



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

December 18, 2024

1. [Information & Discussion – USM Audited Financial Statements FY 2024](#) Ms. Denson
Mr. Acton
 - Key Points Associated with FY 2024 Financial Statements
 - Financial Snapshot

 2. [Information and Discussion – FY 2024 Independent Audit of USM’s Financial Statements, CliftonLarsonAllen, LLC](#) Ms. Bowman

 3. [Information – Update of USM Enterprise Risk and Crisis Management Activity](#) 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
-

TOPIC: Draft USM Financial Statements and materials for the year ended June 30, 2024

COMMITTEE: Audit

DATE OF COMMITTEE MEETING: December 18, 2024

SUMMARY: This item includes the following components:

USM Draft Annual Financial Statements for the year ended June 30, 2024:

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.

USM Draft Financial Statements for the Board for the years ended June 30, 2024 and 2023:

This year’s draft financial statement report is for a single year only. Included for reference are the draft Systemwide financial statements for the years ended June 30, 2024 and 2023.

Financial Snapshot:

The analysis titled “Financial Snapshot” summarizes the System’s key financial health ratio used by rating agencies—Available Resources to Debt Outstanding—based on the figures reflected in the financial statements, to provide a comparison between June 30, 2024, and 2023. The second part of the Financial Snapshot adjusts the publicly reported balances to account for Board-approved claims and authorizations not yet expended or reflected in the financial statements, arriving at a “true” financial health ratio for internal management and decision-making purposes. The adjusted ratio is used for managerial decision-making in accordance with USM VIII-12.00—Policy on Debt Management.

Financial Dashboards:

A set of indicators and ratios visually summarizes financial health and performance against benchmarks, highlighting areas of improvement or decline compared to the previous year. The Financial Dashboards Overview and Description, included on pages 6–7, provides a brief explanation of each indicator.

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

ALTERNATIVE(S): This item is presented for information purposes.

FISCAL IMPACT: This item is presented for information purposes.

CHANCELLOR’S RECOMMENDATION: This item is presented for information purposes.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: David Mosca

University System of Maryland Review of Financial Statements Year Ended June 30, 2024

Key points associated with FY 2024 financial statements and materials:

1. Draft Annual Financial Statement Report

The USM Draft Annual Financial Statements for the year ended June 30, 2024, reports an increase in unrestricted net position of \$105M compared to an increase of \$268M reported as of June 30, 2023.

The June 30, 2024, audit report includes the financial statements of the institutions along with the component units that make up the USM reporting entity. Coppin State Development Foundation is not included as part of the USM reporting entity for FY24 because of a delay in finalizing the FY24 annual audit report.

The financial statements for the University of Maryland Global Campus reflect both the financial activities and balances of the University, and the activities and balances of UMGC Ventures, which is combined with the institutions' financial information in the 'Institution' column (pages 84-86). 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 and subscription obligations, is 260% at June 30, 2024, compared to 244% at June 30, 2023.

Adjusting for Board-approved commitments, authorizations to spend or borrow not yet reflected in the financial statements and Deferred Service Concession Arrangements (P3s) resulted in an increase in overall 'true' financial standing, from 118% in FY23 to 131% in FY24. The increase is primarily due to the increase in unrestricted net position for both the System and the affiliated foundations. 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.

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 reflect 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.
- Subject to final analysis, all institutions met the President's Fund Balance Goal except for UMES.
- Overall, we are seeing the impact of recent salary and merit increases on operating expenses at several institutions. We are seeing this impact on the primary reserve, net operating and debt service to operating spending ratios specifically in the trend section of the report.
- UMCP spent \$77M of cash on Board and System approved projects during FY24, including \$35M on the purchase of the American Center for Physics Building. We are seeing the impact of this spending on the UMCP's net position and the trends for the Primary Reserve and the Net Operating Ratios.
- A new indicator added to this year's analysis is 'Ratio of Net Student Receivables to Tuition and Fees'. Although the overall System rate is 6.59% for FY24 compared to the benchmark of 5%, this is an improvement from FY23's rate of 7.18%.

Among System institutions BSU is an outlier based on current trends. BSU reported \$22M student receivables, compared to Tuition and Fees Revenue of \$46.6M. BSU is developing a plan to address outstanding student receivables. They plan to submit all past due accounts to the State Central Collections Unit by December 31, 2024.

University System of Maryland
Financial Snapshot
June 30, 2024


	June 30, 2024	June 30, 2023
From the June 30, 2024 preliminary financial statements and 2023 audited financial statements		
USM unrestricted net position	\$ 1,658,606,127	\$ 1,553,647,706
Net pension liability, adjusted	1,096,449,404	1,106,689,774
USM accrued leave	334,716,508	320,901,191
Affiliated foundations unrestricted net assets	428,918,254	373,772,602
Available funds	\$ 3,518,690,293	\$ 3,355,011,273
Debt outstanding	\$ 1,351,483,269	\$ 1,372,841,163
Ratio of available resources to debt outstanding per financial statements	260%	244%
 Claims against the June 30 available resources not reflected in financial statements:		
Available funds per financial statements	\$ 3,518,690,293	\$ 3,355,011,273
Cash-funded capital projects not fully spent at June 30,	(332,264,672)	(216,854,321)
Future years cash-funded capital projects committed but not yet authorized	(126,589,000)	(194,893,849)
Noncapital cash-funded projects not yet authorized	(51,172,000)	(68,486,443)
Adjusted available funds	\$ 3,008,664,621	\$ 2,874,776,660
Debt outstanding per financial statements	\$ 1,351,483,269	\$ 1,372,841,163
Revenue bond-funded projects authorized but debt not yet issued	111,418,481	214,849,316
Deferred Service Concessions arrangements	226,929,964	246,838,739
Future obligations pending construction	525,000,000	609,000,000
Future obligations pending approval	84,000,000	
Adjusted total debt outstanding	\$ 2,298,831,714	\$ 2,443,529,218
Ratio of available resources to debt outstanding, adjusted	131%	118%

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.

University System of Maryland Financial Dashboard Indicators - for the year ended and as of June 30, 2024

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	1 Ratio of unrestricted net position to debt (>50%)	204.4%												
	2 Primary reserve ratio (>25%)	43.7%												
	3 Ratio of current assets to current liabilities (>200%)	307.7%												
Operational performance indicators	4 Net operating revenues ratio (>1%)	2.3%												
	5 Ratio of debt service payments to operating spending (<4.5%)	2.2%												
	6 Ratio of net student receivables to tuition revenue (<5%)	6.6%												N/A
	7 Met fund balance goal for FY 2024													
FY24	Meets benchmark		7	6	5	5	2	5	4	7	7	5	7	6
FY24	Does not meet benchmark		0	1	2	2	5	2	3	0	0	2	0	0
FY23	Meets benchmark		7	7	6	3	1	4	4	7	5	6	7	6
FY23	Does not meet benchmark		0	0	1	4	6	3	3	0	1	1	0	0

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	1 Ratio of unrestricted net position to debt	9.9%										N/A		
	2 Primary reserve ratio	-2.3%												
	3 Ratio of current assets to current liabilities	8.4%												
Operational performance indicators	4 Net operating revenues ratio	-3.3%												
	5 Ratio of debt service payments to operating spending	-0.8%												
	6 Ratio of net student receivables to tuition revenue	-0.6%												N/A
Enrollment Performance Indicators	7 Net tuition per FTE	-0.4%												N/A
	8 Net tuition dependency ratio	0.2%												N/A
FY24	Has improved or maintained		4	4	4	6	4	8	6	4	7	1	8	3
FY24	Has not improved		4	4	4	2	4	0	2	4	1	6	0	2
	Overall trend since PY													
FY23	Has improved or maintained		8	6	4	2	1	3	5	6	5	5	5	4
FY23	Has not improved		0	2	4	6	7	5	3	2	3	2	2	1

**University System of Maryland
Financial Performance Dashboard Indicators
Year ended June 30, 2024**

(% indicates change from prior year)

	UMB	UMCP	BSU	TU	UMES	FSU	CSU	UBalt	SU	UMGC	UMBC	UMCES	Total USM
<u>Financial strength indicators</u>													
Ratio of unrestricted net position to debt	189.50%	4.55%	19.67%	8.36%	-2.73%	2.95%	29.14%	-16.09%	38.82%	N/A	38.48%	159.97%	9.89%
Primary reserve ratio	0.25%	-4.08%	0.93%	2.36%	-1.96%	4.07%	3.78%	3.76%	0.99%	-12.14%	4.92%	-2.83%	-2.27%
Ratio of current assets to current liabilities	-3.03%	5.16%	71.08%	59.78%	-1.75%	42.42%	32.11%	3.42%	12.14%	-112.83%	6.35%	10.90%	8.44%
<u>Operational performance indicators</u>													
Net operating revenues ratio	-1.18%	-3.49%	-7.68%	12.73%	0.74%	5.27%	9.43%	-5.70%	7.56%	-25.79%	0.89%	-11.74%	-3.30%
Ratio of debt service payments to operating spending	0.01%	-0.86%	0.15%	-1.90%	-3.35%	-0.17%	-0.11%	0.33%	-0.31%	0.86%	-1.36%	-0.18%	-0.76%
Ratio of net student receivables to tuition revenue	0.27%	0.31%	12.42%	0.84%	-4.87%	-2.12%	4.96%	0.23%	0.59%	-5.82%	-0.35%	N/A	-0.59%
<u>Enrollment performance indicators</u>													
Net tuition per FTE	6.6%	-1.1%	-5.4%	2.4%	-0.9%	3.2%	-26.7%	2.0%	2.0%	-0.8%	2.6%	N/A	-0.4%
Net tuition dependency ratio	0.3%	0.4%	0.6%	-0.7%	0.4%	7.6%	7.7%	1.4%	0.6%	-2.5%	1.4%	N/A	0.2%

University System of Maryland
Financial Performance Dashboard Indicators Data
Year ended June 30, 2024
(in thousands)

	UMB	UMCP	BSU	TU	UMES	FSU	CSU	UBalt	SU	UMGC	UMBC	UMCES	Total USM
<u>Financial Strength indicators</u>													
Ratio of unrestricted net assets to debt: >50%													
Fiscal year ended June 30, 2024													
Unrestricted net position (adjusted for pension liability)	461,233	765,682	88,289	232,206	(8,982)	31,778	21,786	72,114	131,201	397,638	259,975	30,441	2,758,056
Debt outstanding (including loss on refunding)	57,279	474,841	28,725	359,339	25,336	49,594	25,201	16,769	59,506	7,620	138,796	3,782	1,349,593
Ratio	805.24%	161.25%	307.36%	64.62%	-35.45%	64.08%	86.45%	430.04%	220.48%	5218.35%	187.31%	804.89%	204.36%
Fiscal year ended June 30, 2023													
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
Ratio	615.74%	156.70%	287.68%	56.26%	-32.72%	61.12%	57.31%	446.13%	181.66%	6508.21%	148.83%	644.92%	194.47%
Fiscal year ended June 30, 2022													
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
Ratio	497.03%	145.88%	249.60%	58.10%	-26.18%	64.86%	48.84%	298.33%	162.65%	20989.62%	116.29%	439.17%	167.91%
Primary reserve ratio: >25%													
Fiscal year ended June 30, 2024													
Expendable net position	532,043	903,257	88,566	238,955	956	42,453	22,299	72,119	131,201	397,681	259,975	30,441	2,997,825
Operating expenses	1,480,070	2,707,837	183,270	510,596	178,868	121,022	106,495	128,378	213,292	513,796	590,737	59,901	6,860,549
Ratio	35.95%	33.36%	48.33%	46.80%	0.53%	35.08%	20.94%	56.18%	61.51%	77.40%	44.01%	50.82%	43.70%
Fiscal year ended June 30, 2023													
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
Ratio	35.70%	37.44%	47.40%	44.43%	2.49%	31.01%	17.16%	52.42%	60.52%	89.54%	39.09%	53.65%	45.97%
Fiscal year ended June 30, 2022													
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
Ratio	33.36%	36.72%	49.19%	49.51%	4.66%	30.53%	13.57%	43.11%	60.13%	71.98%	36.69%	44.10%	44.11%
Ratio of current assets to current liabilities: >200%													
Fiscal year ended June 30, 2024													
Current assets	731,053	1,120,800	120,477	306,854	33,280	67,942	43,730	96,957	157,821	469,708	311,889	48,027	3,763,665
Current liabilities	272,111	413,962	36,234	111,043	38,751	33,118	25,179	25,956	34,759	104,482	83,740	16,438	1,223,114
Ratio	268.66%	270.75%	332.50%	276.34%	85.88%	205.15%	173.68%	373.54%	454.04%	449.56%	372.45%	292.17%	307.71%
Fiscal year ended June 30, 2023													
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
Ratio	271.69%	265.59%	261.42%	216.56%	87.63%	162.73%	141.57%	370.12%	441.90%	562.39%	366.10%	281.27%	299.27%
Fiscal year ended June 30, 2022													
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
Ratio	268.45%	251.96%	405.13%	270.77%	99.29%	149.30%	127.81%	324.22%	489.98%	454.50%	344.51%	505.65%	291.61%
<u>Operational performance indicators</u>													
Net operating revenues ratio: >1%													
Fiscal year ended June 30, 2024													
Change in unrestricted net position	35,720	(9,788)	(1,555)	20,813	(2,334)	(621)	5,194	9,695	10,581	(7,563)	42,417	2,432	97,718
Operating revenues	1,123,894	1,708,268	75,053	275,362	75,259	52,389	23,732	66,465	112,243	340,108	387,561	28,699	4,270,398
Ratio	3.18%	-0.57%	-2.07%	7.56%	-3.10%	-1.19%	21.89%	14.59%	9.43%	-2.22%	10.94%	8.47%	2.29%

University System of Maryland
Financial Performance Dashboard Indicators Data
Year ended June 30, 2024
(in thousands)

	UMB	UMCP	BSU	TU	UMES	FSU	CSU	UBalt	SU	UMGC	UMBC	UMCES	Total USM
Fiscal year ended June 30, 2023													
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
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
Ratio	4.36%	2.92%	5.60%	-5.17%	-3.84%	-6.45%	12.45%	20.29%	1.87%	23.57%	10.06%	20.22%	5.58%
Fiscal year ended June 30, 2022													
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
Ratio	2.75%	8.00%	7.41%	4.42%	1.70%	5.26%	-13.03%	20.42%	3.06%	-4.79%	12.60%	2.93%	3.66%
Ratio of debt service payments to operating spending: < 4.5%													
Fiscal year ended June 30, 2024													
Debt service payments	16,610	44,108	4,104	37,399	(2,103)	5,620	3,860	4,276	9,145	6,059	15,413	1,009	149,380
Operating expenses	1,480,070	2,707,837	183,270	510,596	178,868	121,022	106,495	128,378	213,292	513,796	590,737	59,901	6,860,549
Ratio	1.12%	1.63%	2.24%	7.32%	-1.18%	4.64%	3.62%	3.33%	4.29%	1.18%	2.61%	1.68%	2.18%
Fiscal year ended June 30, 2023													
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
Ratio	1.11%	2.49%	2.09%	9.22%	2.18%	4.81%	3.73%	3.00%	4.59%	0.32%	3.97%	1.87%	2.94%
Fiscal year ended June 30, 2022													
Debt service payments	14,986	43,173	3,806	37,284	2,694	5,145	3,734	3,788	9,390	636	16,282	971	153,413
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
Ratio	1.12%	1.95%	2.18%	7.88%	2.03%	4.10%	3.48%	3.30%	4.75%	0.14%	3.28%	1.89%	2.59%
Ratio of net receivables to tuition revenue: < 5%													
Fiscal year ended June 30, 2024													
Net student receivables	1,101	24,877	14,154	13,722	1,382	1,318	1,784	1,441	3,231	51,313	7,022	N/A	121,344
Tuition and fees	177,862	710,693	46,664	178,237	27,704	32,789	12,613	47,295	70,606	371,670	164,149	N/A	1,840,281
Ratio	0.62%	3.50%	30.33%	7.70%	4.99%	4.02%	14.14%	3.05%	4.58%	13.81%	4.28%	N/A	6.59%
Fiscal year ended June 30, 2023													
Net student receivables	610	21,965	8,484	12,003	2,497	1,909	1,143	1,365	2,766	67,399	7,430	N/A	127,573
Tuition and fees	174,954	688,490	47,368	175,105	25,327	31,115	12,440	48,489	69,430	343,357	160,588	N/A	1,776,663
Ratio	0.35%	3.19%	17.91%	6.85%	9.86%	6.14%	9.19%	2.82%	3.98%	19.63%	4.63%	N/A	7.18%
Fiscal year ended June 30, 2022													
Net student receivables	771	22,897	6,613	8,978	1,041	1,701	897	1,070	2,360	55,974	7,503	N/A	109,797
Tuition and fees	176,641	683,246	48,808	178,192	23,260	33,890	13,169	51,216	70,248	339,750	145,361	N/A	1,763,781
Ratio	0.44%	3.35%	13.55%	5.04%	4.48%	5.02%	6.81%	2.09%	3.36%	16.48%	5.16%	N/A	6.23%
Enrollment Performance Indicators													
Net Tuition per FTE													
Fall 2023 (FY 2024) Enrollment													
Net Tuition and Fees	137,877	591,883	38,930	153,429	21,546	23,978	5,501	35,856	55,313	380,125	151,991	N/A	1,596,430
FTE	6,775	34,087	5,129	16,117	2,582	3,016	1,729	2,201	6,253	38,547	11,378	N/A	127,814
Net Tuition per FTE	\$ 20,351	\$ 17,364	\$ 7,590	\$ 9,520	\$ 8,345	\$ 7,950	\$ 3,182	\$ 16,291	\$ 8,846	\$ 9,861	\$ 13,358	N/A	\$ 12,490
Fall 2022 (FY 2023) Enrollment													
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
Net Tuition per FTE	\$ 19,090	\$ 17,549	\$ 8,025	\$ 9,300	\$ 8,418	\$ 7,701	\$ 4,341	\$ 15,964	\$ 8,673	\$ 9,939	\$ 13,024	N/A	\$ 12,535
Fall 2021 (FY 2022) Enrollment													
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
Net Tuition per FTE	\$ 18,953	\$ 16,865	\$ 8,423	\$ 9,012	\$ 8,517	\$ 9,961	\$ 5,895	\$ 15,458	\$ 8,598	\$ 9,569	\$ 12,353	N/A	\$ 12,214

University System of Maryland
Financial Performance Dashboard Indicators Data
Year ended June 30, 2024
(in thousands)

	UMB	UMCP	BSU	TU	UMES	FSU	CSU	UBalt	SU	UMGC	UMBC	UMCES	Total USM
Net Tuition Dependency Ratio													
Fiscal year ended June 30, 2024													
Net Tuition and Fees	137,877	591,883	38,930	153,429	21,546	23,978	5,501	35,856	55,313	380,125	151,991	N/A	1,596,430
Operating revenues	1,123,894	1,708,268	75,053	275,362	75,259	52,389	23,732	66,465	112,243	340,108	387,561	N/A	4,270,398
Ratio	12.27%	34.65%	51.87%	55.72%	28.63%	45.77%	23.18%	53.95%	49.28%	111.77%	39.22%	N/A	37.38%
Fiscal year ended June 30, 2023													
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
Ratio	12.59%	35.08%	52.44%	54.97%	29.01%	53.37%	30.86%	55.32%	49.84%	109.25%	40.57%	N/A	37.59%
Fiscal year ended June 30, 2022													
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
Ratio	12.87%	37.72%	58.57%	58.87%	32.63%	59.01%	43.01%	58.66%	53.89%	109.55%	42.89%	N/A	39.60%



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 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)

- **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 is 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 must make spending cuts in periods of declining revenues.
- **Ratio of net accounts receivables to tuition revenue**
This ratio measures the proportion of student-related receivables, including auxiliary services and the net realizable value of accounts transferred to the State Collections

Unit, relative to the total tuition revenue. A lower ratio indicates better financial health, as it suggests that a smaller portion of tuition revenue is tied up in outstanding receivables, meaning the institution is more effective at collecting payments.

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.

