operations. The higher the ratio, the better
- **Ratio of current assets to current liabilities**  
A standard and widely-used ratio that suggests the institution's ability to pay current obligations while maintaining a measure of financial safety. The higher the ratio, the better

### **Operational Financial Performance Indicators (statement of activities)**

- **Student accounts receivable collection rate**  
Shows the proportion of student billings sent to the state central collection unit, net of recoveries of amounts previously transferred. The lower the ratio, the better
- **Net operating revenues ratio**  
Meant to show the percentage of operating revenues saved and added to the net position after all operational spending for the year are accounted for. The higher the ratio, the better
- **Ratio of debt service payments to operating spending**  
This ratio shows the proportion of operating spending committed to paying off principal and interest obligations. A high ratio suggests that the institution will have a more difficult time

responding to revenue or state general fund reductions. The lower the ratio, the more flexibility the institution has to make spending cuts in periods of declining revenues.

### **Enrollment performance indicators**

- **Net tuition per FTE**

A measure that reflects the average amount of actual tuition revenue, net of scholarships, on a per-student basis. An increase in this ratio is considered a positive trend.

- **Net tuition dependency ratio**

A measure that captures the institution's dependence on tuition as a proportion of the institution's total revenues. In periods of stable enrollment and tuition levels, a downward trend is considered positive because it usually indicates the institution is increasing its diversity of funding sources, as long as it is not caused by solely a decrease in the tuition revenue.

### **Data Source**

All data comes directly from the audited financial statements and supporting schedules (in the case of debt service and collections). FTE data is pulled from the enrollment reports available on the USM website, which are prepared by the Office of Institutional Research.

**Information and Discussion – Update - FY 2023**  
**Independent Audit of USM's Financial Statements,**  
**CliftonLarsonAllen, LLC**



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**TOPIC:** Update Regarding FYE Independent Audit of USM Financial Statements

**COMMITTEE:** Audit Committee

**DATE OF COMMITTEE MEETING:** December 18, 2023

**SUMMARY:**

The Engagement Partner for USM's Independent Auditor CliftonLarsonAllen, LLC will provide a verbal update of their audit of USM's FYE 2023 financial statements.

**FISCAL IMPACT:** Information item

**CHANCELLOR'S RECOMMENDATION:** Information item

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COMMITTEE ACTION:

DATE:

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BOARD ACTION:

DATE:

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SUBMITTED BY: David Mosca

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# **Information – Update of USM Enterprise Risk and Crisis Management Activity**

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**TOPIC:** Update of USM's Enterprise Risk and Crisis Management Activity

**COMMITTEE:** Audit Committee

**DATE OF COMMITTEE MEETING:** December 18, 2023

**SUMMARY:**

Presentation materials attached.

**FISCAL IMPACT:** none

**CHANCELLOR'S RECOMMENDATION:** none

COMMITTEE ACTION: none

DATE:

BOARD ACTION: none

DATE:

SUBMITTED BY: David Mosca



UNIVERSITY SYSTEM  
*of* MARYLAND

# Board of Regents Audit Committee **ERM/CM Update**

December 18, 2023

# Enterprise Risk Management/Crisis Management – Agenda

- ▶ Recent USM ERM Activity
- ▶ Upcoming activities in ERM

# Recent ERM/CM Activities

- ▶ **Activities** occurring since the last update to the Audit Committee include:

- ▶ **Enterprise Risk Management**

- ▶ USM ERM representatives met on December 8, 2023. Agenda included:

- ▶ Demo of ERM process automation tool

- ▶ Discussion of status of ERM programs in USM

- ▶ Scope of work for development of template reports and training/awareness tools

- ▶ **Crisis Management**

- ▶ USM Office partnering with UMB on systemwide purchase of on-call crisis management response services