**UNIVERSITY SYSTEM OF MARYLAND
STATEMENT OF NET POSITION
JUNE 30, 2024**

	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,268,660,320	\$ 3,270,618,496
Accounts receivable, net	452,638,160	440,016,302
Leases receivable, current portion, net	4,801,449	5,568,123
Notes receivable, current portion, net	1,912,429	2,946,582
Inventories	10,066,041	9,727,249
Prepaid expenses and other	25,586,266	23,361,322
Total current assets	3,763,664,665	3,752,238,074
Noncurrent assets		
Restricted cash and cash equivalents	78,903,576	32,217,427
Endowment investments	520,121,280	445,202,520
Other investments	52,844,227	43,540,519
Leases receivable, net	14,854,603	8,700,878
Notes receivable, net	7,155,314	9,446,751
Capital assets, net	7,748,905,895	7,603,663,404
Total noncurrent assets	8,422,784,895	8,142,771,499
Total assets	12,186,449,560	11,895,009,573
DEFERRED OUTFLOWS OF RESOURCES	486,399,596	330,540,441
Total assets and deferred outflows of resources	\$ 12,672,849,156	\$ 12,225,550,014
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 498,434,566	\$ 434,628,650
Accrued workers' compensation, current portion	4,196,550	4,352,250
Accrued vacation costs, current portion	147,066,625	135,247,076
Obligations under subscription arrangements, current portion	17,698,615	14,520,081
Obligations under lease arrangements, current portion	18,651,051	17,894,865
Revenue bonds and notes payable, current portion	88,168,444	94,879,968
Unearned revenues	448,897,732	552,258,883
Total current liabilities	1,223,113,583	1,253,781,773
Noncurrent liabilities		
Accrued workers' compensation	23,780,450	24,662,750
Accrued vacation costs	187,649,883	185,654,115
Obligations under subscription arrangements	25,709,415	28,461,743
Obligations under lease arrangements	68,026,105	71,722,661
Revenue bonds and notes payable	1,133,229,639	1,145,361,845
Net pension liability	1,499,173,353	1,304,919,638
Total noncurrent liabilities	2,937,568,845	2,760,782,752
Total liabilities	4,160,682,428	4,014,564,525
DEFERRED INFLOWS OF RESOURCES	319,724,051	377,033,966
NET POSITION		
Unrestricted	1,658,606,127	1,553,647,706
Net investment in capital assets	6,248,004,173	6,015,846,849
Restricted:		
Nonexpendable	46,062,914	46,005,383
Expendable	239,769,463	218,451,585
Total net position	8,192,442,677	7,833,951,523
Total liabilities, deferred inflows of resources and net position	\$ 12,672,849,156	\$ 12,225,550,014

UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF FINANCIAL POSITION, COMPONENT UNITS
JUNE 30, 2024

	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.		
ASSETS						
Current assets						
Cash	\$ 265,000	\$ 109,871,822	\$ 12,681,840	\$ 42,121,338	\$ 77,027,629	\$ 241,967,629
Accounts receivable, net	28,156,000	53,805,140	18,557,734	18,547,724	42,665,599	161,732,197
Other assets	206,000	95,699	468,812	127,302,252	4,317,936	132,390,699
Total current assets	28,627,000	163,772,661	31,708,386	187,971,314	124,011,164	536,090,525
Investments						
Endowment investments	452,784,000	741,808,553	355,680,214		400,751,345	1,951,024,112
Other investments	720,074,000	208,050,207	92,970,571	24,692,784	8,988,873	1,054,776,435
Total investments	1,172,858,000	949,858,760	448,650,785	24,692,784	409,740,218	3,005,800,547
Noncurrent assets						
Accounts receivable, net	2,053,000	58,490,623	15,470,578	44,499	15,274,514	91,333,214
Capital assets, net	15,134,000	14,008,350		51,963,603	18,754,633	99,860,586
Other assets	528,000	6,268,092	2,853,078	109,969,354	8,928,520	128,547,044
Total noncurrent assets	17,715,000	78,767,065	18,323,656	161,977,456	42,957,667	319,740,844
Total assets	\$1,219,200,000	\$1,192,398,486	\$ 498,682,827	\$ 374,641,554	\$ 576,709,049	\$3,861,631,916
LIABILITIES						
Current liabilities						
Accounts payable & accrued expenses	\$ 4,851,000	\$ 21,751,399	\$ 1,141,488	\$ 170,400,085	\$ 53,541,193	\$ 251,685,165
Long-term debt, current				4,619,269	1,752,486	6,371,755
Unearned revenues	2,004,000	3,009,878		367,403	1,228,736	6,610,017
Total current liabilities	6,855,000	24,761,277	1,141,488	175,386,757	56,522,415	264,666,937
Noncurrent liabilities						
Other payables	119,777,536	2,108,778	2,015,467	20,809,653	10,300,970	155,012,404
Due to primary government	519,956,464					519,956,464
Long-term debt, noncurrent				39,166,689		39,166,689
Total noncurrent liabilities	639,734,000	2,108,778	2,015,467	59,976,342	10,300,970	714,135,557
Total liabilities	646,589,000	26,870,055	3,156,955	235,363,099	66,823,385	978,802,494
NET ASSETS						
Without donor restrictions	88,587,000	57,357,431	46,856,131	139,278,455	96,476,646	428,555,663
With donor restrictions	484,024,000	1,108,171,000	448,669,741		413,409,018	2,454,273,759
Total net assets	572,611,000	1,165,528,431	495,525,872	139,278,455	509,885,664	2,882,829,422
Total liabilities and net assets	\$1,219,200,000	\$1,192,398,486	\$ 498,682,827	\$ 374,641,554	\$ 576,709,049	\$3,861,631,916

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.		
ASSETS						
Current assets						
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
Total current assets	12,779,000	135,034,707	22,094,863	168,078,453	85,271,145	423,258,168
Investments						
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
Total investments	1,047,194,000	844,706,825	424,797,834	20,336,048	375,933,657	2,712,968,364
Noncurrent assets						
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
Total noncurrent assets	19,367,000	63,385,828	23,627,628	135,096,124	34,488,161	275,964,741
Total assets	\$1,079,340,000	\$1,043,127,360	\$ 470,520,325	\$ 323,510,625	\$ 495,692,963	\$3,412,191,273
LIABILITIES						
Current liabilities						
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
Total current liabilities	5,948,000	3,874,590	1,540,607	150,779,394	40,636,751	202,779,342
Noncurrent liabilities						
Other payables	30,871,536	4,547,781	1,939,547	20,118,751	11,740,999	69,218,614
Due to primary government	519,956,464					519,956,464
Long-term debt, noncurrent				24,554,160		24,554,160
Total noncurrent liabilities	550,828,000	4,547,781	1,939,547	44,672,911	11,740,999	613,729,238
Total liabilities	556,776,000	8,422,371	3,480,154	195,452,305	52,377,750	816,508,580
NET ASSETS						
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
Total net assets	522,564,000	1,034,704,989	467,040,171	128,058,320	443,315,213	2,595,682,693
Total liabilities and net assets	\$1,079,340,000	\$1,043,127,360	\$ 470,520,325	\$ 323,510,625	\$ 495,692,963	\$3,412,191,273

UNIVERSITY SYSTEM OF MARYLAND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2024

	2024	2023
OPERATING REVENUES		
Tuition and fees	\$ 1,840,281,459	\$ 1,776,662,985
Less: scholarship allowances	<u>(451,258,174)</u>	<u>(402,468,846)</u>
Federal grants and contracts	1,005,694,323	953,874,024
State and local grants and contracts	304,719,629	277,496,646
Nongovernmental grants and contracts	319,968,148	317,951,633
Sales and services of educational departments	420,496,529	411,628,170
Auxiliary enterprises	783,497,343	745,172,779
Less: scholarship allowances	<u>(51,298,694)</u>	<u>(36,482,747)</u>
Other operating revenues	<u>98,297,572</u>	<u>90,444,137</u>
Total operating revenues	<u>4,270,398,135</u>	<u>4,134,278,781</u>
OPERATING EXPENSES		
Instruction	1,712,461,394	1,600,428,234
Research	1,370,516,611	1,243,956,697
Public service	620,615,062	573,243,117
Academic support	651,970,628	558,525,052
Student services	431,811,901	358,122,854
Institutional support	720,404,131	617,157,870
Operation and maintenance of plant	475,944,405	468,746,425
Scholarships and fellowships	129,967,770	137,101,779
Auxiliary enterprises	746,856,929	705,345,267
Hospital		
Total operating expenses	<u>6,860,548,831</u>	<u>6,262,627,295</u>
Operating loss	<u>(2,590,150,696)</u>	<u>(2,128,348,514)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	2,211,017,153	1,953,912,133
Pell grants	207,407,186	179,807,022
Other nonoperating grants	8,582,598	59,342,332
Gifts	84,440,884	65,435,471
Investment income	200,276,141	139,254,630
Less: investment expense	<u>(1,633,356)</u>	<u>(1,771,876)</u>
Interest on indebtedness	(31,741,099)	(35,940,588)
Other revenues and gains (losses), net	<u>9,875,792</u>	<u>71,486,779</u>
Total nonoperating revenues	<u>2,688,225,299</u>	<u>2,431,525,903</u>
Loss before other revenues	<u>98,074,603</u>	<u>303,177,389</u>
OTHER REVENUES		
Capital appropriations	258,236,816	305,138,195
Capital gifts and grants	2,122,205	12,166,701
Additions to endowments	<u>57,530</u>	<u>173,059</u>
Total other revenues	<u>260,416,551</u>	<u>317,477,955</u>
Increase in net position	358,491,154	620,655,344
Net position - beginning of year	<u>7,833,951,523</u>	<u>7,213,296,179</u>
Net position - end of year	<u>\$ 8,192,442,677</u>	<u>\$ 7,833,951,523</u>

**UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF ACTIVITIES, COMPONENT UNITS
YEAR ENDED JUNE 30, 2024**

	Major 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.	Nonmajor Component Units	
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS						
Revenues						
Contributions & grants	\$ 5,410,000	\$ 11,000	\$ 5,068,291	\$ 50,943,589	\$ 5,326,781	\$ 66,759,661
Investment income, net	5,700,000	21,031,360	5,558,585	17,279,285	7,795,745	57,364,975
Other income	11,781,000	2,979,152		46,297,225	75,727,797	136,785,174
Assets released from restrictions	20,216,000	49,644,068	28,739,102		30,026,775	128,625,945
Total revenues	43,107,000	73,665,580	39,365,978	114,520,099	118,877,098	389,535,755
Expenses						
Program	29,786,000	61,283,045	30,414,338	90,429,306	61,992,361	273,905,050
General & administrative	6,771,000	3,896,947	2,690,080	12,870,658	22,488,314	48,716,999
Fundraising	2,639,000		2,079,933		1,672,363	6,391,296
Other expense					5,739,349	5,739,349
Total expenses	39,196,000	65,179,992	35,184,351	103,299,964	91,892,387	334,752,694
Change in net assets without donor restrictions	3,911,000	8,485,588	4,181,627	11,220,135	26,984,711	54,783,061
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS						
Contributions & grants	35,279,000	118,393,242	26,036,861		30,103,754	209,812,857
Investment income	31,073,000	53,721,692	27,006,315		37,029,203	148,830,210
Other income (loss)		(133,012)			2,479,558	2,346,546
Assets released from restrictions	(20,216,000)	(49,644,068)	(28,739,102)		(30,026,775)	(128,625,945)
Change in net assets with donor restrictions	46,136,000	122,337,854	24,304,074		39,585,740	232,363,668
Total changes in net assets	50,047,000	130,823,442	28,485,701	11,220,135	66,570,451	287,146,729
Net assets - beginning of year	522,564,000	1,034,704,989	467,040,171	128,058,320	443,315,213	2,595,682,693
Net assets - end of year	\$ 572,611,000	\$ 1,165,528,431	\$ 495,525,872	\$ 139,278,455	\$ 509,885,664	\$ 2,882,829,422

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

	Major 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.	Nonmajor Component Units	
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS						
Revenues						
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
Total revenues	35,101,000	77,019,028	35,403,787	107,050,004	113,617,230	368,191,049
Expenses						
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
Total expenses	37,935,000	65,911,348	34,309,857	103,730,306	92,956,565	334,843,076
Change in net assets without donor restrictions	(2,834,000)	11,107,680	1,093,930	3,319,698	20,660,665	33,347,973
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS						
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)
Change in net assets with donor restrictions	18,492,000	115,006,071	25,574,693		33,954,638	193,027,402
Total changes in net assets	15,658,000	126,113,751	26,668,623	3,319,698	54,615,303	226,375,375
Net assets - beginning of year	506,906,000	886,241,362	440,371,548		400,288,237	2,233,807,147
Cumulative effect of an error correction				124,738,622	(1,144,352)	123,594,270
Cumulative effect of a change in accounting principle		22,349,876				22,349,876
Cumulative effect of a change in reporting entity					(10,443,975)	(10,443,975)
Net assets - end of year	\$ 522,564,000	\$1,034,704,989	\$ 467,040,171	\$ 128,058,320	\$ 443,315,213	\$2,595,682,693

**UNIVERSITY SYSTEM OF MARYLAND
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2024**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 1,411,125,772	\$ 1,352,739,552
Research contracts and grants	1,624,513,857	1,505,448,115
Payments to employees	(4,540,189,256)	(4,168,946,556)
Payments to suppliers and contractors	(1,794,911,419)	(1,648,438,290)
Loans issued to students	(934,202)	(543,524)
Collection of loans from students	4,094,263	4,671,744
Student direct lending payments	(661,961,556)	(684,888,400)
Student direct lending receipts	661,961,556	684,888,400
Auxiliary enterprises	671,278,178	687,535,127
Other receipts	496,119,047	562,684,022
	<u>(2,128,903,760)</u>	<u>(1,704,849,810)</u>
Net cash used by operating activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	2,211,017,153	1,990,641,711
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes	57,530	173,059
Pell grants	207,407,186	179,807,022
Other nonoperating grants	8,582,598	59,342,332
	<u>2,427,064,467</u>	<u>2,229,964,124</u>
Net cash provided by noncapital financing activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	117,633,846	
Capital appropriations	258,236,816	306,596,899
Capital grants and gifts received	2,053,442	11,282,142
Proceeds from sales of capital assets	3,926,338	46,926,649
Purchases of capital assets	(578,781,441)	(657,618,688)
Principal paid on debt, leases, and subscription obligations	(137,034,715)	(134,054,915)
Interest paid on debt, leases, and subscription obligations	(42,515,076)	(49,762,453)
	<u>(376,480,790)</u>	<u>(476,630,366)</u>
Net cash used by capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	19,060,332	16,455,872
Interest on investments	161,697,346	112,931,650
Investment expense	(2,432,093)	(1,771,876)
Purchases of investments	(55,277,530)	(4,937,636)
	<u>123,048,055</u>	<u>122,678,010</u>
Net cash provided by investing activities		
Net increase in cash and cash equivalents	44,727,972	171,161,958
Cash and cash equivalents - beginning of year	<u>3,302,835,923</u>	<u>3,131,673,965</u>
Cash and cash equivalents - end of year	<u>\$ 3,347,563,895</u>	<u>\$ 3,302,835,923</u>
SUPPLEMENTARY SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Gifts and contributions of capital assets	\$ 11,590	\$ 108,698,824
Right-to-use assets under subscription arrangements	23,782,004	59,148,229
Right-to-use assets under lease obligations	23,084,987	13,724,208
Changes in unrealized appreciation on investments	18,013,882	12,319,968
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	\$ (2,590,150,696)	\$ (2,128,348,514)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation and amortization expense	449,960,278	433,403,515
Loss on disposals of capital assets	23,992,904	49,906,585
Amortization of deferred service concession arrangement receipts	(19,908,776)	(19,908,776)
Gifts and other revenues, (expenses), gains, and (losses)	94,316,676	136,922,250
Effect of changes in assets and liabilities:		
Accounts receivable, net	(12,621,858)	(129,064,077)
Inventories	(338,792)	(533,190)
Prepaid expenses and other deferred charges	(2,224,944)	(3,228,762)
Leases receivable, net	(5,387,051)	46,180,707
Notes receivable, net	3,325,590	4,151,033
Accounts payable and accrued liabilities	63,805,916	24,266,239
Unearned revenues	(139,209,954)	(89,641,685)
Accrued vacation	13,815,317	9,014,881
Accrued workers' compensation	(1,038,000)	(1,134,000)
Net pension liability and related deferred outflows and inflows of resources	(7,240,370)	(36,836,016)
Net cash used by operating activities	<u>\$ (2,128,903,760)</u>	<u>\$ (1,704,849,810)</u>



UNIVERSITY SYSTEM *of* MARYLAND

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

For the Year Ended June 30, 2024

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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, 2024

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, 2024 and 2023.

Financial Highlights

- Unrestricted net position increased by \$104,958,421 for the year ended June 30, 2024, compared to an increase of \$267,663,782 for the year ended June 30, 2023.
- State appropriations for the System increased by 13.2% for the year ended June 30, 2024.
- Tuition and fees, after deducting scholarship allowances, increased by \$14,829,146 or 1.1% for the year ended June 30, 2024. During the year ended June 30, 2023, net tuition and fees, increased by \$10,119,546 or 0.7%.
- For the year ended June 30, 2024, investment income on Endowment assets was \$40,898,414, representing an investment return of 9%. Investment income on Endowment assets amounted to \$26,044,676, an investment return of 6%, for the year ended June 30, 2023.
- 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 2024.
 - The System recognized \$8,582,598 and \$59,342,332 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, 2024 and 2023, 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, 2024

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, 2024, the System's financial health remains strong, with assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by \$8,192,442,677, shown on the Statement of Net Position as total net position. This compares with total net position of \$7,833,951,523 as of June 30, 2023. As suggested earlier, when viewed over time, net position may be useful as an indicator of financial health.

For the year ended June 30, 2024, total net position increased by \$358,491,154. While net investment in capital assets increased by \$232,157,324, unrestricted net position increased by \$104,958,421 and restricted net position categories increased by \$21,375,409.

For the year ended June 30, 2023, total net position increased by \$620,655,344. 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.

UNIVERSITY SYSTEM OF MARYLAND

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

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, 2024 and 2023.

	2024	2023
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current and noncurrent assets	\$ 4,437,543,665	\$ 4,291,346,169
Capital assets, net	7,748,905,895	7,603,663,404
Total assets	12,186,449,560	11,895,009,573
Deferred outflows of resources	486,399,596	330,540,441
Total assets and deferred outflows of resources	<u>\$12,672,849,156</u>	<u>\$12,225,550,014</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Debt and lease obligations	\$ 1,308,075,239	\$ 1,329,859,339
Other liabilities	1,353,433,836	1,379,785,548
Net pension liability	1,499,173,353	1,304,919,638
Total liabilities	4,160,682,428	4,014,564,525
Deferred inflows of resources	319,724,051	377,033,966
Total liabilities and deferred inflows of resources	<u>4,480,406,479</u>	<u>4,391,598,491</u>
NET POSITION		
Net investment in capital assets	6,248,004,173	6,015,846,849
Restricted	285,832,377	264,456,968
Unrestricted	1,658,606,127	1,553,647,706
Total net position	<u>8,192,442,677</u>	<u>7,833,951,523</u>
Total liabilities, deferred inflows of resources and net position	<u>\$12,672,849,156</u>	<u>\$12,225,550,014</u>

UNIVERSITY SYSTEM OF MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

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, 2024 and 2023.

	2024	2023
Operating revenues	\$ 4,270,398,135	\$ 4,134,278,781
Operating expenses	6,860,548,831	6,262,627,295
Operating loss	(2,590,150,696)	(2,128,348,514)
State appropriations	2,211,017,153	1,953,912,133
Other nonoperating revenues, net	477,208,146	477,613,770
Total nonoperating revenues	2,688,225,299	2,431,525,903
Income (loss) before other revenues	98,074,603	303,177,389
Other revenues	260,416,551	317,477,955
Increase in net position	358,491,154	620,655,344
Net position, beginning of year	7,833,951,523	7,213,296,179
Net position, end of year	<u>\$ 8,192,442,677</u>	<u>\$ 7,833,951,523</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, 2024 and 2023, operating revenues, which under the definitions used by GASB, excludes state appropriations, are detailed below:

	2024		2023	
	\$	%	\$	%
Tuition and fees, net	\$ 1,389,023,285	32.6 %	\$ 1,374,194,139	33.2 %
Contracts and grants	1,630,382,100	38.2	1,549,322,303	37.5
Sales and services of educational departments	420,496,529	9.8	411,628,170	10.0
Auxiliary enterprises, net	732,198,649	17.1	708,690,032	17.1
Other operating	98,297,572	2.3	90,444,137	2.2
Total	<u>\$ 4,270,398,135</u>	<u>100.0 %</u>	<u>\$ 4,134,278,781</u>	<u>100.0 %</u>

UNIVERSITY SYSTEM OF MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

For the years ended June 30, 2024 and 2023, operating expenses are detailed below:

	2024		2023	
	\$	%	\$	%
Instruction	\$ 1,712,461,394	25.0 %	\$ 1,600,428,234	25.4 %
Research	1,370,516,611	20.0	1,243,956,697	19.9
Public service	620,615,062	9.0	573,243,117	9.2
Academic support	651,970,628	9.5	558,525,052	8.9
Student services	431,811,901	6.3	358,122,854	5.7
Institutional support	720,404,131	10.5	617,157,870	9.9
Operation and maintenance of plant	475,944,405	6.9	468,746,425	7.5
Scholarships and fellowships	129,967,770	1.9	137,101,779	2.2
Auxiliary enterprises	746,856,929	10.9	705,345,267	11.3
Total	\$ 6,860,548,831	100.0 %	\$ 6,262,627,295	100.0 %

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

For the years ended June 30, 2024 and 2023, increases in total employee payments of \$423,456,020 and \$295,726,860, respectively, represent the largest component of the overall increase in operating expenses over the prior year. For 2024 and 2023, 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:

	2024	2023
State of Maryland debt proceeds	\$258,236,816	\$305,138,195
System debt proceeds	117,633,846	
System cash balances and donations	236,088,738	459,755,597
Total	\$611,959,400	\$764,893,792

UNIVERSITY SYSTEM OF MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

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

Project	Institution	Cost
Year ended June 30, 2024		
College of Health Professions	Towson University	\$192,432,074
Chemistry Building	University of Maryland College Park	120,369,338
Year ended June 30, 2023		
School of Pharmacy & Health Professions	University of Maryland Eastern Shore	\$104,739,000
College of Business	Coppin State University	45,833,000

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, 2024, the System issued the following Revenue Bonds:

Debt issuance	Date of issue	Purpose	Total Par Value Issued	Present Value of Future Debt Service Savings
2024 Series A	2/29/2024	Financing construction and facilities renewal	\$ 73,295,000	
2024 Series B	2/29/2024	Refinancing (Taxable)	29,690,000	\$ 909,272

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, 2024

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 12.9% more fulltime equivalent students anticipated by the fall 2033. While preliminary fall 2024 enrollment indicates a increase in fulltime equivalent enrollment of approximately 0.03%, 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.

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, 2024**

ASSETS

Current assets

Cash and cash equivalents	\$ 3,268,660,320
Accounts receivable, net	452,638,160
Leases receivable, current portion, net	4,801,449
Notes receivable, current portion, net	1,912,429
Inventories	10,066,041
Prepaid expenses and other	<u>25,586,266</u>

Total current assets 3,763,664,665

Noncurrent assets

Restricted cash and cash equivalents	78,903,576
Endowment investments	520,121,280
Other investments	52,844,227
Leases receivable, net	14,854,603
Notes receivable, net	7,155,314
Capital assets, net	<u>7,748,905,895</u>

Total noncurrent assets 8,422,784,895

Total assets 12,186,449,560

DEFERRED OUTFLOWS OF RESOURCES

486,399,596

Total assets and deferred outflows of resources \$ 12,672,849,156

LIABILITIES

Current liabilities

Accounts payable and accrued liabilities	\$ 498,434,566
Accrued workers' compensation, current portion	4,196,550
Accrued vacation costs, current portion	147,066,625
Obligations under subscription arrangements, current portion	17,698,615
Obligations under lease arrangements, current portion	18,651,051
Revenue bonds and notes payable, current portion	88,168,444
Unearned revenues	<u>448,897,732</u>

Total current liabilities 1,223,113,583

Noncurrent liabilities

Accrued workers' compensation	23,780,450
Accrued vacation costs	187,649,883
Obligations under subscription arrangements	25,709,415
Obligations under lease arrangements	68,026,105
Revenue bonds and notes payable	1,133,229,639
Net pension liability	<u>1,499,173,353</u>

Total noncurrent liabilities 2,937,568,845

Total liabilities 4,160,682,428

DEFERRED INFLOWS OF RESOURCES

319,724,051

NET POSITION

Unrestricted	1,658,606,127
Net investment in capital assets	6,248,004,173
Restricted:	
Nonexpendable	46,062,914
Expendable	<u>239,769,463</u>

Total net position 8,192,442,677

Total liabilities, deferred inflows of resources and net position \$ 12,672,849,156

See accompanying notes.

UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF FINANCIAL POSITION, COMPONENT UNITS
JUNE 30, 2024

	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.		
ASSETS						
Current assets						
Cash	\$ 265,000	\$ 109,871,822	\$ 12,681,840	\$ 42,121,338	\$ 69,950,412	\$ 234,890,412
Accounts receivable, net	28,156,000	53,805,140	18,557,734	18,547,724	40,049,195	159,115,793
Other assets	206,000	95,699	468,812	127,302,252	4,294,669	132,367,432
Total current assets	28,627,000	163,772,661	31,708,386	187,971,314	114,294,276	526,373,637
Investments						
Endowment investments	452,784,000	741,808,553	355,680,214		399,972,469	1,950,245,236
Other investments	720,074,000	208,050,207	92,970,571	24,692,784	8,988,873	1,054,776,435
Total investments	1,172,858,000	949,858,760	448,650,785	24,692,784	408,961,342	3,005,021,671
Noncurrent assets						
Accounts receivable, net	2,053,000	58,490,623	15,470,578	44,499	15,274,514	91,333,214
Capital assets, net	15,134,000	14,008,350		51,963,603	5,817,314	86,923,267
Other assets	528,000	6,268,092	2,853,078	109,969,354	8,928,520	128,547,044
Total noncurrent assets	17,715,000	78,767,065	18,323,656	161,977,456	30,020,348	306,803,525
Total assets	\$1,219,200,000	\$1,192,398,486	\$ 498,682,827	\$ 374,641,554	\$ 553,275,966	\$3,838,198,833
LIABILITIES						
Current liabilities						
Accounts payable & accrued expenses	\$ 4,851,000	\$ 21,751,399	\$ 1,141,488	\$ 170,400,085	\$ 53,447,330	\$ 251,591,302
Long-term debt, current				4,619,269	1,752,486	6,371,755
Unearned revenues	2,004,000	3,009,878		367,403	1,228,736	6,610,017
Total current liabilities	6,855,000	24,761,277	1,141,488	175,386,757	56,428,552	264,573,074
Noncurrent liabilities						
Other payables	119,777,536	2,108,778	2,015,467	20,809,653	10,300,970	155,012,404
Due to primary government	519,956,464					519,956,464
Long-term debt, noncurrent				39,166,689		39,166,689
Total noncurrent liabilities	639,734,000	2,108,778	2,015,467	59,976,342	10,300,970	714,135,557
Total liabilities	646,589,000	26,870,055	3,156,955	235,363,099	66,729,522	978,708,631
NET ASSETS						
Without donor restrictions	88,587,000	57,357,431	46,856,131	139,278,455	96,839,237	428,918,254
With donor restrictions	484,024,000	1,108,171,000	448,669,741		389,707,207	2,430,571,948
Total net assets	572,611,000	1,165,528,431	495,525,872	139,278,455	486,546,444	2,859,490,202
Total liabilities and net assets	\$1,219,200,000	\$1,192,398,486	\$ 498,682,827	\$ 374,641,554	\$ 553,275,966	\$3,838,198,833

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2024**

OPERATING REVENUES		
Tuition and fees	\$ 1,840,281,459	
Less: scholarship allowances	<u>(451,258,174)</u>	\$ 1,389,023,285
Federal grants and contracts		1,005,694,323
State and local grants and contracts		304,719,629
Nongovernmental grants and contracts		319,968,148
Sales and services of educational departments		420,496,529
Auxiliary enterprises	783,497,343	
Less: scholarship allowances	<u>(51,298,694)</u>	732,198,649
Other operating revenues		<u>98,297,572</u>
Total operating revenues		<u>4,270,398,135</u>
OPERATING EXPENSES		
Instruction		1,712,461,394
Research		1,370,516,611
Public service		620,615,062
Academic support		651,970,628
Student services		431,811,901
Institutional support		720,404,131
Operation and maintenance of plant		475,944,405
Scholarships and fellowships		129,967,770
Auxiliary enterprises		<u>746,856,929</u>
Total operating expenses		<u>6,860,548,831</u>
Operating loss		<u>(2,590,150,696)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations		2,211,017,153
Pell grants		207,407,186
Other nonoperating grants		8,582,598
Gifts		84,440,884
Investment income	200,276,141	
Less: investment expense	<u>(1,633,356)</u>	198,642,785
Interest on indebtedness		(31,741,099)
Other revenues and gains (losses), net		<u>9,875,792</u>
Total nonoperating revenues		<u>2,688,225,299</u>
Loss before other revenues		<u>98,074,603</u>
OTHER REVENUES		
Capital appropriations		258,236,816
Capital gifts and grants		2,122,205
Additions to endowments		<u>57,530</u>
Total other revenues		<u>260,416,551</u>
Increase in net position		358,491,154
Net position - beginning of year		<u>7,833,951,523</u>
Net position - end of year		<u><u>\$ 8,192,442,677</u></u>

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF ACTIVITIES, COMPONENT UNITS
YEAR ENDED JUNE 30, 2024**

	Major 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.	Nonmajor Component Units	
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS						
Revenues						
Contributions & grants	\$ 5,410,000	\$ 11,000	\$ 5,068,291	\$ 50,943,589	\$ 4,997,574	\$ 66,430,454
Investment income, net	5,700,000	21,031,360	5,558,585	17,279,285	7,563,729	57,132,959
Other income	11,781,000	2,979,152		46,297,225	75,654,534	136,711,911
Assets released from restrictions	20,216,000	49,644,068	28,739,102		28,684,362	127,283,532
Total revenues	43,107,000	73,665,580	39,365,978	114,520,099	116,900,199	387,558,856
Expenses						
Program	29,786,000	61,283,045	30,414,338	90,429,306	60,649,948	272,562,637
General & administrative	6,771,000	3,896,947	2,690,080	12,870,658	21,764,634	47,993,319
Fundraising	2,639,000		2,079,933		1,211,349	5,930,282
Other expense					5,739,349	5,739,349
Total expenses	39,196,000	65,179,992	35,184,351	103,299,964	89,365,280	332,225,587
Change in net assets without donor restrictions	3,911,000	8,485,588	4,181,627	11,220,135	27,534,919	55,333,269
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS						
Contributions & grants	35,279,000	118,393,242	26,036,861		26,522,984	206,232,087
Investment income	31,073,000	53,721,692	27,006,315		36,310,522	148,111,529
Other income (loss)		(133,012)			2,407,508	2,274,496
Assets released from restrictions	(20,216,000)	(49,644,068)	(28,739,102)		(28,684,362)	(127,283,532)
Change in net assets with donor restrictions	46,136,000	122,337,854	24,304,074		36,556,652	229,334,580
Total changes in net assets	50,047,000	130,823,442	28,485,701	11,220,135	64,091,571	284,667,849
Net assets - beginning of year	522,564,000	1,034,704,989	467,040,171	128,058,320	422,454,873	2,574,822,353
Net assets - end of year	\$ 572,611,000	\$ 1,165,528,431	\$ 495,525,872	\$ 139,278,455	\$ 486,546,444	\$ 2,859,490,202

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 1,411,125,772
Research contracts and grants	1,624,513,857
Payments to employees	(4,540,189,256)
Payments to suppliers and contractors	(1,794,911,419)
Loans issued to students	(934,202)
Collection of loans from students	4,094,263
Student direct lending payments	(661,961,556)
Student direct lending receipts	661,961,556
Auxiliary enterprises	671,278,178
Other receipts	496,119,047
Net cash used by operating activities	(2,128,903,760)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	2,211,017,153
Gifts and grants received for other than capital purposes:	
Private gifts for endowment purposes	57,530
Pell grants	207,407,186
Other nonoperating grants	8,582,598
Net cash provided by noncapital financing activities	2,427,064,467
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds of capital debt	117,633,846
Capital appropriations	258,236,816
Capital grants and gifts received	2,053,442
Proceeds from sales of capital assets	3,926,338
Purchases of capital assets	(578,781,441)
Principal paid on debt, leases, and subscription obligations	(137,034,715)
Interest paid on debt, leases, and subscription obligations	(42,515,076)
Net cash used by capital and related financing activities	(376,480,790)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	19,060,332
Interest on investments	161,697,346
Investment expense	(2,432,093)
Purchases of investments	(55,277,530)
Net cash provided by investing activities	123,048,055
Net increase in cash and cash equivalents	44,727,972
Cash and cash equivalents - beginning of year	3,302,835,923
Cash and cash equivalents - end of year	\$ 3,347,563,895
<hr/>	
SUPPLEMENTARY SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES	
Gifts and contributions of capital assets	\$ 11,590
Right-to-use assets under subscription arrangements	23,782,004
Right-to-use assets under lease obligations	23,084,987
Changes in unrealized appreciation on investments	18,013,882
<hr/>	
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	\$ (2,590,150,696)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation and amortization expense	449,960,278
Loss on disposals of capital assets	23,992,904
Amortization of deferred service concession arrangement receipts	(19,908,776)
Gifts and other revenues, (expenses), gains, and (losses)	94,316,676
Effect of changes in assets and liabilities:	
Accounts receivable, net	(12,621,858)
Inventories	(338,792)
Prepaid expenses and other deferred charges	(2,224,944)
Leases receivable, net	(5,387,051)
Notes receivable, net	3,325,590
Accounts payable and accrued liabilities	63,805,916
Unearned revenues	(139,209,954)
Accrued vacation	13,815,317
Accrued workers' compensation	(1,038,000)
Net pension liability and related deferred outflows and inflows of resources	(7,240,370)
Net cash used by operating activities	\$ (2,128,903,760)

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, 2024**

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.

During the year ended June 30, 2024, affiliated foundations distributed approximately \$122,267,673 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, 2024, practice plans distributed approximately \$18,245,774 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, 2024

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

	<u>2024</u>
Condensed statements of financial position	
Current assets	\$ 40,838,500
Capital assets	109,912
Other assets	<u>3,537,712</u>
Total assets	<u>\$ 44,486,124</u>
Current liabilities	<u>\$ 5,023,323</u>
Invested in capital assets, net of related debt	109,912
Unrestricted net assets	<u>39,352,889</u>
Total net assets	<u>39,462,801</u>
Total liabilities & net assets	<u>\$ 44,486,124</u>
Condensed statements of activities	
Operating revenues	<u>\$ 50,159,710</u>
Operating expenses:	
Depreciation and amortization	138,247
Other expenses	<u>51,331,147</u>
Total operating expenses	<u>51,469,394</u>
Operating loss	(1,309,684)
Nonoperating revenues	<u>841,981</u>
Net income	(467,703)
Beginning net assets	<u>39,930,504</u>
Ending net assets	<u>\$ 39,462,801</u>
Condensed statements of cash flows	
Net cash (used) provided by:	
Operating activities	\$ (3,199,398)
Investing activities	<u>(6,968,286)</u>
Beginning cash and cash equivalents	<u>25,134,686</u>
Ending cash and cash equivalents	<u>\$ 14,967,002</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.

Intangible right-to-use assets recognized under leases and Subscription-Based Information Technology Arrangements are initially recognized at the present value of future cash flows and amortized over the shorter of the lease or subscription term, or the useful life of the underlying 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.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

3. CASH AND INVESTMENTS

Cash and cash equivalents

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

	<u>2024</u>
Cash and short-term investments on deposit with the State Treasurer	\$3,228,002,248
Demand and time deposits	<u>40,658,072</u>
Total	<u><u>\$3,268,660,320</u></u>

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

As of June 30, 2024, the carrying amount of the System's demand and time deposits was \$40,658,072 and, as compared to bank balances of \$42,377,499. The difference is primarily due to items in-transit. Of the bank balances, \$25,919,317 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 \$16,458,182 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

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

of certain debt obligations issued by the System. These agreements permit the System to invest amounts maintained in trust funds in:

- United States Treasury and agency obligations.
- Deposits, having a maturity of no more than 365 days, in any bank, savings institution or trust company to the extent such deposits are fully insured or collateralized.
- Commercial paper rated at least A-1 by Standard & Poor's Corporation (Standard & Poor's) and P-1 by Moody's Investors Service, Inc. (Moody's) having a maturity of no more than 270 days.
- Repurchase agreements.
- Obligations of any state or political subdivision rated by Standard & Poor's and Moody's in one of its two highest rating categories.
- Corporate obligations rated AAA by Standard & Poor's and Aaa by Moody's.

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

	<u>2024</u>
Money market accounts – endowment fund uninvested cash	\$ 49,629
Money market accounts – unspent proceeds of debt	<u>78,853,947</u>
Total	<u>\$ 78,903,576</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

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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:

	2024
Corporate debt	\$ 7,200
Corporate equities	157,616
Assets invested with USMF	<u>519,956,464</u>
Total	<u>\$520,121,280</u>

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

	<u>2024</u>
Pure endowments	\$167,433,776
Funds functioning as endowments	347,107,576
Term endowments	<u>5,579,928</u>
Total	<u>\$520,121,280</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 \$121,370,863 as of June 30, 2024, 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, 2024 income attributed to unrestricted funds and restricted funds was:

Unrestricted funds	\$183,245,707
Restricted funds	<u>17,030,434</u>
Total	<u><u>\$200,276,141</u></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, 2024 the System also holds corporate debt investments of \$7,200 that are classified as level 3 investments, and corporate equity investments of \$157,616 that are classified as level 1 investments.

As of June 30, 2024, System other investments include partnership and equity interests of \$31,996,777 that are classified as level 3 investments. As of June 30, 2024, other investments include mutual funds and short-term securities of \$20,847,450 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
YEAR ENDED JUNE 30, 2024

The following table shows the USMF's investments using the three-level fair value hierarchy as of June 30, 2024:

Investments by fair value level	June 30, 2024	Fair Value Measurements		
		Level 1	Level 2	Level 3
Money market funds and short-term investments	\$ 64,099,000	\$ 64,099,000		
ETF's and mutual funds	326,002,000	326,002,000		
Common stock	2,449,000	2,449,000		
Separately managed accounts	451,817,000		\$ 365,984,000	\$ 85,833,000
Total investments by fair value level	844,367,000	\$ 392,550,000	\$ 365,984,000	\$ 85,833,000
Investments measured at net asset value (NAV)				
Intermediate assets	224,065,000			
Public equity	366,276,000			
Liquid credit	90,941,000			
Diversifying strategies	108,387,000			
Private risk assets	738,945,000			
Total investments measured at NAV	1,528,614,000			
Total investments	2,372,981,000			
Due to other System component units	(1,200,123,000)			
Total USMF investments reported	1,172,858,000			
Due to the System	(519,956,464)			
Total USMF investments	\$ 652,901,536			

System component unit investments managed by the USMF of \$1,200,123,000 were eliminated from the USMF financial statements as of June 30, 2024.

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 0.12% to 4.42% 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, 2024, unfunded commitments within the private investments measured at NAV equaled approximately \$552 million.

The following table shows FPI's investments using the three-level fair value hierarchy as of June 30, 2024:

Investments by fair value level and NAV	Fair Value Measurements			NAV	Total
	Level 1	Level 2	Level 3		
Cash equivalents	\$ 243,655			\$ 8,377,365	\$ 8,621,020
Corporate bonds				8,497,947	8,497,947
U.S. government and agency securities				19,476,618	19,476,618
Common stocks, preferred stocks and mutual funds	1,534,342			124,094,335	125,628,677
Total investments by fair value level and NAV	\$ 1,777,997			\$ 160,446,265	\$ 162,224,262

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, 2024, the majority of these investments are subject to 30 day or

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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, 2024:

	Assets limited as to use	Investments	Monies held on behalf of others	Total
Cash equivalents	\$ 5,928,365	\$ 1,522,715	\$ 1,169,941	\$ 8,621,021
Corporate bonds	1,051,311	6,862,998	583,638	8,497,947
U.S. government and agency bonds	12,972,852	699,819	5,803,947	19,476,618
Common stocks, preferred stocks, and mutual funds	88,141,505	11,911,643	25,575,529	125,628,677
Total	<u>\$ 108,094,033</u>	<u>\$ 20,997,175</u>	<u>\$ 33,133,055</u>	<u>\$ 162,224,263</u>

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

Accounts receivable as of June 30, were comprised of:

	<u>2024</u>
Tuition and fees	\$142,900,222
Contracts and grants	308,483,594
Other	37,026,647
Subtotal	488,410,463
Less: allowance for doubtful accounts receivable	(35,772,303)
Accounts receivable, net	<u>\$452,638,160</u>

Notes receivable as of June 30, were comprised of:

	<u>2024</u>
Student loans	\$ 11,141,018
Business development loans	5,042,981
Subtotal	16,183,999
Less: allowance for doubtful accounts receivable	(7,116,256)
Notes receivable, net	<u>\$ 9,067,743</u>

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

	<u>2024</u>
Payroll and benefits	\$237,922,158
Suppliers and contractors	193,150,586
Accrued interest payable	10,698,692
Asset retirement obligations	16,848,902
Other	<u>39,814,228</u>
Accounts payable and accrued liabilities	<u><u>\$498,434,566</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>2024</u>
Within one year	Not applicable	\$ 27,682,000
One to five years	9.25%	<u>2,904,000</u>
Subtotal		30,586,000
Less: pledge discount		<u>(1,567,000)</u>
Net contributions receivable		<u><u>\$ 29,019,000</u></u>

University of Maryland, College Park Foundation, Inc.

<u>Due</u>	<u>Discount Rates</u>	<u>2024</u>
Within one year	Not applicable	\$ 55,263,000
Two to five years	6.69%	63,267,000
More than five years	8.25%	<u>1,738,000</u>
Subtotal		120,268,000
Less: allowance for doubtful accounts		(2,752,000)
Less: pledge discount		<u>(5,220,000)</u>
Net contributions receivable		<u><u>\$112,296,000</u></u>

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

University of Maryland, Baltimore Foundation, Inc.