# USM ERM – Upcoming Activities

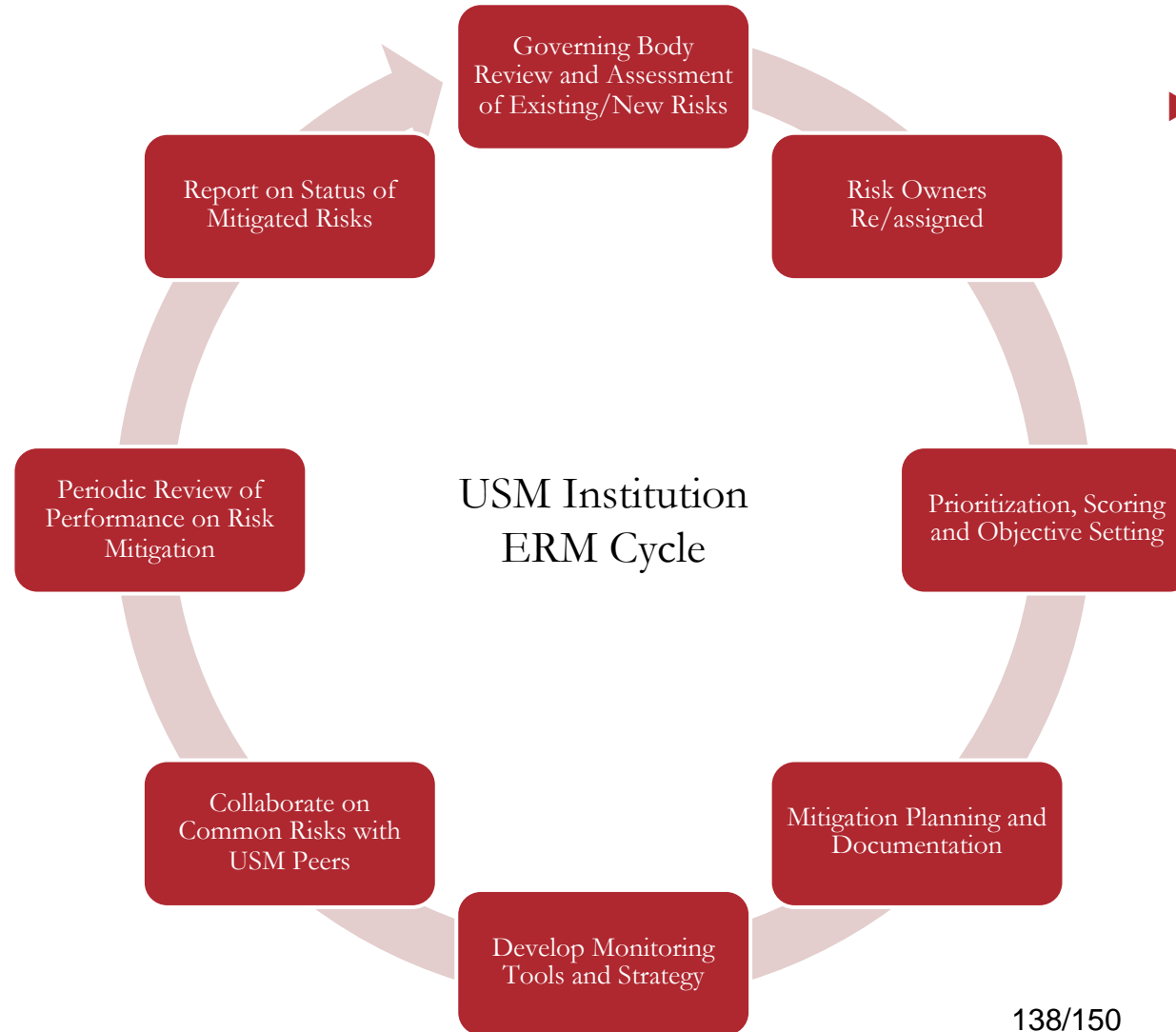
- ▶ Institutions review and reprioritize top risks - **Ongoing**
- ▶ Presidents report on top risks and program status to Chancellor's Office - **April, 2024**
- ▶ USM Office will coalesce top risks and review with ERM Reps – **May, 2024**
- ▶ Report on top risks and high-level mitigation strategies to Board of Regents Audit Committee – **June, 2024**