<u>Due</u>	<u>Discount Rates</u>	<u>2024</u>
Within one year	Not applicable	\$ 19,439,910
One to five years	4.49%	17,393,278
More than five years	4.49%	<u>908,085</u>
Subtotal		37,741,273
Less: allowance for doubtful accounts		(1,707,420)
Less: pledge discount		<u>(2,028,653)</u>
Net contributions receivable		<u>\$ 34,005,200</u>

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UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

6. CHANGES IN NET CAPITAL ASSETS

Changes in net capital assets for the year ended June 30, 2024:

	June 30, 2023	Additions	Decreases	June 30, 2024
Capital assets being depreciated:				
Infrastructure & land improvements	\$ 611,805,903	\$ 63,669,139	\$ 4,673,735	\$ 670,801,307
Buildings & improvements	10,189,611,438	302,965,577	7,199,155	10,485,377,860
Contents	1,776,315,877	97,764,071	176,534,678	1,697,545,270
Assets acquired with notes payable	27,500,000	7,500,000		35,000,000
Right-to-use equipment under lease agreements	11,543,801	551,084	3,121,892	8,972,993
Right-to-use buildings under lease agreements	124,649,022	22,533,903	27,925,614	119,257,311
Right-to-use subscription assets	59,413,953	23,782,004	4,231,354	78,964,603
Total capital assets being depreciated	12,800,839,994	518,765,778	223,686,428	13,095,919,344
Less accumulated depreciation and amortization:				
Infrastructure & land improvements	388,659,343	22,460,511	311,406	410,808,448
Buildings & improvements	4,356,655,665	296,599,177	2,844,396	4,650,410,446
Contents	1,395,877,917	93,622,044	172,418,536	1,317,081,425
Assets acquired with notes payable	2,750,000	6,625,000		9,375,000
Right-to-use equipment under lease agreements	8,063,472	1,180,680	2,781,087	6,463,065
Right-to-use buildings under lease agreements	43,955,516	16,231,471	11,705,216	48,481,771
Right-to-use subscription assets	13,774,289	21,260,825	4,231,354	30,803,760
Total accumulated depreciation and amortization	6,209,736,202	457,979,708	194,291,995	6,473,423,915
Total capital assets being depreciated, net	6,591,103,792	60,786,070	29,394,433	6,622,495,429
Capital assets not being depreciated:				
Land	209,650,398	4,191,273	226,752	213,614,919
Contents	32,663,357	32,619	36,975	32,659,001
Construction in progress	770,245,857	394,738,755	284,848,066	880,136,546
Total capital assets not being depreciated	1,012,559,612	398,962,647	285,111,793	1,126,410,466
Capital assets, net	\$ 7,603,663,404	\$ 459,748,717	\$ 314,506,226	\$ 7,748,905,895

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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>2024</u>
Unamortized loss on refundings of debt	\$ 1,889,845
Deferred outflows related to asset retirement obligations	10,640,037
Deferred outflows related to the pension liability	<u>473,869,714</u>
Total deferred outflows of resources	<u>\$486,399,596</u>

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

	<u>2024</u>
Public-private partnership receipts	\$226,929,964
Deferred inflows related to leasing activity	18,648,322
Deferred inflows related to the pension liability	<u>74,145,765</u>
Total deferred inflows of resources	<u>\$319,724,051</u>

8. PUBLIC-PRIVATE PARTNERSHIPS 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.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

As of June 30, the following amounts associated with public-private partnerships were reflected on the Statement of Net Position:

	<u>2024</u>
Capital assets, net – Buildings & improvements	\$232,183,052
Deferred service concession arrangement receipts	226,929,964

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, 2024. The reactor had a remaining useful life of 15 years as of June 30, 2024.

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, 2024.

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, 2024.

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, 2024, are included in accounts payable and accrued liabilities. The System is financially prepared to fund and satisfy all asset retirement obligations when required.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

10. RESTRICTED NET POSITION

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

	<u>2024</u>
Nonexpendable	
Scholarships and fellowships	\$ 21,495,617
Research	7,637,941
Other	<u>16,929,356</u>
Total restricted nonexpendable net position	<u>\$ 46,062,914</u>
Expendable	
Scholarships and fellowships	\$ 72,058,008
Research	113,313,016
Loans	16,826,883
Capital projects	2,972,633
Other	<u>34,598,923</u>
Total restricted expendable net position	<u>\$239,769,463</u>

Major component units

Net assets with donor restrictions as of June 30, 2024, were as follows:

	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.
Scholarships & fellowships	\$ 245,417,000	\$ 287,542,605	\$ 82,289,776
Research	26,269,000	36,686,642	21,114,486
Other	<u>212,338,000</u>	<u>783,941,753</u>	<u>345,265,479</u>
Total net assets with donor restrictions	<u>\$ 484,024,000</u>	<u>\$1,108,171,000</u>	<u>\$ 448,669,741</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>2024</u>
Revenue Bonds, net	\$1,190,904,567
Other	30,493,516
Revenue bonds and notes payable, net	<u>\$1,221,398,083</u>

Auxiliary Facility and Tuition Revenue Bonds

As of June 30, 2024, 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 Series D	3.00% - 4.00%	2024-2027	\$ 20,270,000
2015 Series A	3.00% - 5.00%	2024-2028	24,565,000
2016 Series A	3.00% - 5.00%	2024-2036	99,110,000
2016 Refunding Series B	2.375% - 5.00%	2024-2030	35,680,000
2017 Series A	4.00% - 5.00%	2024-2037	86,580,000
2018 Series A	3.00% - 5.00%	2024-2038	90,840,000
2019 Series A	3.00% - 5.00%	2024-2039	90,200,000
2019 Refunding Series B	5.00%	2024-2029	27,910,000
2019 Refunding Series C	4.00% - 5.00%	2024-2030	76,300,000
2021 Series A	4.00% - 5.00%	2024-2051	192,260,000
2021 Refunding Series B	0.33% - 1.79%	2024-2034	105,080,000
2022 Series A	3.00% - 5.00%	2024-2052	95,800,000
2022 Refunding Series B	5.00%	2024-2026	12,400,000
2024 Series A	4.00% - 5.00%	2024-2026	75,890,000
2024 Refunding Series B	5.00%	2024-2026	28,975,000
Subtotal			1,061,860,000
Unamortized discounts and premiums			129,044,567
Revenue Bonds, net			<u>\$ 1,190,904,567</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 \$132,054,062 and \$2,621,499,133, respectively.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Revenue Bonds issued during the year ended June 30, 2024, including the results of any refinancing of outstanding debt, were as follows:

Debt issuance	Date of issue	Par value of debt issued	Premium on issuance	Par value of debt refunded	Reduction in future debt service	Deferred gain / (loss) on refunding	Economic gain
2024 Series A	February 29, 2024	\$73,295,000	\$8,638,397				
2024 Refunding Series B	February 29, 2024	29,690,000	1,739,263	\$30,170,000	\$944,547	\$(1,771,922)	\$909,272

As of June 30, 2024, no previously issued debt was removed from the System's financial statements through advance refunding transactions.

As of June 30, 2024, cash and cash equivalents and investments restricted by the terms of the Indenture of Trust totaled \$78,803,947.

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, 2024, 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	
2025	\$ 86,040,000	\$ 42,488,540	\$ 2,128,444	\$ 582,654	\$ 131,239,638
2026	86,810,000	38,056,040	1,994,988	590,178	127,451,206
2027	90,870,000	33,939,695	1,967,125	545,918	127,322,738
2028	88,695,000	30,044,616	1,854,181	505,127	121,098,924
2029	84,620,000	26,127,826	1,694,543	463,106	112,905,475
2030 - 2034	315,930,000	87,724,106	9,036,009	1,752,239	414,442,354
2035 - 2039	173,955,000	42,349,056	10,057,085	731,164	227,092,305
2040 - 2044	65,395,000	20,017,300	1,761,141	17,096	87,190,537
2045 - 2049	44,770,000	9,870,050			54,640,050
2050 - 2054	24,775,000	1,642,500			26,417,500
Total	\$1,061,860,000	\$ 332,259,729	\$ 30,493,516	\$ 5,187,482	\$1,429,800,727

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.

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UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Total future minimum lease payments under lease agreements as of June 30, 2024, are as follows:

Year ending June 30,	Principal	Interest	Total Payments
2025	\$ 18,651,051	\$ 2,199,852	\$ 20,850,903
2026	14,474,031	1,713,460	16,187,491
2027	12,184,749	1,339,354	13,524,103
2028	12,579,080	1,593,252	14,172,332
2029	8,313,120	582,388	8,895,508
2030 - 2034	18,603,587	1,201,841	19,805,428
2035 - 2039	1,464,228	211,815	1,676,043
2040 - 2044	407,310	19,078	426,388
Total	\$ 86,677,156	\$ 8,861,040	\$ 95,538,196

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, 2024, the System recognized \$10,841,713 and \$695,536 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, 2024, are as follows:

Year ending June 30,	Principal	Interest	Total Payments
2025	\$ 17,698,615	\$ 1,193,056	\$ 18,891,671
2026	11,062,138	714,410	11,776,548
2027	5,782,505	417,677	6,200,182
2028	2,703,681	265,374	2,969,055
2029	1,914,185	186,643	2,100,828
2030 - 2034	4,246,906	202,910	4,449,816
Total	\$ 43,408,030	\$ 2,980,070	\$ 46,388,100

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

14. AUXILIARY ENTERPRISES

Auxiliary enterprises revenues for the year ended June 30, 2024 were as follows:

	<u>2024</u>	
Residential facilities	\$231,425,357	
Less: scholarship allowances	<u>(26,541,275)</u>	\$204,884,082
Dining facilities	146,382,337	
Less: scholarship allowances	<u>(12,322,220)</u>	134,060,117
Intercollegiate athletics	174,020,257	
Less: scholarship allowances	<u>(9,880,934)</u>	164,139,323
Bookstore	14,625,835	
Less: scholarship allowances	<u>(2,088,672)</u>	12,537,163
Parking facilities	54,357,575	
Less: scholarship allowances	<u>(108,275)</u>	54,249,300
Other	162,685,982	
Less: scholarship allowances	<u>(357,318)</u>	162,328,664
Total auxiliary enterprises revenues		<u><u>\$732,198,649</u></u>

Auxiliary enterprises expenses for the year ended June 30, 2024 were as follows:

	<u>2024</u>
Residential facilities	\$198,768,057
Dining facilities	158,357,840
Intercollegiate athletics	182,807,057
Bookstore	14,134,091
Parking facilities	30,716,088
Other	<u>162,073,796</u>
Total auxiliary enterprises expenses	<u><u>\$746,856,929</u></u>

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15. CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2024, were as follows:

	June 30, 2023	Additions	Decreases	June 30, 2024	Due Within One Year
Accrued vacation costs	\$ 320,901,191	\$ 183,772,855	\$ 169,957,538	\$ 334,716,508	\$ 147,066,625
Accrued workers' compensation	29,015,000	5,300,081	6,338,081	27,977,000	4,196,550
Revenue bonds and notes payable, net	1,240,241,813	123,937,338	142,781,068	1,221,398,083	88,168,444
Obligations under subscription arrangements	42,981,824	24,445,997	24,019,791	43,408,030	17,698,615
Obligations under lease agreements	89,617,526	17,894,865	20,835,235	86,677,156	18,651,051
Net pension liability	1,304,919,638	194,253,715		1,499,173,353	
Total long-term liabilities	\$ 3,027,676,992	\$ 549,604,851	\$ 363,931,713	\$ 3,213,350,130	\$ 275,781,285

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, 2024 were as follows:

	2024			
	Employee	Payments to Suppliers, Contractors and Others	Depreciation and Amortization	Total
Instruction	\$ 1,481,963,596	\$ 145,281,530	\$ 85,216,268	\$ 1,712,461,394
Research	848,507,078	481,306,226	40,703,307	1,370,516,611
Public service	486,006,129	128,338,863	6,270,070	620,615,062
Academic support	453,496,269	152,391,602	46,082,757	651,970,628
Student services	269,911,032	150,963,336	10,937,533	431,811,901
Institutional support	534,613,390	150,718,965	35,071,776	720,404,131
Operation and maintenance of plant	196,024,856	194,901,437	85,018,112	475,944,405
Scholarships and fellowships	10,813,878	119,153,892		129,967,770
Auxiliary enterprises:				
Residential facilities	63,553,285	63,490,413	71,724,359	198,768,057
Dining facilities	58,881,147	89,866,247	9,610,446	158,357,840
Intercollegiate athletics	93,224,345	74,948,372	14,634,340	182,807,057
Bookstore	3,871,550	10,262,541	-	14,134,091
Parking facilities	13,331,470	11,003,229	6,381,389	30,716,088
Other auxiliary enterprises	73,952,439	49,811,436	38,309,921	162,073,796
Total	\$ 4,588,150,464	\$ 1,822,438,089	\$ 449,960,278	\$ 6,860,548,831

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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/

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, 2024 was \$182,866,330 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, 2024 the System reported a liability of \$1,499,173,353 as its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 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, 2024 and 2023, the System's proportion for the net pension liability was 7.00% and 7.00%, respectively, resulting in no change since the prior measurement date.

For the year ended June 30, 2024 the System recognized pension expense of \$175,625,958. As of June 30, 2024, the System reported deferred outflows of resources and deferred inflows of resources related to the net pension liability of the following sources:

	<u>2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in actuarial assumptions	\$103,114,501	\$ 5,056,727
Net difference between projected and actual earnings on pension plan investments	132,964,045	
Contributions made subsequent to the measurement date	182,866,330	
Change in proportionate share	2,233,349	5,139,149
Difference between actual and expected experience	52,691,489	63,949,889
Total	<u>\$473,869,714</u>	<u>\$ 74,145,765</u>

The System reported \$182,866,330 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, 2025.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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
2025	\$ 59,876,537	\$ 29,221,039
2026	34,189,000	22,048,949
2027	148,974,816	16,813,117
2028	42,722,114	5,867,779
2029	5,240,917	194,881
Total	<u>\$291,003,384</u>	<u>\$ 74,145,765</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 - percent is \$1,499,173,353. The System's proportionate share of the net pension liability, if it were calculated using a discount rate that is 1-percentage-point lower ((1.00) percent) is \$2,222,970,593, or 1-percentage-point higher (1.00 percent) is \$898,546,936.

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, 2024, was \$1,783,897,215.

The amount contributed by the System for employees participating in the ORP for the year ended June 30, 2024 was \$129,332,548.

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, 2024, was approximately \$350,000.

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

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, 2024, 2023, and 2022. The amount contributed for the years ended June 30, 2024, 2023, and 2022 was \$165,304,663, \$122,470,987, and \$104,579,077 respectively.

19. CONSTRUCTION COMMITMENTS

The estimated costs to complete construction in progress as of June 30, 2024 is \$461,024,000 of which \$53,302,000 is to be funded from Revenue Bond proceeds, \$322,255,000 is to be derived from State capital appropriations and grants, and \$85,467,000 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, 2024, the System had entered into open contracts for the purchase of \$6,842,390 of natural gas to be delivered through June 2025. Future purchase commitments for electricity to be supplied through June 2025 totaled \$31,339,634 as of June 30, 2024. 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, 2024, 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

a 4% discount rate. The provision for workers' compensation is based upon a separately determined actuarial valuation for the fiscal year ended June 30, 2024. Settlement amounts have not exceeded insurance coverage levels for the years ended June 30, 2024, 2022, or 2021. As of June 30, 2024, the System has recorded \$27,977,000 in liabilities associated with workers' compensation, respectively.

22. SUBSEQUENT EVENTS

In July 2024, the NCAA filed documents to settle various class-action lawsuits related to back damages and future benefits for Division I (DI) student-athletes. The settlement calls for total back damages of approximately \$2.78 billion to be paid over 10 years by the NCAA, the Power 5 conferences (of which the System is a member), and other DI conferences. In addition, going forward, the settlement allows the Power 5 conference member institutions (and other DI institutions that opt in the new structure) to provide increased benefits to student-athletes. Currently, the settlement is pending the approval of the courts, which could take several months. In addition, there are numerous other unresolved issues (state laws, employee designations, litigation by opposing parties, etc.) that could impact the timing and final results of the settlement. The impact could be significant to the System's DI Athletic Programs, however it is not estimable as of the date of this report.

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REQUIRED SUPPLEMENTARY INFORMATION

UNIVERSITY SYSTEM OF MARYLAND

REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024

SCHEDULE OF PROPORTIONATE SHARE OF PENSION LIABILITY

	2024	2023	2022	2021	2020	2019	2018	2017	2016
The System's proportion of the net pension liability	7.000%	7.000%	7.010%	6.610%	6.610%	6.660%	5.540%	5.580%	5.120%
The System's proportionate share of the net pension liability	\$1,499,173,353	\$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
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
The System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	185%	179%	134%	218%	192%	203%	175%	190%	160%
Plan fiduciary net position as a percentage of the total pension liability	73.80%	76.30%	82.00%	70.70%	72.34%	71.18%	69.38%	65.79%	68.78%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 182,922,659	\$ 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	(182,922,659)	(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	None
The System's covered-employee payroll	\$ 871,180,910	\$ 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	21.00%	20.51%	20.47%	20.48%	21.97%	19.22%	19.33%	19.87%	18.03%	17.23%

SCHEDULE OF CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution	\$ 165,304,663	\$ 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	(165,304,663)	(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	None
The System's covered-employee payroll	\$2,655,078,125	\$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	6.23%	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, 2024

	Institution	Component Units
ASSETS		
Current assets		
Cash and cash equivalents	\$ 597,478,064	\$ 88,796,304
Accounts receivable, net	107,376,932	75,579,050
Leases receivable, current portion, net	537,464	
Notes receivable, current portion, net	713,540	
Inventories	97,545	
Prepaid expenses and other	1,557,397	131,788,537
Inter-institutional balances	23,291,783	
Total current assets	731,052,725	296,163,891
Noncurrent assets		
Accounts receivable, net		15,555,858
Endowment investments	145,286,405	376,266,430
Other investments	4,121,728	265,430,007
Leases receivable, net	1,629,213	
Notes receivable, net	6,310,808	
Other assets		118,298,295
Capital assets, net	899,158,325	57,156,251
Total noncurrent assets	1,056,506,479	832,706,841
Total assets	1,787,559,204	1,128,870,732
DEFERRED OUTFLOWS OF RESOURCES		
Total assets and deferred outflows of resources	104,256,773	
	\$ 1,891,815,977	\$ 1,128,870,732
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 91,468,323	\$ 217,337,253
Accrued workers' compensation, current portion	1,198,650	
Accrued vacation costs, current portion	59,258,060	
Obligations under subscription arrangements, current portion	1,348,751	
Obligations under lease arrangements, current portion	3,085,183	3,749,269
Revenue bonds and notes payable, current portion	6,928,703	870,000
Unearned revenues	108,823,614	367,403
Total current liabilities	272,111,284	222,323,925
Noncurrent liabilities		
Accrued workers' compensation	6,792,350	
Accrued vacation costs	61,374,879	
Endowments invested on behalf of primary government		145,286,405
Other payables		32,632,979
Obligations under subscription arrangements	1,332,134	
Obligations under lease arrangements	1,567,614	33,919,433
Revenue bonds and notes payable	43,685,437	5,247,256
Net pension liability	327,446,454	
Total noncurrent liabilities	442,198,868	217,086,073
Total liabilities	714,310,152	439,409,998
DEFERRED INFLOWS OF RESOURCES		
Total liabilities, deferred inflows of resources and net position	29,778,941	
NET POSITION		
Unrestricted	225,816,668	222,296,807
Net investment in capital assets	825,673,665	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	11,087,907	
Research	4,039,391	
Other	10,298,751	
Expendable:		
Scholarships and fellowships	30,496,843	
Research	9,031,055	
Loans	11,601,127	
Other	19,681,477	
Net assets with donor restrictions		467,163,927
Total net position	1,147,726,884	689,460,734
Total liabilities, deferred inflows of resources and net position	\$ 1,891,815,977	\$ 1,128,870,732

UNIVERSITY OF MARYLAND, BALTIMORE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	<u>Institution</u>	<u>Component Units</u>
OPERATING REVENUES		
Tuition and fees	\$ 177,861,519	
Less: scholarship allowances	<u>(41,603,508)</u>	
Federal grants and contracts	\$ 136,258,011	
State and local grants and contracts	336,382,975	
Nongovernmental grants and contracts	130,951,387	
Sales and services of educational departments	120,042,464	
Auxiliary enterprises:		
Residential facilities	369,158,730	
Parking facilities	2,279,669	
Other auxiliary enterprises revenues	<u>14,670,853</u>	
	<u>14,150,074</u>	
Total operating revenues	<u>1,123,894,163</u>	
OPERATING EXPENSES		
Instruction	235,606,776	
Research	479,395,075	
Public service	405,414,750	
Academic support	78,315,922	
Student services	17,255,557	
Institutional support	123,427,453	
Operation and maintenance of plant	115,388,077	
Scholarships and fellowships	751,580	
Auxiliary enterprises:		
Residential facilities	1,951,581	
Parking facilities	8,492,950	
Other auxiliary enterprises expenses	<u>14,070,383</u>	
Total operating expenses	<u>1,480,070,104</u>	
Operating loss	<u>(356,175,941)</u>	
NONOPERATING REVENUES (EXPENSES)		
State appropriations	365,328,367	
Pell grants	1,619,335	
Gifts	25,435,260	\$ 82,121,144
Investment income	38,412,679	52,827,770
Less: investment expense	<u>(560,601)</u>	
Interest on indebtedness	37,852,078	
Other revenues, (expenses), gains and (losses)	(1,620,478)	
Other affiliated foundation revenues	(2,473,486)	
Other affiliated foundation expenses		120,460,269
Transfers (to) other University System of Maryland institutions	<u>(2,823,659)</u>	<u>(198,925,917)</u>
Total nonoperating revenues	<u>423,317,417</u>	<u>56,483,266</u>
Income before other revenues	<u>67,141,476</u>	<u>56,483,266</u>
OTHER REVENUES		
Capital appropriations	14,546,504	
Capital gifts and grants		
Additions to endowments	<u>25,914</u>	
Total other revenues	<u>14,572,418</u>	
Increase in net position	81,713,894	56,483,266
Net position - beginning of year	<u>1,066,012,990</u>	<u>632,977,468</u>
Net position - end of year	<u>\$1,147,726,884</u>	<u>\$ 689,460,734</u>

**UNIVERSITY OF MARYLAND, BALTIMORE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 133,359,380
Research contracts and grants	578,011,677
Payments to employees	(1,083,078,378)
Payments to suppliers and contractors	(304,200,616)
Loans issued to students	(1,036,062)
Collection of loans to students	1,588,300
Student direct lending payments	(144,425,832)
Student direct lending receipts	144,425,832
Auxiliary enterprises:	
Residential facilities	527,703
Parking facilities	14,670,853
Other	14,150,074
Other receipts	<u>393,655,641</u>
Net cash provided (used) by operating activities	<u>(252,351,428)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	365,328,367
Gifts and grants received for other than capital purposes:	
Private gifts for endowment purposes	25,914
Pell grants	<u>1,619,335</u>
Net cash provided by noncapital financing activities	<u>366,973,616</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds of capital debt	1,766,919
Capital appropriations	14,546,504
Proceeds from sales of capital assets	77,572
Purchases of capital assets	(105,638,513)
Principal paid on debt and leases	(15,340,146)
Interest paid on debt and leases	(2,480,220)
Transfers from other University System of Maryland institutions	<u>2,893,758</u>
Net cash provided (used) by capital and related financing activities	<u>(104,174,126)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	6,164,321
Interest on investments	26,856,711
Investment expense	(560,601)
Purchases of investments	<u>(2,375,914)</u>
Net cash provided by investing activities	<u>30,084,517</u>
Net increase in cash and cash equivalents	40,532,579
Cash and cash equivalents - beginning of year	<u>556,945,485</u>
Cash and cash equivalents - end of year	<u>\$ 597,478,064</u>

UNIVERSITY OF MARYLAND, COLLEGE PARK
STATEMENT OF NET POSITION
JUNE 30, 2024

	Institution	Component Units
ASSETS		
Current assets		
Cash and cash equivalents	\$ 925,809,615	\$ 109,996,060
Accounts receivable, net	176,676,509	53,853,624
Leases receivable, current portion, net	2,025,069	
Notes receivable, current portion, net	757,457	
Inventories	3,377,314	
Prepaid expenses and other	2,308,289	100,199
Inter-institutional balances	9,846,100	
Total current assets	1,120,800,353	163,949,883
Noncurrent assets		
Restricted cash and cash equivalents		58,718,814
Accounts receivable, net		875,795,522
Endowment investments	246,763,290	477,659,859
Other investments	17,182,942	
Leases receivable, net	8,202,152	
Notes receivable, net	447,657	
Other assets		6,268,092
Capital assets, net	2,577,921,945	17,086,380
Total noncurrent assets	2,850,517,986	1,435,528,667
Total assets	3,971,318,339	1,599,478,550
DEFERRED OUTFLOWS OF RESOURCES		
Total assets and deferred outflows of resources	\$ 4,146,647,843	\$ 1,599,478,550
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 185,338,209	\$ 23,496,138
Accrued workers' compensation, current portion	1,894,500	
Accrued vacation costs, current portion	27,569,941	
Obligations under subscription arrangements, current portion	9,153,158	
Obligations under lease arrangements, current portion	10,072,242	
Revenue bonds and notes payable, current portion	24,292,579	
Unearned revenues	155,641,230	3,009,878
Total current liabilities	413,961,859	26,506,016
Noncurrent liabilities		
Accrued workers' compensation	10,735,500	
Accrued vacation costs	92,213,297	
Endowments invested on behalf of primary government		246,756,090
Other payables		2,108,778
Obligations under subscription arrangements	7,884,023	
Obligations under lease arrangements	38,145,520	
Revenue bonds and notes payable	385,069,564	
Net pension liability	509,349,106	
Total noncurrent liabilities	1,043,397,010	248,864,868
Total liabilities	1,457,358,869	275,370,884
DEFERRED INFLOWS OF RESOURCES		
	109,702,002	
NET POSITION		
Unrestricted	404,358,688	84,793,394
Net investment in capital assets	2,019,717,243	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	9,167,887	
Research	3,598,550	
Other	5,169,150	
Expendable:		
Scholarships and fellowships	33,637,608	
Research	93,265,609	
Loans	1,592,156	
Capital projects	209,696	
Other	9,289,777	
Net assets with donor restrictions		1,239,314,272
Total net position	2,579,586,972	1,324,107,666
Total liabilities, deferred inflows of resources and net position	\$ 4,146,647,843	\$ 1,599,478,550

UNIVERSITY OF MARYLAND, COLLEGE PARK
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	<u>Institution</u>	<u>Component Units</u>
OPERATING REVENUES		
Tuition and fees	\$ 710,693,283	
Less: scholarship allowances	<u>(154,277,063)</u>	\$ 556,416,220
Federal grants and contracts		519,102,703
State and local grants and contracts		63,355,844
Nongovernmental grants and contracts		144,188,650
Sales and services of educational departments		35,954,524
Auxiliary enterprises:		
Residential facilities	98,053,916	
Less: scholarship allowances	<u>(15,291,386)</u>	82,762,530
Dining facilities	66,295,104	
Less: scholarship allowances	<u>(6,063,061)</u>	60,232,043
Intercollegiate athletics		117,338,661
Parking facilities		26,690,800
Other auxiliary enterprises revenues		57,762,650
Other operating revenues		<u>44,463,624</u>
Total operating revenues		<u>1,708,268,249</u>
OPERATING EXPENSES		
Instruction		731,113,795
Research		690,981,658
Public service		115,396,100
Academic support		305,484,224
Student services		97,460,546
Institutional support		187,567,311
Operation and maintenance of plant		154,265,187
Scholarships and fellowships		29,250,077
Auxiliary enterprises:		
Residential facilities		104,610,292
Dining facilities		84,302,153
Intercollegiate athletics		113,373,043
Parking facilities		11,118,637
Other auxiliary enterprises expenses		<u>82,913,510</u>
Total operating expenses		<u>2,707,836,533</u>
Operating loss		<u>(999,568,284)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations		866,793,287
Pell grants		35,466,767
Gifts		56,553,485
Investment income	68,513,610	\$ 121,482,384
Less: investment expense	<u>(825,382)</u>	83,004,581
Interest on indebtedness		67,688,228
Other revenues, (expenses), gains and (losses)		(11,027,117)
Other affiliated foundation revenues		9,497,039
Other affiliated foundation expenses		6,954,178
Transfers from other University System of Maryland institutions		<u>(72,613,077)</u>
Total nonoperating revenues		<u>1,021,915,393</u>
Income before other revenues		<u>138,828,066</u>
OTHER REVENUES		
Capital appropriations		61,072,238
Capital gifts and grants		2,053,443
Additions to endowments		<u>26,616</u>
Total other revenues		<u>63,152,297</u>
Increase in net position		85,499,406
Net position - beginning of year		<u>1,185,279,600</u>
Net position - end of year	<u>\$ 2,579,586,972</u>	<u>\$ 1,324,107,666</u>

**UNIVERSITY OF MARYLAND, COLLEGE PARK
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 555,509,677
Research contracts and grants	721,753,259
Payments to employees	(1,838,311,578)
Payments to suppliers and contractors	(673,823,842)
Collection of loans to students	1,534,292
Student direct lending payments	(93,600,665)
Student direct lending receipts	93,600,665
Auxiliary enterprises:	
Residential facilities	75,052,416
Dining facilities	60,232,043
Intercollegiate athletics	75,076,112
Parking facilities	26,690,800
Other	55,974,070
Other receipts	145,897,491
	<u>145,897,491</u>
Net cash provided (used) by operating activities	<u>(794,415,260)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	866,793,287
Gifts and grants received for other than capital purposes:	
Private gifts for endowment purposes	26,616
Pell grants	35,466,767
	<u>35,466,767</u>
Net cash provided by noncapital financing activities	<u>902,286,670</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds of capital debt	16,273,960
Capital appropriations	61,072,238
Capital grants and gifts received	2,053,442
Proceeds from sales of capital assets	1
Purchases of capital assets	(225,647,082)
Principal paid on debt and leases	(43,631,037)
Interest paid on debt and leases	(11,920,787)
Transfers from other University System of Maryland institutions	27,857,643
	<u>27,857,643</u>
Net cash provided (used) by capital and related financing activities	<u>(173,941,622)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	8,283,725
Interest on investments	48,889,650
Investment expense	(825,382)
Purchases of investments	(20,026,616)
	<u>(20,026,616)</u>
Net cash provided by investing activities	<u>36,321,377</u>
Net decrease in cash and cash equivalents	(29,748,835)
Cash and cash equivalents - beginning of year	<u>955,558,450</u>
Cash and cash equivalents - end year	<u>\$ 925,809,615</u>

**BOWIE STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2024**

	<u>Institution</u>	<u>Component Units</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 88,088,573	\$ 9,914,403
Accounts receivable, net	25,813,647	92,500
Notes receivable, current portion, net	24,245	
Inter-institutional balances	6,550,698	
Total current assets	120,477,163	10,006,903
Noncurrent assets		
Accounts receivable, net		2,876,916
Endowment investments	2,924,679	47,120,414
Other investments		2,924,679
Notes receivable, net	154,441	
Capital assets, net	427,743,654	
Total noncurrent assets	430,822,774	52,922,009
Total assets	551,299,937	62,928,912
DEFERRED OUTFLOWS OF RESOURCES		
Total assets and deferred outflows of resources	\$ 566,194,576	\$ 62,928,912
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 12,943,415	\$ 3,527,806
Accrued workers' compensation, current portion	93,150	
Accrued vacation costs, current portion	3,410,438	
Obligations under subscription arrangements, current portion	250,578	
Revenue bonds and notes payable, current portion	3,043,179	
Unearned revenues	16,493,029	
Total current liabilities	36,233,789	3,527,806
Noncurrent liabilities		
Accrued workers' compensation	527,850	
Accrued vacation costs	1,521,941	
Endowments invested on behalf of primary government		2,924,679
Obligations under subscription arrangements	505,673	
Revenue bonds and notes payable	24,672,928	
Net pension liability	42,799,053	
Total noncurrent liabilities	70,027,445	2,924,679
Total liabilities	106,261,234	6,452,485
DEFERRED INFLOWS OF RESOURCES		
	63,150,656	
NET POSITION		
Unrestricted	58,392,242	27,219,667
Net investment in capital assets	338,112,550	
Restricted:		
Expendable:		
Loans	277,894	
Net assets with donor restrictions		29,256,760
Total net position	396,782,686	56,476,427
Total liabilities, deferred inflows of resources and net position	\$ 566,194,576	\$ 62,928,912

BOWIE STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	<u>Institution</u>	<u>Component Units</u>
OPERATING REVENUES		
Tuition and fees	\$ 46,663,943	
Less: scholarship allowances	<u>(20,856,573)</u>	\$ 25,807,370
Federal grants and contracts		21,745,933
State and local grants and contracts		807,347
Nongovernmental grants and contracts		952,971
Sales and services of educational departments		24,049
Auxiliary enterprises:		
Residential facilities	7,938,542	
Less: scholarship allowances	<u>(835,529)</u>	7,103,013
Dining facilities	7,089,699	
Less: scholarship allowances	<u>(1,730,122)</u>	5,359,577
Intercollegiate athletics	4,830,075	
Less: scholarship allowances	<u>(574,094)</u>	4,255,981
Parking facilities		205,151
Other auxiliary enterprises revenues		8,779,193
Other operating revenues		<u>11,979</u>
Total operating revenues		<u>75,052,564</u>
OPERATING EXPENSES		
Instruction		52,680,715
Research		3,369,579
Public service		649,527
Academic support		33,863,154
Student services		15,252,182
Institutional support		31,876,812
Operation and maintenance of plant		16,060,788
Scholarships and fellowships		343,698
Auxiliary enterprises:		
Residential facilities		8,326,804
Dining facilities		8,203,763
Intercollegiate athletics		5,652,809
Other auxiliary enterprises expenses		<u>6,989,868</u>
Total operating expenses		<u>183,269,699</u>
Operating loss		<u>(108,217,135)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations		85,206,502
Pell grants		13,122,370
Other nonoperating grants		1,166,323
Gifts		\$ 6,324,929
Investment income	3,896,018	3,425,266
Less: investment expense	<u>(7,177)</u>	
Interest on indebtedness		(524,154)
Other affiliated foundation revenues		198,764
Other affiliated foundation expenses		(5,158,941)
Transfers (to) other University System of Maryland institutions		<u>(319,560)</u>
Total nonoperating revenues (expenses)		<u>102,540,322</u>
Income (loss) before other revenues		<u>(5,676,813)</u>
OTHER REVENUES		
Capital appropriations		<u>58,102,145</u>
Total other revenues		<u>58,102,145</u>
Increase in net position		52,425,332
Net position - beginning of year		<u>344,357,354</u>
Net position - end of year		<u><u>\$ 396,782,686</u></u>
		<u><u>\$ 56,476,427</u></u>

**BOWIE STATE UNIVERSITY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 21,148,211
Research contracts and grants	30,672,485
Payments to employees	(104,970,627)
Payments to suppliers and contractors	(69,871,380)
Collection of loans to students	24,545
Student direct lending payments	(27,733,216)
Student direct lending receipts	27,733,216
Auxiliary enterprises:	
Residential facilities	3,953,816
Dining facilities	5,359,577
Intercollegiate athletics	4,255,981
Parking facilities	205,151
Other	8,779,193
Other receipts (payments)	<u>(20,319,461)</u>
Net cash provided (used) by operating activities	<u>(120,762,509)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	85,206,502
Pell grants	13,122,370
Other nonoperating grants	<u>1,166,323</u>
Net cash provided by noncapital financing activities	<u>99,495,195</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds of capital debt	772,712
Capital appropriations	58,102,145
Purchases of capital assets	(58,686,173)
Principal paid on debt and leases	(3,725,404)
Interest paid on debt and leases	(1,057,998)
Transfers from other University System of Maryland institutions	<u>15,236,781</u>
Net cash provided (used) by capital and related financing activities	<u>10,642,063</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	123,233
Interest on investments	3,896,018
Investment expense	<u>(7,177)</u>
Net cash provided by investing activities	<u>4,012,074</u>
Net decrease in cash and cash equivalents	(6,613,177)
Cash and cash equivalents - beginning of year	<u>94,701,750</u>
Cash and cash equivalents - end of year	<u>\$ 88,088,573</u>

**TOWSON UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Institution	Component Units
ASSETS		
Current assets		
Cash and cash equivalents	\$ 274,412,540	\$ 3,885,781
Accounts receivable, net	20,406,305	212,566
Leases receivable, current portion, net	28,397	
Notes receivable, current portion, net	381,535	
Inventories	4,126,448	
Prepaid expenses and other	4,705,769	246,776
Inter-institutional balances	2,793,485	
Total current assets	306,854,479	4,345,123
Noncurrent assets		
Restricted cash and cash equivalents	49,629	
Accounts receivable, net		4,176,098
Endowment investments	21,035,691	113,703,363
Other investments		20,878,075
Leases receivable, net	1,203,237	
Notes receivable, net	52,182	
Capital assets, net	1,247,830,022	837
Total noncurrent assets	1,270,170,761	138,758,373
Total assets	1,577,025,240	143,103,496
DEFERRED OUTFLOWS OF RESOURCES		
	48,849,195	
Total assets and deferred outflows of resources	\$ 1,625,874,435	\$ 143,103,496
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 54,254,021	\$ 2,650,518
Accrued workers' compensation, current portion	269,100	
Accrued vacation costs, current portion	12,819,328	
Obligations under subscription arrangements, current portion	1,492,161	
Revenue bonds and notes payable, current portion	24,988,166	
Unearned revenues	17,220,326	
Total current liabilities	111,043,102	2,650,518
Noncurrent liabilities		
Accrued workers' compensation	1,524,900	
Accrued vacation costs	2,700,168	
Endowments invested on behalf of primary government		20,878,075
Obligations under subscription arrangements	152,179	
Revenue bonds and notes payable	334,231,529	
Net pension liability	151,174,031	
Total noncurrent liabilities	489,782,807	20,878,075
Total liabilities	600,825,909	23,528,593
DEFERRED INFLOWS OF RESOURCES		
	30,965,759	
NET POSITION		
Unrestricted	123,835,255	5,268,091
Net investment in capital assets	863,233,815	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	265,025	
Expendable:		
Scholarships and fellowships	100,657	
Research	3,219,289	
Loans	214,750	
Other	3,213,976	
Net assets with donor restrictions	114,306,812	
Total net position	994,082,767	119,574,903
Total liabilities, deferred inflows of resources and net position	\$ 1,625,874,435	\$ 143,103,496

TOWSON UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	<u>Institution</u>	<u>Component Units</u>
OPERATING REVENUES		
Tuition and fees	\$ 178,237,187	
Less: scholarship allowances	<u>(58,601,851)</u>	\$ 119,635,336
Federal grants and contracts		7,653,933
State and local grants and contracts		4,343,985
Nongovernmental grants and contracts		5,390,126
Sales and services of educational departments		6,006,456
Auxiliary enterprises:		
Residential facilities	41,895,039	
Less: scholarship allowances	<u>(1,459,768)</u>	40,435,271
Dining facilities	23,297,307	
Less: scholarship allowances	<u>(299,703)</u>	22,997,604
Intercollegiate athletics	22,305,609	
Less: scholarship allowances	<u>(7,094,486)</u>	15,211,123
Bookstore	6,118,436	
Less: scholarship allowances	<u>(1,997,010)</u>	4,121,426
Parking facilities	8,229,889	
Less: scholarship allowances		8,229,889
Other auxiliary enterprises revenues		<u>41,336,895</u>
Total operating revenues		<u>275,362,044</u>
OPERATING EXPENSES		
Instruction		179,483,605
Research		7,817,172
Public service		9,724,297
Academic support		54,018,252
Student services		35,327,075
Institutional support		70,124,977
Operation and maintenance of plant		32,213,111
Scholarships and fellowships		15,784,143
Auxiliary enterprises:		
Residential facilities		30,497,469
Dining facilities		22,327,301
Intercollegiate athletics		23,096,418
Bookstore		6,544,927
Parking facilities		7,176,003
Other auxiliary enterprises expenses		<u>16,461,666</u>
Total operating expenses		<u>510,596,416</u>
Operating loss		<u>(235,234,372)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations		203,642,110
Pell grants		33,794,070
Gifts		38,256
Investment income	14,613,599	\$ 6,710,393
Less: investment expense	<u>(24,021)</u>	11,745,082
Interest on indebtedness		14,589,578
Other revenues, (expenses), gains and (losses)		<u>(9,357,705)</u>
Other affiliated foundation revenues		822,984
Other affiliated foundation expenses		1,823,043
Transfers (to) other University System of Maryland institutions		<u>(9,446,834)</u>
Total nonoperating revenues		<u>243,274,803</u>
Income before other revenues		<u>8,040,431</u>
OTHER REVENUES		
Capital appropriations		83,573,568
Capital gifts and grants		<u>57,172</u>
Total other revenues		<u>83,630,740</u>
Increase in net position		<u>91,671,171</u>
Net position - beginning of year		<u>902,411,596</u>
Net position - end of year		<u>\$ 994,082,767</u>
		<u>\$ 119,574,903</u>

**TOWSON UNIVERSITY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 116,429,312
Research contracts and grants	20,593,286
Payments to employees	(331,013,946)
Payments to suppliers and contractors	(110,980,487)
Collection of loans to students	599,920
Student direct lending payments	(87,000,024)
Student direct lending receipts	87,000,024
Auxiliary enterprises:	
Residential facilities	38,322,954
Dining facilities	23,690,758
Intercollegiate athletics	15,100,413
Bookstores	4,164,367
Parking facilities	8,295,759
Other	40,764,327
Other receipts	<u>(54,927,915)</u>
Net cash provided (used) by operating activities	<u>(228,961,252)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	203,642,110
Pell grants	<u>33,794,070</u>
Net cash provided by noncapital financing activities	<u>237,436,180</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds of capital debt	8,107,605
Capital appropriations	83,573,568
Purchases of capital assets	(113,834,709)
Principal paid on debt and leases	(29,217,430)
Interest paid on debt and leases	(13,627,470)
Transfers from other University System of Maryland institutions	<u>66,891,259</u>
Net cash provided (used) by capital and related financing activities	<u>1,892,823</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	437,797
Interest on investments	13,275,354
Investment expense	(24,021)
Purchases of investments	<u>(10,000,000)</u>
Net cash provided by investing activities	<u>3,689,130</u>
Net increase in cash and cash equivalents	14,056,881
Cash and cash equivalents - beginning of year	<u>260,405,288</u>
Cash and cash equivalents - end of year	<u>\$ 274,462,169</u>