# Questions



# Appendix

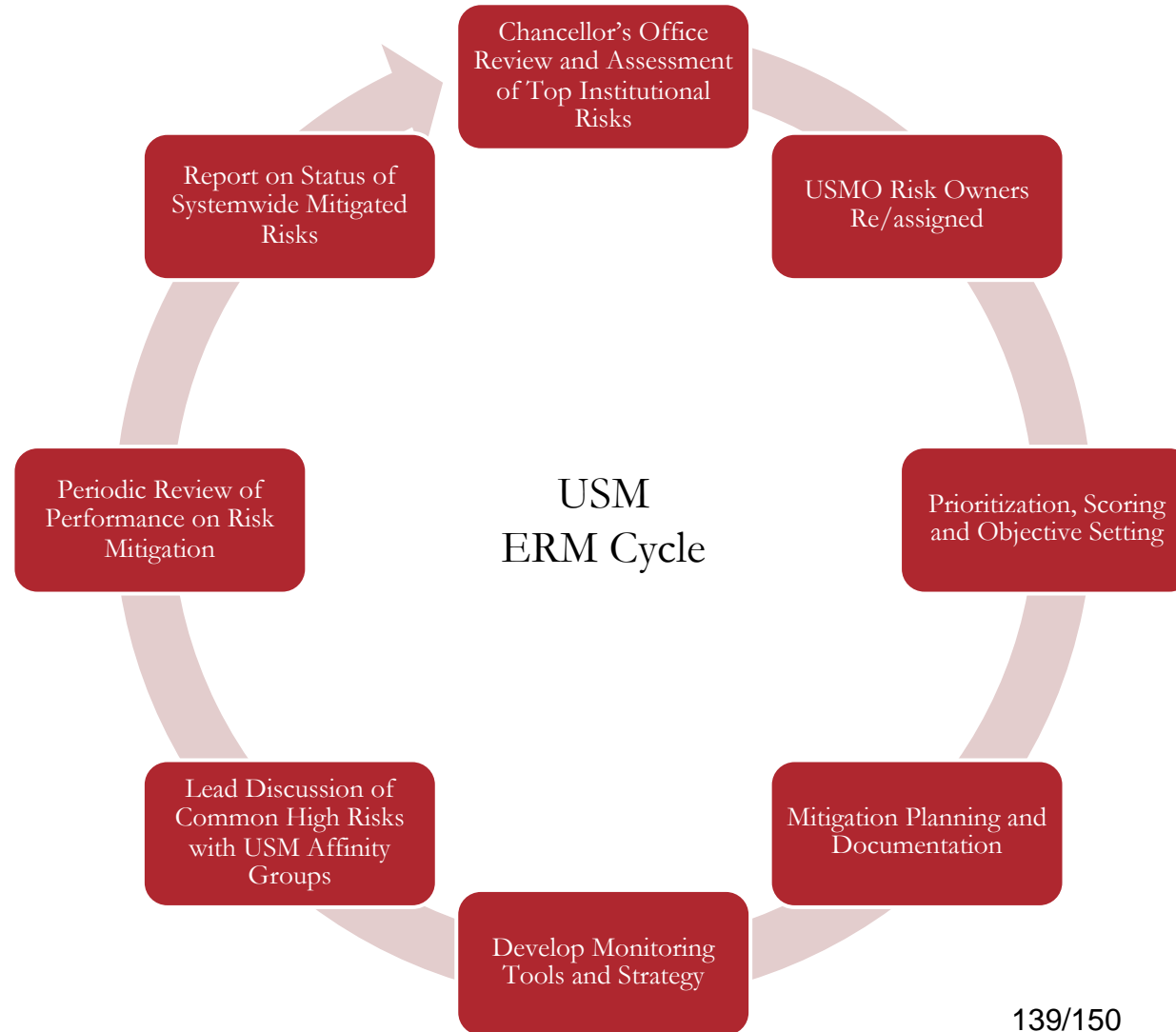
# Cycle of Institution Enterprise Risk Management



## ► Areas for enhancement

- Expansion of risk inventory
- Assignment and charge of risk owners
- Establishment of risk mitigation planning framework
- Education of risk owners on development and assessment of mitigation strategies

# Cycle of Systemwide Enterprise Risk Management



## ▶ Areas for enhancement

- ▶ Normalization of Reported Risks with USMO Risk Inventory
- ▶ Assignment and charge of risk owners
- ▶ Establishment of risk mitigation planning framework
- ▶ Education of USMO risk owners on assessment of mitigation strategies
- ▶ Facilitation of ERM discussion among USM affinity groups

# **Information – Completed Office of Legislative Audit Activity**

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**TOPIC:** Update of Office of Legislative Audit Activity

**COMMITTEE:** Audit Committee

**DATE OF COMMITTEE MEETING:** December 18, 2023

In November 2023, the Office of Legislative Audits (OLA) issued its audit report for Coppin State University (summary of findings attached). OLA is currently active at seven USM institutions.