**UNIVERSITY OF MARYLAND EASTERN SHORE
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Institution	Component Units
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,375,785	
Accounts receivable, net	9,163,282	\$ 2,376,046
Notes receivable, current portion, net	23,646	
Prepaid expenses and other	480,875	
Inter-institutional balances	17,235,962	
Total current assets	33,279,550	2,376,046
Noncurrent assets		
Accounts receivable, net		566,982
Endowment investments	8,176,379	57,877,274
Other investments		11,691,962
Notes receivable, net	44,098	
Capital assets, net	287,111,684	2,093
Total noncurrent assets	295,332,161	70,138,311
Total assets	328,611,711	72,514,357
DEFERRED OUTFLOWS OF RESOURCES		
Total assets and deferred outflows of resources	\$ 342,763,743	\$ 72,514,357
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 10,711,304	\$ 469
Accrued workers' compensation, current portion	108,150	
Accrued vacation costs, current portion	2,895,815	
Obligations under subscription arrangements, current portion	397,552	
Obligations under lease arrangements, current portion	556,386	
Revenue bonds and notes payable, current portion	1,369,361	
Unearned revenues	22,712,030	
Total current liabilities	38,750,598	469
Noncurrent liabilities		
Accrued workers' compensation	612,850	
Accrued vacation costs	3,476,327	
Endowments invested on behalf of primary government		8,176,379
Obligations under subscription arrangements	577,362	
Obligations under lease arrangements	4,727,217	
Revenue bonds and notes payable	17,765,798	
Net pension liability	42,369,536	
Total noncurrent liabilities	69,529,090	8,176,379
Total liabilities	108,279,688	8,176,848
DEFERRED INFLOWS OF RESOURCES		
Total liabilities, deferred inflows of resources and net position	427,830	
NET POSITION		
Unrestricted	(36,829,557)	24,126,408
Net investment in capital assets	261,775,768	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	28,009	
Expendable:		
Scholarships and fellowships	3,651,203	
Loans	4,357,737	
Other	1,928,725	
Net assets with donor restrictions		40,211,101
Total net position	234,911,885	64,337,509
Total liabilities, deferred inflows of resources and net position	\$ 342,763,743	\$ 72,514,357

**UNIVERSITY OF MARYLAND EASTERN SHORE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024**

	<u>Institution</u>	<u>Component Units</u>
OPERATING REVENUES		
Tuition and fees	\$ 27,704,091	
Less: scholarship allowances	<u>(13,546,213)</u>	\$ 14,157,878
Federal grants and contracts		14,882,430
State and local grants and contracts		12,234,265
Nongovernmental grants and contracts		5,316,858
Sales and services of educational departments		51,197
Auxiliary enterprises:		
Residential facilities	10,422,580	
Less: scholarship allowances	<u>(483,574)</u>	9,939,006
Dining facilities	6,303,193	
Less: scholarship allowances	<u>(1,020,588)</u>	5,282,605
Intercollegiate athletics		3,606,675
Parking facilities		54,050
Other auxiliary enterprises revenues		5,005,058
Other operating revenues		<u>4,729,437</u>
Total operating revenues		<u>75,259,459</u>
OPERATING EXPENSES		
Instruction		62,580,097
Research		22,756,850
Public service		4,955,092
Academic support		8,381,523
Student services		5,434,531
Institutional support		23,767,313
Operation and maintenance of plant		21,504,259
Scholarships and fellowships		1,695,660
Auxiliary enterprises:		
Residential facilities		8,854,835
Dining facilities		5,788,368
Intercollegiate athletics		6,856,336
Other auxiliary enterprises expenses		<u>6,293,088</u>
Total operating expenses		<u>178,867,952</u>
Operating loss		<u>(103,608,493)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations		74,787,740
Pell grants		7,388,301
Other nonoperating grants		7,416,275
Gifts		\$ 2,209,314
Investment income	1,243,144	4,350,964
Less: investment expense	<u>(30,970)</u>	
Interest on indebtedness		1,212,174
Other revenues, (expenses), gains and (losses)		(441,620)
Other affiliated foundation revenues		(403,196)
Other affiliated foundation expenses		588
Transfers from other University System of Maryland institutions		(5,583,327)
Total nonoperating revenues		<u>91,608,488</u>
Income (loss) before other revenues		<u>(12,000,005)</u>
OTHER REVENUES		
Capital appropriations		<u>3,488,715</u>
Total other revenues		<u>3,488,715</u>
Increase (decrease) in net position		(8,511,290) 977,539
Net position - beginning of year		<u>243,423,175</u> <u>63,359,970</u>
Net position - end of year		<u>\$ 234,911,885</u> <u>\$ 64,337,509</u>

**UNIVERSITY OF MARYLAND EASTERN SHORE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 26,155,608
Research contracts and grants	31,265,488
Payments to employees	(95,168,616)
Payments to suppliers and contractors	(65,329,234)
Collection of loans to students	57,115
Student direct lending payments	(21,298,069)
Student direct lending receipts	21,298,069
Auxiliary enterprises:	
Residential facilities	9,939,006
Dining facilities	5,282,605
Intercollegiate athletics	3,606,675
Parking facilities	54,050
Other	4,366,257
Other receipts (payments)	<u>(1,870,918)</u>
Net cash provided (used) by operating activities	<u>(81,641,964)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	74,787,740
Pell grants	7,388,301
Other nonoperating grants	<u>7,416,275</u>
Net cash provided by noncapital financing activities	<u>89,592,316</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds of capital debt	615,922
Capital appropriations	3,488,715
Purchases of capital assets	(8,886,671)
Principal paid on debt and leases	2,572,365
Interest paid on debt and leases	(678,365)
Transfers to other University System of Maryland institutions	<u>(4,278,867)</u>
Net cash provided (used) by capital and related financing activities	<u>(7,166,901)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	1,007,650
Interest on investments	557,090
Investment expense	(30,970)
Purchases of investments	<u>(50,000)</u>
Net cash provided by investing activities	<u>1,483,770</u>
Net increase in cash and cash equivalents	2,267,221
Cash and cash equivalents - beginning of year	<u>4,108,564</u>
Cash and cash equivalents - end of year	<u><u>\$ 6,375,785</u></u>

**FROSTBURG STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Institution	Component Units
ASSETS		
Current assets		
Cash and cash equivalents	\$ 47,058,865	\$ 416,839
Accounts receivable, net	4,523,537	176,731
Leases receivable, current portion, net	24,749	
Notes receivable, current portion, net		
Inventories	1,185,844	
Prepaid expenses and other	1,733,125	13,591
Inter-institutional balances	13,415,936	
Total current assets	67,942,056	607,161
Noncurrent assets		
Accounts receivable, net		611,707
Endowment investments	6,850,177	38,347,920
Other investments		13,796,594
Leases receivable, net	434,588	
Notes receivable, net		
Other assets		455,065
Capital assets, net	264,258,987	8,550
Total noncurrent assets	271,543,752	53,219,836
Total assets	339,485,808	53,826,997
DEFERRED OUTFLOWS OF RESOURCES		
Total assets and deferred outflows of resources	\$ 357,105,019	\$ 53,826,997
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 8,762,958	\$ 40,447
Accrued workers' compensation, current portion	93,900	
Accrued vacation costs, current portion	3,367,071	
Obligations under subscription arrangements, current portion	144,070	
Obligations under lease arrangements, current portion	160,049	
Revenue bonds and notes payable, current portion	3,256,341	
Unearned revenues	17,333,855	6,205
Total current liabilities	33,118,244	46,652
Noncurrent liabilities		
Accrued workers' compensation	532,100	
Accrued vacation costs	1,219,841	
Endowments invested on behalf of primary government		6,850,177
Other payables		12,411
Obligations under subscription arrangements	152,982	
Obligations under lease arrangements	376,800	
Revenue bonds and notes payable	45,539,983	
Net pension liability	54,057,274	
Total noncurrent liabilities	101,878,980	6,862,588
Total liabilities	134,997,224	6,909,240
DEFERRED INFLOWS OF RESOURCES		
Total liabilities, deferred inflows of resources and net position	14,017,970	
NET POSITION		
Unrestricted	(7,448,308)	3,605,958
Net investment in capital assets	204,112,729	
Restricted:		
Nonexpendable:		
Other	750,000	
Expendable:		
Scholarships and fellowships	2,434,184	
Research	7,785,976	
Loans		
Other	455,244	
Net assets with donor restrictions		43,311,799
Total net position	208,089,825	46,917,757
Total liabilities, deferred inflows of resources and net position	\$ 357,105,019	\$ 53,826,997

FROSTBURG STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	<u>Institution</u>	<u>Component Units</u>
OPERATING REVENUES		
Tuition and fees	\$ 32,788,667	
Less: scholarship allowances	<u>(14,893,575)</u>	\$ 17,895,092
Federal grants and contracts		2,773,661
State and local grants and contracts		10,505,603
Nongovernmental grants and contracts		475,082
Sales and services of educational departments		1,105,791
Auxiliary enterprises:		
Residential facilities	7,472,284	
Less: scholarship allowances	<u>(1,496,733)</u>	5,975,551
Dining facilities	6,342,213	
Less: scholarship allowances	<u>(413,042)</u>	5,929,171
Intercollegiate athletics	2,685,479	
Less: scholarship allowances	<u>(378,517)</u>	2,306,962
Bookstore	1,111,609	
Less: scholarship allowances	<u>(89,158)</u>	1,022,451
Parking facilities	110,867	
Less: scholarship allowances		110,867
Other auxiliary enterprises revenues	3,773,018	
Less: scholarship allowances	<u>(309,216)</u>	3,463,802
Other operating revenues		<u>824,727</u>
Total operating revenues		<u>52,388,760</u>
OPERATING EXPENSES		
Instruction		40,064,213
Research		216,621
Public service		6,324,304
Academic support		12,640,854
Student services		8,478,201
Institutional support		17,986,302
Operation and maintenance of plant		10,524,759
Scholarships and fellowships		2,016,466
Auxiliary enterprises:		
Residential facilities		5,715,424
Dining facilities		5,714,002
Intercollegiate athletics		6,317,853
Bookstore		1,248,525
Other auxiliary enterprises expenses		<u>3,774,811</u>
Total operating expenses		<u>121,022,335</u>
Operating loss		<u>(68,633,575)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations		60,266,591
Pell grants		6,083,401
Gifts		2,413,783
Investment income	2,827,980	\$ 4,156,964
Less: investment expense	<u>(19,184)</u>	3,419,907
Interest on indebtedness		(1,522,280)
Other revenues, (expenses), gains and (losses)		37,538
Other affiliated foundation revenues		358,904
Other affiliated foundation expenses		(3,517,108)
Transfers from other University System of Maryland institutions		<u>4,942,570</u>
Total nonoperating revenues		<u>75,030,399</u>
Income before other revenues		<u>4,418,667</u>
OTHER REVENUES		
Capital appropriations		8,037,219
Capital gifts and grants		<u>1,878</u>
Total other revenues		<u>8,039,097</u>
Increase in net position		<u>14,435,921</u>
Net position - beginning of year		<u>193,653,904</u>
Net position - end of year		<u>\$ 208,089,825</u>
		<u>\$ 46,917,757</u>

**FROSTBURG STATE UNIVERSITY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 24,726,900
Research contracts and grants	9,024,599
Payments to employees	(79,886,617)
Payments to suppliers and contractors	(31,704,974)
Loans issued to students	139,707
Collection of loans to students	
Student direct lending payments	(17,077,421)
Student direct lending receipts	17,077,421
Auxiliary enterprises:	
Residential facilities	4,803,186
Dining facilities	5,924,081
Intercollegiate athletics	2,354,336
Bookstores	1,030,650
Parking facilities	101,693
Other	3,568,827
Other receipts	<u>(10,096,825)</u>
Net cash provided (used) by operating activities	<u>(70,014,437)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	60,266,591
Pell grants	<u>6,083,401</u>
Net cash provided by noncapital financing activities	<u>66,349,992</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds of capital debt	322,624
Capital appropriations	8,037,219
Purchases of capital assets	(13,377,046)
Principal paid on debt and leases	(3,776,858)
Interest paid on debt and leases	(1,981,767)
Transfers from other University System of Maryland institutions	<u>14,458,935</u>
Net cash provided by capital and related financing activities	<u>3,683,107</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	148,814
Interest on investments	2,307,658
Investment expense	(19,184)
Purchases of investments	<u>(1,000,000)</u>
Net cash provided by investing activities	<u>1,437,288</u>
Net increase in cash and cash equivalents	1,455,950
Cash and cash equivalents - beginning of year	<u>45,602,915</u>
Cash and cash equivalents - end of year	<u>\$ 47,058,865</u>

**COPPIN STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Institution
ASSETS	
Current assets	
Cash and cash equivalents	\$ 30,978,294
Accounts receivable, net	8,752,541
Notes receivable, current portion, net	10,419
Prepaid expenses and other	231,819
Inter-institutional balances	3,757,143
Total current assets	43,730,216
Noncurrent assets	
Endowment investments	3,508,448
Other investments	142,102
Notes receivable, net	317,499,607
Capital assets, net	317,499,607
Total noncurrent assets	321,150,157
Total assets	364,880,373
DEFERRED OUTFLOWS OF RESOURCES	
Total assets and deferred outflows of resources	\$ 378,021,234
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	\$ 11,333,097
Accrued workers' compensation, current portion	75,000
Accrued vacation costs, current portion	1,796,885
Obligations under subscription arrangements, current portion	822,458
Obligations under lease arrangements, current portion	95,805
Revenue bonds and notes payable, current portion	2,488,540
Unearned revenues	8,566,938
Total current liabilities	25,178,723
Noncurrent liabilities	
Accrued workers' compensation	425,000
Accrued vacation costs	2,210,215
Endowments invested on behalf of primary government	1,320,153
Other payables	211,547
Obligations under subscription arrangements	1,320,153
Obligations under lease arrangements	211,547
Revenue bonds and notes payable	20,162,453
Net pension liability	44,967,304
Total noncurrent liabilities	69,296,672
Total liabilities	94,475,395
DEFERRED INFLOWS OF RESOURCES	
Total liabilities, deferred inflows of resources and net position	4,849,325
NET POSITION	
Unrestricted	(14,789,995)
Net investment in capital assets	292,299,013
Restricted:	
Nonexpendable:	
Scholarships and fellowships	434,288
Other	240,125
Expendable:	
Scholarships and fellowships	1,705,753
Loans	1,222,394
Other	29,724
Net assets with donor restrictions	29,724
Total net position	278,696,514
Total liabilities, deferred inflows of resources and net position	\$ 378,021,234

COPPIN STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	Institution	
OPERATING REVENUES		
Tuition and fees	\$ 12,613,070	
Less: scholarship allowances	(13,128,280)	\$ (515,210)
Federal grants and contracts		8,595,951
State and local grants and contracts		1,328,412
Nongovernmental grants and contracts		1,589,262
Sales and services of educational departments		737,091
Auxiliary enterprises:		
Residential facilities	4,230,256	
Less: scholarship allowances	(118,973)	4,111,283
Dining facilities		3,725,893
Intercollegiate athletics	2,293,400	
Less: scholarship allowances	(1,833,837)	459,563
Parking facilities	938,873	
Less: scholarship allowances	(108,275)	830,598
Other auxiliary enterprises revenues		
Other operating revenues		2,869,365
Total operating revenues		23,732,208
OPERATING EXPENSES		
Instruction		29,789,094
Research		1,270,301
Public service		174,695
Academic support		9,946,547
Student services		8,465,616
Institutional support		27,573,785
Operation and maintenance of plant		14,125,624
Scholarships and fellowships		212,603
Auxiliary enterprises:		
Residential facilities		3,065,156
Dining facilities		3,722,799
Intercollegiate athletics		4,622,016
Parking facilities		945,637
Other auxiliary enterprises expenses		2,581,000
Total operating expenses		106,494,873
Operating loss		(82,762,665)
NONOPERATING REVENUES (EXPENSES)		
State appropriations		70,217,241
Pell grants		6,016,253
Other nonoperating grants		
Gifts		
Investment income	1,605,746	
Less: investment expense	(11,235)	1,594,511
Interest on indebtedness		(476,861)
Other revenues, (expenses), gains and (losses)		(62,974)
Other affiliated foundation revenues		
Other affiliated foundation expenses		
Transfers from other University System of Maryland institutions		2,438,698
Total nonoperating revenues		79,726,868
Income (loss) before other revenues		(3,035,797)
OTHER REVENUES		
Capital appropriations		8,657,401
Total other revenues		8,657,401
Increase in net position		5,621,604
Net position - beginning of year		273,074,910
Net position - end of year		\$ 278,696,514

**COPPIN STATE UNIVERSITY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ (515,209)
Research contracts and grants	13,593,569
Payments to employees	(59,498,836)
Payments to suppliers and contractors	(34,605,419)
Collection of loans to students	167,997
Student direct lending payments	(7,310,407)
Student direct lending receipts	7,310,407
Auxiliary enterprises:	
Residential facilities	4,111,283
Dining facilities	3,725,893
Intercollegiate athletics	459,563
Parking facilities	830,597
Other	2,869,363
Other receipts	<u>(6,498,891)</u>
Net cash provided (used) by operating activities	<u>(75,360,090)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	70,217,241
Gifts and grants received for other than capital purposes:	
Pell grants	6,016,253
Other nonoperating grants	
Net cash provided by noncapital financing activities	<u>76,233,494</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital appropriations	8,657,401
Purchases of capital assets	(8,974,502)
Principal paid on debt and leases	(8,033,022)
Interest paid on debt and leases	(1,161,979)
Transfers from other University System of Maryland institutions	<u>8,520,048</u>
Net cash provided (used) by capital and related financing activities	<u>4,752,348</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	152,831
Interest on investments	1,312,472
Investment expense	<u>(11,235)</u>
Net cash provided by investing activities	<u>1,454,068</u>
Net increase in cash and cash equivalents	7,079,820
Cash and cash equivalents - beginning of year	<u>23,898,474</u>
Cash and cash equivalents - end of year	<u>\$ 30,978,294</u>

**UNIVERSITY OF BALTIMORE
STATEMENT OF NET POSITION
JUNE 30, 2024**

	<u>Institution</u>	<u>Component Units</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 86,009,337	\$ 21,405,777
Accounts receivable, net	9,291,143	19
Leases receivable, current portion, net	747,536	
Notes receivable, current portion, net	1,587	
Prepaid expenses and other	857,784	
Inter-institutional balances	49,344	
Total current assets	<u>96,956,731</u>	<u>21,405,796</u>
Noncurrent assets		
Accounts receivable, net		5,256,559
Endowment investments	2,787,163	83,341,061
Other investments		2,787,163
Leases receivable, net		
Notes receivable, net	4,026	
Other assets		86,987
Capital assets, net	<u>183,747,510</u>	<u>520,653</u>
Total noncurrent assets	<u>186,538,699</u>	<u>91,992,423</u>
Total assets	<u>283,495,430</u>	<u>113,398,219</u>
DEFERRED OUTFLOWS OF RESOURCES		
	<u>12,881,511</u>	
Total assets and deferred outflows of resources	<u>\$ 296,376,941</u>	<u>\$ 113,398,219</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 10,201,117	\$ 1,294,565
Accrued workers' compensation, current portion	63,600	
Accrued vacation costs, current portion	3,831,339	
Obligations under subscription arrangements, current portion	90,979	
Obligations under lease arrangements, current portion	1,504,015	
Revenue bonds and notes payable, current portion	590,735	
Unearned revenues	<u>9,674,640</u>	<u>1,114,306</u>
Total current liabilities	<u>25,956,425</u>	<u>2,408,871</u>
Noncurrent liabilities		
Accrued workers' compensation	360,400	
Accrued vacation costs	2,770,539	
Endowments invested on behalf of primary government		2,787,163
Obligations under subscription arrangements	578,161	
Obligations under lease arrangements	10,269,858	
Revenue bonds and notes payable	3,730,865	
Net pension liability	<u>46,666,552</u>	
Total noncurrent liabilities	<u>64,376,375</u>	<u>2,787,163</u>
Total liabilities	<u>90,332,800</u>	<u>5,196,034</u>
DEFERRED INFLOWS OF RESOURCES		
	<u>4,858,068</u>	
NET POSITION		
Unrestricted	34,201,841	15,424,340
Net investment in capital assets	166,978,619	
Restricted:		
Expendable:		
Loans	5,613	
Net assets with donor restrictions		<u>92,777,845</u>
Total net position	<u>201,186,073</u>	<u>108,202,185</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 296,376,941</u>	<u>\$ 113,398,219</u>

UNIVERSITY OF BALTIMORE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	<u>Institution</u>	<u>Component Units</u>
OPERATING REVENUES		
Tuition and fees	\$ 47,294,600	
Less: scholarship allowances	<u>(14,466,998)</u>	
Federal grants and contracts		32,827,602
State and local grants and contracts		10,891,774
Nongovernmental grants and contracts		10,609,069
Sales and services of educational departments		5,459,767
Auxiliary enterprises:		147,694
Parking facilities		603,545
Other auxiliary enterprises revenues		5,434,076
Other operating revenues		<u>491,769</u>
Total operating revenues		<u>66,465,296</u>
OPERATING EXPENSES		
Instruction		42,617,685
Research		5,510,226
Public service		16,781,971
Academic support		15,136,142
Student services		12,825,755
Institutional support		20,497,797
Operation and maintenance of plant		7,106,325
Scholarships and fellowships		3,736,727
Auxiliary enterprises:		
Parking facilities		800,859
Other auxiliary enterprises expenses		<u>3,364,546</u>
Total operating expenses		<u>128,378,033</u>
Operating loss		<u>(61,912,737)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations		61,965,120
Pell grants		3,028,251
Other nonoperating grants		
Gifts		\$ 8,963,989
Investment income		4,103,748
Interest on indebtedness		(124,010)
Other revenues, (expenses), gains and (losses)		243,113
Other affiliated foundation revenues		837,347
Other affiliated foundation expenses		(5,989,143)
Transfers (to) other University System of Maryland institutions		<u>(1,321,341)</u>
Total nonoperating revenues		<u>12,329,235</u>
Income before other revenues		<u>12,329,235</u>
OTHER REVENUES		
Capital appropriations		365,287
Capital gifts and grants		
Total other revenues		<u>365,287</u>
Increase in net position		6,347,431
Net position - beginning of year		<u>194,838,642</u>
Net position - end of year	<u>\$ 201,186,073</u>	<u>\$ 108,202,185</u>

**UNIVERSITY OF BALTIMORE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 32,161,414
Research contracts and grants	28,131,904
Payments to employees	(97,205,198)
Payments to suppliers and contractors	(22,270,235)
Collection of loans to students	79,323
Student direct lending payments	(35,573,376)
Student direct lending receipts	35,573,376
Auxiliary enterprises:	
Parking facilities	603,545
Other	5,307,012
Other receipts	<u>3,098,660</u>
Net cash provided (used) by operating activities	<u>(50,093,575)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	61,965,120
Pell grants	<u>3,028,251</u>
Net cash provided by noncapital financing activities	<u>64,993,371</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds of capital debt	227,074
Capital appropriations	365,287
Purchases of capital assets	(1,550,690)
Principal paid on debt and leases	(4,123,157)
Interest paid on debt and leases	(302,419)
Transfers (to) other University System of Maryland institutions	<u>(2,063,656)</u>
Net cash provided (used) by capital and related financing activities	<u>(7,447,561)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	3,798,999
Purchases of investments	<u>(1,000,000)</u>
Net cash provided by investing activities	<u>2,798,999</u>
Net increase in cash and cash equivalents	10,251,234
Cash and cash equivalents - beginning of year	<u>75,758,103</u>
Cash and cash equivalents - end of year	<u>\$ 86,009,337</u>

SALISBURY UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2024

	Institution	Component Units
ASSETS		
Current assets		
Cash and cash equivalents	\$ 149,846,809	\$ 334,486
Accounts receivable, net	4,912,601	1,095,014
Notes receivable, current portion, net		
Inventories	867,551	
Prepaid expenses and other	72,838	16,829
Inter-institutional balances	<u>2,121,642</u>	
Total current assets	<u>157,821,441</u>	<u>1,446,329</u>
Noncurrent assets		
Accounts receivable, net		2,353,234
Endowment investments	4,529,638	117,459,711
Other investments		5,610,115
Other assets		2,910,605
Capital assets, net	<u>417,944,721</u>	<u>94,626</u>
Total noncurrent assets	<u>422,474,359</u>	<u>128,428,291</u>
Total assets	580,295,800	129,874,620
DEFERRED OUTFLOWS OF RESOURCES		
Total assets and deferred outflows of resources	<u>18,826,098</u>	
	<u>\$ 599,121,898</u>	<u>\$ 129,874,620</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 18,026,013	\$ 138,314
Accrued workers' compensation, current portion	101,100	
Accrued vacation costs, current portion	3,229,382	
Obligations under subscription arrangements, current portion	270,796	
Obligations under lease arrangements, current portion	566,716	
Revenue bonds and notes payable, current portion	6,996,035	1,752,486
Unearned revenues	<u>5,568,643</u>	<u>108,225</u>
Total current liabilities	<u>34,758,685</u>	<u>1,999,025</u>
Noncurrent liabilities		
Accrued workers' compensation	572,900	
Accrued vacation costs	3,652,472	
Endowments invested on behalf of primary government		4,529,638
Other payables		480,700
Obligations under subscription arrangements		
Obligations under lease arrangements	1,522,803	
Revenue bonds and notes payable	50,189,911	
Net pension liability	<u>62,597,844</u>	
Total noncurrent liabilities	<u>118,535,930</u>	<u>5,010,338</u>
Total liabilities	<u>153,294,615</u>	<u>7,009,363</u>
DEFERRED INFLOWS OF RESOURCES		
	<u>14,551,958</u>	
NET POSITION		
Unrestricted	83,711,550	12,811,266
Net investment in capital assets	347,563,775	
Restricted:		
Expendable:		
Loans		
Net assets with donor restrictions		<u>110,053,991</u>
Total net position	<u>431,275,325</u>	<u>122,865,257</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 599,121,898</u>	<u>\$ 129,874,620</u>

SALISBURY UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	<u>Institution</u>	<u>Component Units</u>
OPERATING REVENUES		
Tuition and fees	\$ 70,606,358	
Less: scholarship allowances	<u>(24,437,289)</u>	\$ 46,169,069
Federal grants and contracts		3,470,342
State and local grants and contracts		7,806,262
Nongovernmental grants and contracts		1,264,417
Sales and services of educational departments		231,042
Auxiliary enterprises:		
Residential facilities	27,439,209	
Less: scholarship allowances	<u>(2,171,467)</u>	25,267,742
Dining facilities	15,880,080	
Less: scholarship allowances	<u>(58,692)</u>	15,821,388
Intercollegiate athletics		6,002,337
Bookstore		3,786,431
Parking facilities		867,609
Other auxiliary enterprises revenues	1,604,158	
Less: scholarship allowances	<u>(48,102)</u>	<u>1,556,056</u>
Total operating revenues		<u>112,242,695</u>
OPERATING EXPENSES		
Instruction		69,975,682
Research		1,405,854
Public service		13,357,280
Academic support		20,245,156
Student services		10,483,003
Institutional support		22,526,012
Operation and maintenance of plant		31,181,920
Scholarships and fellowships		397,494
Auxiliary enterprises:		
Residential facilities		14,746,854
Dining facilities		13,335,260
Intercollegiate athletics		8,638,969
Bookstore		3,971,507
Parking facilities		704,575
Other auxiliary enterprises expenses		<u>2,322,044</u>
Total operating expenses		<u>213,291,610</u>
Operating loss		<u>(101,048,915)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations		91,823,737
Pell grants		9,144,312
Gifts		\$ 5,364,283
Investment income	7,399,218	15,171,699
Less: investment expense	<u>(11,793)</u>	7,387,425
Interest on indebtedness		(1,323,569)
Other revenues, (expenses), gains and (losses)		(122,203)
Other affiliated foundation revenues		680,940
Other affiliated foundation expenses		(6,476,616)
Transfers (to) other University System of Maryland institutions		<u>(172,521)</u>
Total nonoperating revenues		<u>106,737,181</u>
Income before other revenues		<u>5,688,266</u>
OTHER REVENUES		
Capital appropriations		3,323,015
Capital gifts and grants		<u>9,712</u>
Total other revenues		<u>3,332,727</u>
Increase in net position		9,020,993
Net position - beginning of year		<u>422,254,332</u>
Net position - end of year		<u>\$ 431,275,325</u>
		<u>\$ 122,865,257</u>

**SALISBURY UNIVERSITY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 45,803,897
Research contracts and grants	14,500,301
Payments to employees	(144,643,093)
Payments to suppliers and contractors	(45,999,254)
Collection of loans to students	4,924
Student direct lending payments	(35,601,725)
Student direct lending receipts	35,601,725
Auxiliary enterprises:	
Residential facilities	23,487,242
Dining facilities	15,782,662
Intercollegiate athletics	6,001,047
Bookstores	3,786,431
Parking facilities	867,609
Other	1,573,607
Other receipts (payments)	<u>(2,962,418)</u>
Net cash provided (used) by operating activities	<u>(81,797,045)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	91,823,737
Pell grants	<u>9,144,312</u>
Net cash provided by noncapital financing activities	<u>100,968,049</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds of capital debt	533,818
Capital appropriations	3,323,015
Purchases of capital assets	(8,106,339)
Principal paid on debt and leases	(7,168,440)
Interest paid on debt and leases	(2,434,388)
Transfers from other University System of Maryland institutions	<u>322,332</u>
Net cash provided (used) by capital and related financing activities	<u>(13,530,002)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	192,280
Interest on investments	7,021,093
Investment expense	<u>(11,793)</u>
Net cash provided by investing activities	<u>7,201,580</u>
Net increase in cash and cash equivalents	12,842,582
Cash and cash equivalents - beginning of year	<u>137,004,227</u>
Cash and cash equivalents - end of year	<u>\$ 149,846,809</u>

**UNIVERSITY OF MARYLAND GLOBAL CAMPUS
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Institution	Component Units
ASSETS		
Current assets		
Cash and cash equivalents	\$ 402,841,996	
Accounts receivable, net	54,690,345	\$ 102,314
Inventories	6,024	
Prepaid expenses and other	11,782,778	750
Inter-institutional balances	386,849	
Total current assets	469,707,992	103,064
Noncurrent assets		
Accounts receivable, net		447,459
Endowment investments	13,273,994	44,591,138
Other investments	24,385,162	16,465,182
Capital assets, net	63,145,605	9,544,503
Total noncurrent assets	100,804,761	71,048,282
Total assets	570,512,753	71,151,346
DEFERRED OUTFLOWS OF RESOURCES		
	13,976,590	
Total assets and deferred outflows of resources	\$ 584,489,343	\$ 71,151,346
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 38,722,143	\$ 120
Accrued workers' compensation, current portion	86,400	
Accrued vacation costs, current portion	12,744,412	
Obligations under subscription arrangements, current portion	1,729,039	
Obligations under lease arrangements, current portion	1,551,215	
Unearned revenues	49,648,658	
Total current liabilities	104,481,867	120
Noncurrent liabilities		
Accrued workers' compensation	489,600	
Accrued vacation costs	7,960,238	
Endowments invested on behalf of primary government		13,273,994
Obligations under subscription arrangements	1,644,942	
Obligations under lease arrangements	2,694,575	
Net pension liability	54,586,467	
Total noncurrent liabilities	67,375,822	13,273,994
Total liabilities	171,857,689	13,274,114
DEFERRED INFLOWS OF RESOURCES		
	350,927	
NET POSITION		
Unrestricted	357,379,477	11,864,314
Net investment in capital assets	55,525,834	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	34,423	
Expendable:		
Scholarships and fellowships	31,760	
Research	11,087	
Net assets with donor restrictions	46,012,918	
Total net position	412,982,581	57,877,232
Total liabilities, deferred inflows of resources and net position	\$ 584,489,343	\$ 71,151,346

UNIVERSITY OF MARYLAND GLOBAL CAMPUS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	<u>Institution</u>	<u>Component Units</u>
OPERATING REVENUES		
Tuition and fees	\$ 371,670,183	
Less: scholarship allowances	<u>(64,473,703)</u>	\$ 307,196,480
Federal grants and contracts		2,406,697
State and local grants and contracts		4,539,859
Nongovernmental grants and contracts		3,791,796
Sales and services of educational departments		1,127,569
Auxiliary enterprises:		
Parking facilities		
Other operating revenues		<u>21,045,802</u>
Total operating revenues		<u>340,108,203</u>
OPERATING EXPENSES		
Instruction		99,868,450
Public service		17,861,246
Academic support		67,834,840
Student services		190,162,183
Institutional support		82,168,732
Operation and maintenance of plant		14,188,122
Scholarships and fellowships		41,697,119
Auxiliary enterprises:		
Other auxiliary enterprises expenses		
Total operating expenses		<u>513,796,122</u>
Operating loss		<u>(173,687,919)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations		66,393,724
Pell grants		72,928,932
Other nonoperating grants		
Gifts		\$ 1,940,449
Investment income	18,853,377	3,027,815
Less: investment expense	<u>(35,129)</u>	
Interest on indebtedness		(173,721)
Other revenues, (expenses), gains and (losses)		3,848,230
Other affiliated foundation revenues		956
Other affiliated foundation expenses		(3,053,045)
Transfers (to) other University System of Maryland institutions		<u>(376,091)</u>
Total nonoperating revenues		<u>161,439,322</u>
Capital appropriations		1,313,750
Additions to endowments		<u>5,000</u>
Total other revenues		<u>1,318,750</u>
Increase (decrease) in net position		<u>(10,929,847)</u>
Net position - beginning of year		<u>55,961,057</u>
Net position - end of year	<u>\$ 412,982,581</u>	<u>\$ 57,877,232</u>

**UNIVERSITY OF MARYLAND GLOBAL CAMPUS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 323,987,800
Research contracts and grants	10,332,559
Payments to employees	(293,115,281)
Payments to suppliers and contractors	(189,795,260)
Student direct lending payments	(152,575,950)
Student direct lending receipts	152,575,950
Other receipts (payments)	<u>15,572,358</u>
Net cash provided (used) by operating activities	<u>(133,017,824)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	66,393,724
Private gifts for endowment purposes	5,000
Pell grants	72,928,932
Other nonoperating grants	<u> </u>
Net cash provided by noncapital financing activities	<u>139,327,656</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital appropriations	1,313,750
Proceeds from sales of capital assets	3,848,765
Purchases of capital assets	(2,268,167)
Principal paid on debt and leases	(5,884,783)
Interest paid on debt and leases	(173,721)
Transfers from other University System of Maryland institutions	<u>31,973</u>
Net cash provided (used) by capital and related financing activities	<u>(3,132,183)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	988,354
Interest on investments	17,751,013
Investment expense	<u>(35,129)</u>
Net cash provided by investing activities	<u>18,704,238</u>
Net increase in cash and cash equivalents	21,881,887
Cash and cash equivalents - beginning of year	<u>380,960,109</u>
Cash and cash equivalents - end of year	<u>\$ 402,841,996</u>

UNIVERSITY OF MARYLAND, BALTIMORE COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2024

	Institution	Component Units
ASSETS		
Current assets		
Cash and cash equivalents	\$ 287,968,098	
Accounts receivable, net	24,292,599	\$ 24,034,903
Leases receivable, current portion, net	1,438,234	
Inventories	405,315	
Prepaid expenses and other	133,063	18,048
Inter-institutional balances	(2,348,236)	
Total current assets	311,889,073	24,052,951
Noncurrent assets		
Accounts receivable, net		770,018
Endowment investments	27,391,933	167,157,795
Other investments	400,000	47,421,675
Leases receivable, net	3,385,413	
Capital assets, net	687,931,910	839,762
Total noncurrent assets	719,109,256	216,189,250
Total assets	1,030,998,329	240,242,201
DEFERRED OUTFLOWS OF RESOURCES		
	38,041,745	
Total assets and deferred outflows of resources	\$1,069,040,074	\$ 240,242,201
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 40,178,376	\$ 2,572
Accrued workers' compensation, current portion	192,900	
Accrued vacation costs, current portion	13,223,091	
Obligations under subscription arrangements, current portion	522,479	
Obligations under lease arrangements, current portion	715,293	
Revenue bonds and notes payable, current portion	9,909,392	
Unearned revenues	18,998,727	
Total current liabilities	83,740,258	2,572
Noncurrent liabilities		
Accrued workers' compensation	1,093,100	
Accrued vacation costs	4,721,777	
Endowments invested on behalf of primary government		27,391,933
Obligations under subscription arrangements	960,470	
Obligations under lease arrangements	3,690,802	
Revenue bonds and notes payable	122,973,624	
Net pension liability	140,478,079	
Total noncurrent liabilities	273,917,852	27,391,933
Total liabilities	357,658,110	27,394,505
DEFERRED INFLOWS OF RESOURCES		
	36,392,897	
NET POSITION		
Unrestricted	145,491,697	13,838,621
Net investment in capital assets	529,366,896	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	130,474	
Expendable:		
Net assets with donor restrictions		199,009,075
Total net position	674,989,067	212,847,696
Total liabilities, deferred inflows of resources and net position	\$1,069,040,074	\$ 240,242,201

UNIVERSITY OF MARYLAND, BALTIMORE COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	<u>Institution</u>	<u>Component Units</u>
OPERATING REVENUES		
Tuition and fees	\$ 164,148,558	
Less: scholarship allowances	<u>(30,973,121)</u>	\$ 133,175,437
Federal grants and contracts		63,721,526
State and local grants and contracts		51,244,888
Nongovernmental grants and contracts		27,751,653
Sales and services of educational departments		1,928,795
Auxiliary enterprises:		
Residential facilities	31,693,862	
Less: scholarship allowances	<u>(4,683,845)</u>	27,010,017
Dining facilities	17,448,848	
Less: scholarship allowances	<u>(2,737,012)</u>	14,711,836
Intercollegiate athletics		14,958,021
Bookstore	3,609,359	
Less: scholarship allowances	<u>(2,504)</u>	3,606,855
Parking facilities		1,985,938
Other auxiliary enterprises revenues		24,840,860
Other operating revenues		<u>22,624,731</u>
Total operating revenues		<u>387,560,557</u>
OPERATING EXPENSES		
Instruction		168,681,282
Research		98,238,442
Public service		29,975,800
Academic support		32,656,375
Student services		30,667,252
Institutional support		60,048,275
Operation and maintenance of plant		59,040,339
Scholarships and fellowships		34,082,203
Auxiliary enterprises:		
Residential facilities		20,999,642
Dining facilities		14,964,194
Intercollegiate athletics		14,249,613
Bookstore		2,353,702
Parking facilities		1,477,427
Other auxiliary enterprises expenses		<u>23,302,880</u>
Total operating expenses		<u>590,737,426</u>
Operating loss		<u>(203,176,869)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations		209,731,929
Pell grants		18,815,194
Gifts		100
Investment income	14,653,006	\$ 29,480,073
Less: investment expense	<u>(32,924)</u>	13,109,333
Interest on indebtedness		14,620,082
Other revenues, (expenses), gains and (losses)		(3,719,042)
Other affiliated foundation revenues		(539,154)
Other affiliated foundation expenses		221,792
Transfers (to) other University System of Maryland institutions		<u>(10,253,749)</u>
Total nonoperating revenues		<u>236,891,495</u>
Income before other revenues		<u>33,714,626</u>
OTHER REVENUES		
Capital appropriations		<u>13,859,612</u>
Total other revenues		<u>13,859,612</u>
Increase in net position		47,574,238
Net position - beginning of year		<u>627,414,829</u>
Net position - end of year		<u>\$ 674,989,067</u>
		<u>\$ 212,847,696</u>

**UNIVERSITY MARYLAND, BALTIMORE COUNTY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 132,358,782
Research contracts and grants	142,668,701
Payments to employees	(351,410,963)
Payments to suppliers and contractors	(202,371,838)
Loans issued to students	(37,847)
Collection of loans to students	37,847
Student direct lending payments	(39,764,871)
Student direct lending receipts	39,764,871
Auxiliary enterprises:	
Residential facilities	25,292,903
Dining facilities	14,755,450
Intercollegiate athletics	15,002,364
Bookstores	3,617,548
Parking facilities	1,991,825
Other	24,914,501
Other receipts	<u>24,746,884</u>
Net cash provided (used) by operating activities	<u>(168,433,843)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	209,731,929
Pell grants	<u>18,815,194</u>
Net cash provided by noncapital financing activities	<u>228,547,123</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds of capital debt	6,940,449
Capital appropriations	13,859,612
Purchases of capital assets	(26,741,406)
Principal paid on debt and leases	(14,950,608)
Interest paid on debt and leases	(5,441,193)
Transfers from other University System of Maryland institutions	<u>3,411,392</u>
Net cash provided (used) by capital and related financing activities	<u>(22,921,754)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	496,939
Interest on investments	13,024,414
Investment expense	(32,924)
Purchases of investments	<u>(15,000,000)</u>
Net cash provided (used) by investing activities	<u>(1,511,571)</u>
Net increase in cash and cash equivalents	35,679,955
Cash and cash equivalents - beginning of year	<u>252,288,143</u>
Cash and cash equivalents - end of year	<u>\$ 287,968,098</u>

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Institution	Component Units
ASSETS		
Current assets		
Cash and cash equivalents	\$ 28,147,065	
Accounts receivable, net	6,207,098	\$ 471
Prepaid expenses and other	1,722,529	
Inter-institutional balances	11,950,704	
Total current assets	48,027,396	471
Noncurrent assets		
Restricted cash and cash equivalents	50,000	
Endowment investments	511,024	3,994,092
Other investments	50,000	5,084,142
Capital assets, net	60,208,077	2,099
Total noncurrent assets	60,819,101	9,080,333
Total assets	108,846,497	9,080,804
DEFERRED OUTFLOWS OF RESOURCES		
Total assets and deferred outflows of resources	4,510,693	
	\$ 113,357,190	\$ 9,080,804
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,965,456	
Accrued workers' compensation, current portion	13,200	
Accrued vacation costs, current portion	1,926,055	
Revenue bonds and notes payable, current portion	494,069	
Unearned revenues	11,039,067	
Total current liabilities	16,437,847	
Noncurrent liabilities		
Accrued workers' compensation	74,800	
Accrued vacation costs	2,179,274	
Endowments invested on behalf of primary government		\$ 511,024
Revenue bonds and notes payable	3,289,300	
Net pension liability	12,125,465	
Total noncurrent liabilities	17,668,839	511,024
Total liabilities	34,106,686	511,024
DEFERRED INFLOWS OF RESOURCES		
Total liabilities, deferred inflows of resources and net position	1,865,568	
NET POSITION		
Unrestricted	20,959,293	901,049
Net investment in capital assets	56,425,643	
Restricted:		
Expendable:		
Net assets with donor restrictions		7,668,731
Total net position	77,384,936	8,569,780
Total liabilities, deferred inflows of resources and net position	\$ 113,357,190	\$ 9,080,804