OLA Engagements Currently Active:

- University System of Maryland Office,
- Frostburg State University,
- Towson University,
- University of Maryland Baltimore County,
- University Center for Environmental Science,
- Salisbury University, and
- University of Maryland Global Campus.

attachments

**FISCAL IMPACT:** none

**CHANCELLOR'S RECOMMENDATION:** none

COMMITTEE ACTION: None

DATE:

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BOARD ACTION: None

DATE:

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SUBMITTED BY: David Mosca 12-18-2023

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## **Summary Analysis of Findings in OLA’s CSU Report**

On November 1, 2023, the Office of Legislative Audit (OLA) issued its final audit report of CSU. The scope of the audit is from July 2018 through June 2022. OLA reports five findings, one of which is classified as a repeat. There were no cybersecurity/IT findings.

The findings are summarized as follows:

**Finding 1 – Student Financial Aid:** OLA takes exception to CSU’s methods of disbursing Higher Education Emergency Relief Funds (HEERF). OLA notes that CSU awarded these grants without consideration of students’ cost of attendance or financial need and that hardship assistance grants were awarded to students who did not appear to meet eligibility. Essentially, CSU awarded the same amount for full-time and part-time students.

**Finding 2 – Student Financial Aid:** OLA notes that CSU does not have written policy guidelines for the award of institutional need-based financial aid and was unable to provide documentation for certain financial aid awards to support the award. [Repeat Finding.]

**Finding 3 – Procurement and Disbursements:** OLA reports that CSU did not obtain Board of Public Works (BPW) approval for its food service vendor as required by state law. OLA also notes that CSU did not have available sales reports to ensure that they received the appropriate commissions.

**Finding 4 – Student Residency Status:** OLA notes that reviews of changes to student residency status were not performed or were not sufficiently comprehensive.

**Finding 5 – Cash Receipts:** OLA reports that CSU does not have adequate segregation of duties over collections and deposits.

# **Information & Discussion - Follow up of Action Items from Prior Meetings**

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**TOPIC:** Follow up of Action Items from Prior Audit Committee Meetings

**COMMITTEE:** Audit Committee

**DATE OF COMMITTEE MEETING:** December 18, 2023

**SUMMARY:**

Action Item Update for December 18, 2023, Meeting:

1. Provide the Audit Committee with semiannual updates on ERM and Crisis Management programs.
2. Update ensuring significant changes in foundation and entities to ensure proper reporting in financial statements.
3. Update from OAG's Educational Affairs Division of significant litigation (closed session).
4. Provide a comparison of the Office of Legislative Audit's audit work scope to the Office of Internal Audit's CY 2024 audit plan.

See Attachment: Register of Open Action Items From 2022 – 2023 Audit Committee Meetings.

attachment

**FISCAL IMPACT:** none

**CHANCELLOR'S RECOMMENDATION:** none

COMMITTEE ACTION: none

DATE:

BOARD ACTION: none

DATE:

SUBMITTED BY: David Mosca



USM Board of Regents  
 Action Items From 2022 - 2023 Audit Committee Meetings  
 18-Dec-23

Action Item

Status

**From June 2023 Audit Committee Meeting**

1.	CLA to share best practices with the Committee to address cyber security issues found during their audit.	Update to be provided in December 2023 or January 2024 with CLA's report on USM independent financial statement audit.
2.	Include annual discussion of Single Audit terminology and impact of findings.	Included in Committee's 2023 annual work plan. March or June 2024 meeting.
3.	Provide Committee with semiannual updates on ERM and Crisis Management.	Included in Committee's 2023 annual work plan. December 2023 and June 2024 meeting.

**From March 2023 Audit Committee Meeting**

1.	Periodically monitor significant changes in foundations and entities to ensure proper recognition in financial statements.	Update to be provided in December 2023 Committee meeting.
2.	Provide Committee with a narrative explaining material weaknesses and significant deficiencies in Single Audit reporting.	Provided in June 2023 Committee Meeting.
3.	Internal Audit to perform interim audit testing to assess status of remediating Single Audit findings.	Update to be provided in October 2023 Committee materials.
4.	OAG's Educational Affairs Division to provide Audit Committee with reports of significant litigation in all Committee meetings.	Included in October 2023 meeting and for each meeting in Committee's 2024 work plan.

**From December 2022 Audit Committee Meeting**

1.	Provide Committee w/ a Comparison of OLA Work Scope to OIA's CY 2023 Audit Plan	Submitted to Committee at March 2023 Meeting. Also including comparison with OIA's CY 2024 work plan.
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Note: Action items concluded prior to the June 2023 BOR Audit Committee meeting are not included in this schedule.

## **Action - Convene to Closed Session**

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**TOPIC:** Convening Closed Session

**COMMITTEE:** Audit Committee

**DATE OF COMMITTEE MEETING:** December 18, 2023

**SUMMARY:**

The Open Meetings Act permits public bodies to close their meetings to the public in circumstances outlined in §3-305 of the Act and to carry out administrative functions exempted by §3-103 of the Act. The Committee on Audit will now vote to reconvene in closed session. The agenda for the public meeting today includes a written statement with a citation of the legal authority and reasons for closing the meeting and a listing of the topics to be discussed. The statement has been provided to the regents, it is posted on the USM's website and copies are available here today.

**ALTERNATIVE(S):** No alternative is suggested.

**FISCAL IMPACT:** There is no fiscal impact.

**CHANCELLOR'S RECOMMENDATION:** The Chancellor recommends that the BOR Audit Committee vote to reconvene in closed session.

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COMMITTEE ACTION:

DATE: 12-18-2023

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BOARD ACTION:

DATE:

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SUBMITTED BY: David Mosca, 443.367.0035, dmosca@usmd.edu



STATEMENT REGARDING CLOSING A MEETING  
OF THE USM BOARD OF REGENTS

Date: December 18, 2023  
Time: Approximately 11:00 AM  
Location: Zoom

STATUTORY AUTHORITY TO CLOSE A SESSION

Md. Code, General Provisions Article §3-305(b):

- (1) To discuss:
- [ ] (i) The appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; or
  - [ x ] (ii) Any other personnel matter that affects one or more specific individuals.
- (2) [ ] To protect the privacy or reputation of individuals with respect to a matter that is not related to public business.
- (3) [ ] To consider the acquisition of real property for a public purpose and matters directly related thereto.
- (4) [ ] To consider a preliminary matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State.
- (5) [ ] To consider the investment of public funds.
- (6) [ ] To consider the marketing of public securities.
- (7) [ x ] To consult with counsel to obtain legal advice on a legal matter.
- (8) [ ] To consult with staff, consultants, or other individuals about pending or potential litigation.
- (9) [ ] To conduct collective bargaining negotiations or consider matters that relate to the negotiations.

- (10)  To discuss public security, if the public body determines that public discussions would constitute a risk to the public or public security, including:
- (i) the deployment of fire and police services and staff; and
  - (ii) the development and implementation of emergency plans.
- (11)  To prepare, administer or grade a scholastic, licensing, or qualifying examination.
- (12)  To conduct or discuss an investigative proceeding on actual or possible criminal conduct.
- (13)  To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.
- (14)  Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.
- (15)  To discuss cybersecurity, if the public body determines that public discussion would constitute a risk to: (i) security assessments or deployments relating to information resources technology; (ii) network security information, including information that is: 1. Related to passwords, personal identification numbers, access codes, encryption, or other components of the security system of a governmental entity; 2. Collected, assembled, or maintained by or for a governmental entity to prevent, detect, or investigate criminal activity; or 3. Related to an assessment, made by or for a governmental entity or maintained by a governmental entity, of the vulnerability of a network to criminal activity; or (iii) deployments or implementation of security personnel, critical infrastructure, or security devices.

Md. Code, General Provisions Article §3-103(a)(1)(i):

- Administrative Matters

TOPICS TO BE DISCUSSED:

IT security matters that pose vulnerabilities, update of legal matters with OAG's educational affairs, legislative audit matters that are ongoing and, therefore, confidential; discussion of investigative matters which may lead to criminal prosecution or legal action; calendar year 2023 internal audit plan of activity; meeting separately with independent auditor's engagement partner and USM's VC of accountability.

REASON FOR CLOSING:

- 1) To maintain confidentiality of discussions of ongoing investigations by outside agencies, which potentially could result in criminal prosecutions (§3-305(b)(12));
- 2) To maintain confidentiality of active legal matters with the OAG's Educational Affairs Division (§3-305(b)(7))
- 3) To maintain confidentiality of USM's cybersecurity that would constitute a risk vulnerability of networks, critical IT infrastructure and information resources. (§3-305(b)(15));
- 4) To maintain the confidentiality of matters involved in ongoing legislative audits, as required by Section 2-1226 of the State Government Article of the Annotated Code of Maryland (§3-305(b)(13));
- 5) To carry out an administrative function: discussion of calendar year's 2023 and 2024 audit plans of activity by the USM Office of Internal Audit (§ 3-103(a)(1)(i); and
- 6) To carry out an administrative function: the Committee's separate meeting with the VC of Accountability and independent auditors (§3-103(b)(1)(ii));