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024**

	<u>Institution</u>	<u>Component Units</u>
OPERATING REVENUES		
Federal grants and contracts	\$ 13,952,810	
State and local grants and contracts	6,992,708	
Nongovernmental grants and contracts	3,730,101	
Sales and services of educational departments	<u>4,023,591</u>	
Total operating revenues	<u>28,699,210</u>	
OPERATING EXPENSES		
Research	59,554,833	
Operation and maintenance of plant	<u>345,894</u>	
Total operating expenses	<u>59,900,727</u>	
Operating loss	<u>(31,201,517)</u>	
NONOPERATING REVENUES (EXPENSES)		
State appropriations	28,332,313	
Gifts		\$ 1,875,783
Investment income	1,271,127	275,577
Interest on indebtedness	(82,028)	
Other revenues, (expenses), gains and (losses)		
Other affiliated foundation revenues		
Other affiliated foundation expenses		(2,143,978)
Transfers from other University System of Maryland institutions	<u>743,799</u>	
Total nonoperating revenues (expenses)	<u>30,265,211</u>	<u>7,382</u>
Income (loss) before other revenues	<u>(936,306)</u>	<u>7,382</u>
OTHER REVENUES		
Capital appropriations	<u>72,794</u>	
Total other revenues	<u>72,794</u>	
Increase (decrease) in net position	(863,512)	7,382
Net position - beginning of year	<u>78,248,448</u>	<u>8,562,398</u>
Net position - end of year	<u>\$ 77,384,936</u>	<u>\$ 8,569,780</u>

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**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Research contracts and grants	\$ 23,710,466
Payments to employees	(39,123,257)
Payments to suppliers and contractors	(14,830,974)
Other receipts	<u>4,579,775</u>
Net cash provided (used) by operating activities	<u>(25,663,990)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	<u>28,332,313</u>
Net cash provided by noncapital financing activities	<u>28,332,313</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds of capital debt	706,800
Capital appropriations	72,794
Purchases of capital assets	(1,724,652)
Principal paid on debt and leases	(979,559)
Interest paid on debt and leases	(151,461)
Transfers from other University System of Maryland institutions	<u>461,442</u>
Net cash provided (used) by capital and related financing activities	<u>(1,614,636)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	19,647
Interest on investments	<u>1,248,332</u>
Net cash provided by investing activities	<u>1,267,979</u>
Net increase in cash and cash equivalents	2,321,666
Cash and cash equivalents - beginning of year	<u>25,875,399</u>
Cash and cash equivalents - end of year	<u>\$ 28,197,065</u>

UNIVERSITY SYSTEM OF MARYLAND OFFICE
STATEMENT OF NET POSITION
JUNE 30, 2024

	Institution	Component Units
ASSETS		
Current assets		
Cash and cash equivalents	\$ 343,645,279	\$ 140,762
Accounts receivable, net	531,621	1,592,555
Prepaid expenses and other		182,702
Inter-institutional balances	(89,051,410)	
Total current assets	255,125,490	1,916,019
Noncurrent assets		
Restricted cash and cash equivalents	78,803,947	
Accounts receivable, net		431
Endowment investments	37,082,459	24,590,516
Other investments	6,704,395	181,518,534
Other assets		528,000
Capital assets, net	314,403,848	1,667,513
Total noncurrent assets	436,994,649	208,304,132
Total assets	692,120,139	210,220,151
DEFERRED OUTFLOWS OF RESOURCES		
	9,920,744	
Total assets and deferred outflows of resources	\$ 702,040,883	\$ 210,220,151
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 13,530,134	\$ 3,103,100
Accrued workers' compensation, current portion	6,900	
Accrued vacation costs, current portion	994,808	
Obligations under subscription arrangements, current portion	1,476,594	
Obligations under lease arrangements, current portion	344,147	
Revenue bonds and notes payable, current portion	3,811,344	
Unearned revenues	7,176,975	2,004,000
Total current liabilities	27,340,902	5,107,100
Noncurrent liabilities		
Accrued workers' compensation	39,100	
Accrued vacation costs	1,648,915	
Endowments invested on behalf of primary government		37,082,459
Other payables		119,777,536
Obligations under subscription arrangements	10,601,336	
Obligations under lease arrangements	4,819,369	
Revenue bonds and notes payable	81,918,247	
Net pension liability	10,556,188	
Total noncurrent liabilities	109,583,155	156,859,995
Total liabilities	136,924,057	161,967,095
DEFERRED INFLOWS OF RESOURCES		
	10,369,664	
NET POSITION		
Unrestricted	263,527,276	6,768,339
Net investment in capital assets	287,218,623	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	347,604	
Other	471,330	
Expendable:		
Capital projects	3,182,329	
Net assets with donor restrictions		41,484,717
Total net position	554,747,162	48,253,056
Total liabilities, deferred inflows of resources and net position	\$ 702,040,883	\$ 210,220,151

**UNIVERSITY SYSTEM OF MARYLAND OFFICE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024**

	<u>Institution</u>	<u>Component Units</u>
OPERATING REVENUES		
Federal grants and contracts	\$ 113,588	
Nongovernmental grants and contracts	15,001	
Other operating revenues	<u>1,236,138</u>	
Total operating revenues	<u>1,364,727</u>	
OPERATING EXPENSES		
Academic support	13,447,639	
Institutional support	<u>52,839,362</u>	
Total operating expenses	<u>66,287,001</u>	
Operating loss	<u>(64,922,274)</u>	
NONOPERATING REVENUES (EXPENSES)		
State appropriations	26,528,492	
Gifts		\$ 2,032,836
Investment income	\$ 22,882,889	6,369,452
Less: investment expense	<u>(74,940)</u>	
Interest on indebtedness	22,807,949	
Other revenues, (expenses), gains and (losses)	(1,348,514)	
Other affiliated foundation revenues	(972,099)	
Other affiliated foundation expenses		7,449,626
Transfers to other University System of Maryland institutions	<u>567,691</u>	<u>(9,063,852)</u>
Total nonoperating revenues	<u>47,583,519</u>	<u>6,788,062</u>
Loss before other revenues	<u>(17,338,755)</u>	<u>6,788,062</u>
OTHER REVENUES		
Capital appropriations	<u>1,824,568</u>	
Total other revenues	<u>1,824,568</u>	
Decrease in net position	(15,514,187)	6,788,062
Net position - beginning of year	<u>570,261,349</u>	<u>41,464,994</u>
Net position - end of year	<u>\$ 554,747,162</u>	<u>\$ 48,253,056</u>

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**UNIVERSITY SYSTEM OF MARYLAND OFFICE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Research contracts and grants	\$ 255,563
Payments to employees	(22,762,866)
Payments to suppliers and contractors	(29,127,906)
Other receipts (payments)	<u>5,244,666</u>
Net cash provided (used) by operating activities	<u>(46,390,543)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	<u>26,528,492</u>
Net cash provided by noncapital financing activities	<u>26,528,492</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds of capital debt	75,621,561
Capital appropriations	1,824,568
Purchases of capital assets	(3,345,491)
Principal paid on debt and leases	(2,776,636)
Interest paid on debt and leases	(1,103,308)
Transfers (to) other University System of Maryland institutions	<u>(133,743,039)</u>
Net cash provided (used) by capital and related financing activities	<u>(63,522,345)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	1,044,741
Interest on investments	21,758,542
Investment expense	(873,677)
Purchases of investments	<u>(5,825,000)</u>
Net cash provided by investing activities	<u>16,104,606</u>
Net decrease in cash and cash equivalents	(67,279,790)
Cash and cash equivalents - beginning of year	<u>489,729,016</u>
Cash and cash equivalents - end of year	<u>\$ 422,449,226</u>

UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF FINANCIAL POSITION, NONMAJOR COMPONENT UNITS
JUNE 30, 2024

	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.	University of Baltimore Foundation, Inc. and University Properties, Inc.	Salisbury University Foundation, Inc.	Total Nonmajor Component Units
ASSETS								
Current Assets								
Cash	\$ 23,572,582	\$ 10,420,544	\$ 9,914,403	\$ 3,885,781	\$ 416,839	\$ 21,405,777	\$ 334,486	\$ 69,950,412
Accounts receivable, net	17,713,764	20,758,601	92,500	212,566	176,731	19	1,095,014	40,049,195
Other assets	3,831,793	185,680		246,776	13,591		16,829	4,294,669
Total current assets	45,118,139	31,364,825	10,006,903	4,345,123	607,161	21,405,796	1,446,329	114,294,276
Investments								
Endowment investments			47,120,414	113,703,363	38,347,920	83,341,061	117,459,711	399,972,469
Other investments		961,979			6,946,417		1,080,477	8,988,873
Total investments		961,979	47,120,414	113,703,363	45,294,337	83,341,061	118,540,188	408,961,342
Noncurrent assets								
Accounts receivable, net			2,876,916	4,176,098	611,707	5,256,559	2,353,234	15,274,514
Capital assets, net	205,718	4,986,930		837	8,550	520,653	94,626	5,817,314
Other assets		5,475,863			455,065	86,987	2,910,605	8,928,520
Total noncurrent assets	205,718	10,462,793	2,876,916	4,176,935	1,075,322	5,864,199	5,358,465	30,020,348
Total assets	\$ 45,323,857	\$ 42,789,597	\$ 60,004,233	\$ 122,225,421	\$ 46,976,820	\$ 110,611,056	\$ 125,344,982	\$ 553,275,966
LIABILITIES								
Current liabilities								
Accounts payable & accrued expenses	\$ 28,919,091	\$ 16,876,589	\$ 3,527,806	\$ 2,650,518	\$ 40,447	\$ 1,294,565	\$ 138,314	\$ 53,447,330
Long-term debt, current							1,752,486	1,752,486
Unearned revenues					6,205	1,114,306	108,225	1,228,736
Total current liabilities	28,919,091	16,876,589	3,527,806	2,650,518	46,652	2,408,871	1,999,025	56,428,552
Noncurrent liabilities								
Other payables	3,757,673	6,050,186			12,411		480,700	10,300,970
Total noncurrent liabilities	3,757,673	6,050,186			12,411		480,700	10,300,970
Total liabilities	32,676,764	22,926,775	3,527,806	2,650,518	59,063	2,408,871	2,479,725	66,729,522
NET ASSETS								
Without donor restrictions	12,647,093	19,862,822	27,219,667	5,268,091	3,605,958	15,424,340	12,811,266	96,839,237
With donor restrictions			29,256,760	114,306,812	43,311,799	92,777,845	110,053,991	389,707,207
Total net assets	12,647,093	19,862,822	56,476,427	119,574,903	46,917,757	108,202,185	122,865,257	486,546,444
Total liabilities and net assets	\$ 45,323,857	\$ 42,789,597	\$ 60,004,233	\$ 122,225,421	\$ 46,976,820	\$ 110,611,056	\$ 125,344,982	\$ 553,275,966

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**UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF ACTIVITIES, NONMAJOR COMPONENT UNITS
YEAR ENDED JUNE 30, 2024**

	University of Maryland Pediatric Associates, P.A.	Univerisity of Maryland Orthopaedic Associates, P.A.	Bowie State University Foundation, Inc.	Towson University Foundation, Inc.	Frostburg State University Foundation, Inc.	University of Baltimore Foundation, Inc. and University Properties, Inc.	Salisbury University Foundation, Inc.	Total Nonmajor Component Units
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS								
Revenues								
Contributions & grants				\$ 457,509	\$ 151,277	\$ 4,184,671	\$ 204,117	\$ 4,997,574
Investment income	\$ 1,204,794	\$ 390,461	\$ 2,090,715	1,418,490	303,250	1,393,472	762,547	7,563,729
Other income	34,672,556	39,490,488	112,457	17,717	24,877	768,172	568,267	75,654,534
Assets released from restrictions			4,367,808	8,657,741	3,429,524	5,081,469	7,147,820	28,684,362
Total revenues	35,877,350	39,880,949	6,570,980	10,551,457	3,908,928	11,427,784	8,682,751	116,900,199
Expenses								
Program	15,038,609	19,923,953	4,327,554	8,055,525	3,123,844	4,939,520	5,240,943	60,649,948
General & administrative	11,621,000	6,453,727	780,055	916,750	393,264	719,576	880,262	21,764,634
Fundraising			51,332	474,559		330,047	355,411	1,211,349
Other expense	1,851,923	3,887,426						5,739,349
Total expenses	28,511,532	30,265,106	5,158,941	9,446,834	3,517,108	5,989,143	6,476,616	89,365,280
Change in net assets without donor restrictions	7,365,818	9,615,843	1,412,039	1,104,623	391,820	5,438,641	2,206,135	27,534,919
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS								
Contributions & grants			6,324,929	6,252,884	4,005,687	4,779,318	5,160,166	26,522,984
Investment income			1,334,551	10,326,592	3,116,657	7,123,570	14,409,152	36,310,522
Other income			86,307	1,805,326	334,027	69,175	112,673	2,407,508
Assets released from restrictions			(4,367,808)	(8,657,741)	(3,429,524)	(5,081,469)	(7,147,820)	(28,684,362)
Change in net assets with donor restrictions			3,377,979	9,727,061	4,026,847	6,890,594	12,534,171	36,556,652
Total change in net assets	7,365,818	9,615,843	4,790,018	10,831,684	4,418,667	12,329,235	14,740,306	64,091,571
Net assets - beginning of year	5,281,275	10,246,979	51,686,409	108,743,219	42,499,090	95,872,950	108,124,951	422,454,873
Net assets - end of year	\$ 12,647,093	\$ 19,862,822	\$ 56,476,427	\$ 119,574,903	\$ 46,917,757	\$ 108,202,185	\$ 122,865,257	\$ 486,546,444

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UNIVERSITY SYSTEM OF MARYLAND

NOTES TO SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2024

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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TOPIC: Update Regarding FYE 6-30-2024 Independent Audit of USM Financial Statements

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: December 18, 2024

SUMMARY:

The Engagement Partner for USM's Independent Auditor CliftonLarsonAllen, LLC will provide an update of their audit of USM's FYE 2024 financial statements.

FISCAL IMPACT: Information item

CHANCELLOR'S RECOMMENDATION: Information item

COMMITTEE ACTION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: David Mosca



We'll get you there.

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University System of Maryland

June 30, 2024 Audit Results Presentation

Agenda

- Scope of Services and Deliverables
- Audit Process
- Audit Opinions and Communications
- Industry Insights and Emerging Issues
- Thought Leadership and Upcoming Webinars



Scope of Services and Deliverables- FY24 Status

Opinion on financial statements for the year ending June 30, 2024

• *In Review/Final Draft (expect to issue on/about 12/18/24)*

Single audit testing as part of the State of Maryland Single Audit

• *In Process (due 3/31/24)*

Governance communication letter

• *To be Issued with Financials*

Campus enrollment agreed-upon procedures

• *Complete. Issued on 11/5/24*

Howard P. Rawlings Scholarship Programs agreed-upon procedures

• *Recently commenced- audit guide released on 12/5/24. Due by June 1*



Audit Process

RISK-BASED APPROACH

Internal Controls and
Information
Technology

Revenue Recognition

Significant Estimates

Debt and Long-Term
Liabilities

Capital Assets

Unrecorded Liabilities

Operating
Expenditures





AUDIT OPINIONS

Financial statement

Financial statement audit opinion is **unmodified**.



AUDIT RESULTS

Financial statement

No material weaknesses or significant deficiencies identified.



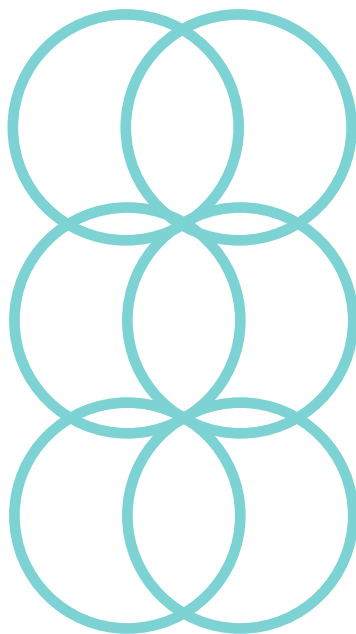
Governance Communications

Overall

- Purpose – To provide an update on the audit since the planning meeting
- No changes in scope of audit or audit plan throughout the audit

Difficulties

- No significant difficulties
- No disagreements encountered
- No other findings to report



Significant Estimates

- No estimates with a higher degree of uncertainty
- Other estimates within the Financial Statements deemed lower risk/estimation uncertainty
- We are comfortable with management's conclusions

Other

- Management's Discussion & Analysis and Required Supplementary Information are Unaudited
- Uncorrected misstatement relating to the exclusion of the Coppin State University Development Foundation



FY24 Enrollment Report Findings

	<u>BSU</u>	<u>CSU</u>	<u>FSU</u>	<u>SU</u>	<u>TU</u>	<u>UB</u>	<u>UMB</u>	<u>UMBC</u>	<u>UMCP</u>	<u>UMES</u>	<u>UMGC</u>
<i>All Registered Students</i>											
1. Actual enrollment as of the institutional freeze date	-	-	-	-	-	-	1	-	-	-	-
2. Race Category	-	3	-	-	3	-	2	-	-	4	-
3. Tuition status category	-	1	-	-	-	-	-	-	-	2	-
<i>First Time, Full Time</i>											
4. Actual enrollment as of the institutional freeze date	-	-	-	-	-	-	N/A	-	-	-	-
5. First-time, full-time status	2	2	-	-	-	-	N/A	5	-	10	6



Single Audit Programs In Scope

Education Stabilization Fund (ALN 84.425)

- Large Type A program for State overall
- Significant Deficiencies reported in PY:
 - Suspension & debarment (CSU, BSU, UMES)
 - Cash management (BSU)

Higher Education Institutional Aid (ALN 84.031)

- Material Weaknesses reported in PY
 - Time & effort documentation (BSU)
 - Questioned payroll cost charged to program (CSU)



Industry Insights

1 Economic Conditions and Enrollment Pressure

2 Labor Shortages, Turnover and Retention

3 Cybersecurity and technology costs

4 M&A Activity

5 Cash Management and Increasing Costs

6 Political and Legislative Uncertainty

HIGHER EDUCATION





GASB Standards



GASB 101 Compensated Absences



Effective date
December 31, 2024



Updated framework

- Reevaluate leave policies
- Liability must include any accumulated leave that is unused or used but unpaid
- Footnote disclosures will be enhanced



Examples include

- Sick leave not paid at termination
- Parental leave
- Military leave and jury duty that has commenced



CLA can help by evaluating the standard related to compensated absences and assisting with or evaluating in financial statement disclosures



GASB 102 Certain Risk Disclosures

CLA can help by assisting with or evaluating financial statement disclosure updates



Effective date
June 30, 2025



Increased footnote disclosures surrounding risk:

- Limitations on raising revenues
- Concentrations related to tax revenue or vendors
- Debt or mandated spending — especially unfunded mandates
- Impact of major employer leaving the community
- Collective bargaining agreements



GASB 103 Financial Reporting Module

CLA can help by
assisting with or
evaluating financial
statement
disclosure updates



Effective date
June 30, 2026



Impacts financial statement presentation

Updated disclosure guidance for:

- MD&A consistency
- Clearer definition of unusual or infrequent items
- Presentation of proprietary fund statements
- Major component unit information
- Budgetary comparison information



Upcoming Event
Higher Education Virtual
Conference 2025





Questions and Feedback

We appreciate the opportunity to serve you and welcome any feedback relative to our performance and to the engagement.





Chrissy Bowman, CPA
Principal
Christina.bowman@claconnect.com | 410-308-8064



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Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

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

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: December 18, 2024

SUMMARY:

See attachment

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 Enterprise Risk Management Update

December 18, 2024

USM Enterprise Risk Management (ERM) Update— Table of Contents

- ▶ Recent USM ERM Activity
- ▶ Top Systemwide Risks
- ▶ Appendix
 - ▶ USM Institution Risks (*Anonymized Raw Data*)
 - ▶ Cycle of Institution ERM
 - ▶ Cycle of Systemwide ERM

Recent ERM Activities

- ▶ Activities occurring since the last ERM update to the Audit Committee include:
 - ▶ Enterprise Risk Management
 - ▶ USM President's submitted top 5 institutional risks in April/May.
 - ▶ USM Office of Internal Audits continuing with ERM Audit follow-ups
 - ▶ USM ERM lead representatives met on November 5
 - ▶ Reviewed top risks
 - ▶ Discussed general progress on maturing ERM process
 - ▶ Began developing templates for deployment of common tool for automating ERM process
 - ▶ Currently reviewing ERM policy for potential enhancements

Top Systemwide Risks – 2023-2024

Below are the top enterprise risks by risk category as reported by USM institutions in the 2023-24 reporting period.

Note: Appendix includes anonymized list of all top institutional risks.

High-Level Risk Category	Specific Reported Risks Rated Highest in Total Risk Score (as reported by USM Institutions)
Financial Stability/Sustainability	<ul style="list-style-type: none"> - Enrollment/Retention - Financial Health/Budget Constraints - Facilities Infrastructure - Failure to comply with federal, state and USM laws and regulations - Accreditation
Campus Safety	<ul style="list-style-type: none"> - Near/Campus safety and partnering - Emergency/Critical health issues - Major student mental health incident - Crisis response preparedness
Student Wellness	<ul style="list-style-type: none"> - Major Student Mental Health Incident
Information Systems and Data Security	<ul style="list-style-type: none"> - Cyber & Data Security and Compliance - Business continuity – system failure
External Relationship Management	<ul style="list-style-type: none"> - Externally driven risks - Student issues on social media - Activism on campus - Negative Publicity
Culture of Integrity	<ul style="list-style-type: none"> - Significant student, faculty, staff misconduct - Culture of execution and integrity

Question 5

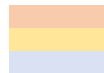
Appendix

USM Institution Top Enterprise Risks - 2023

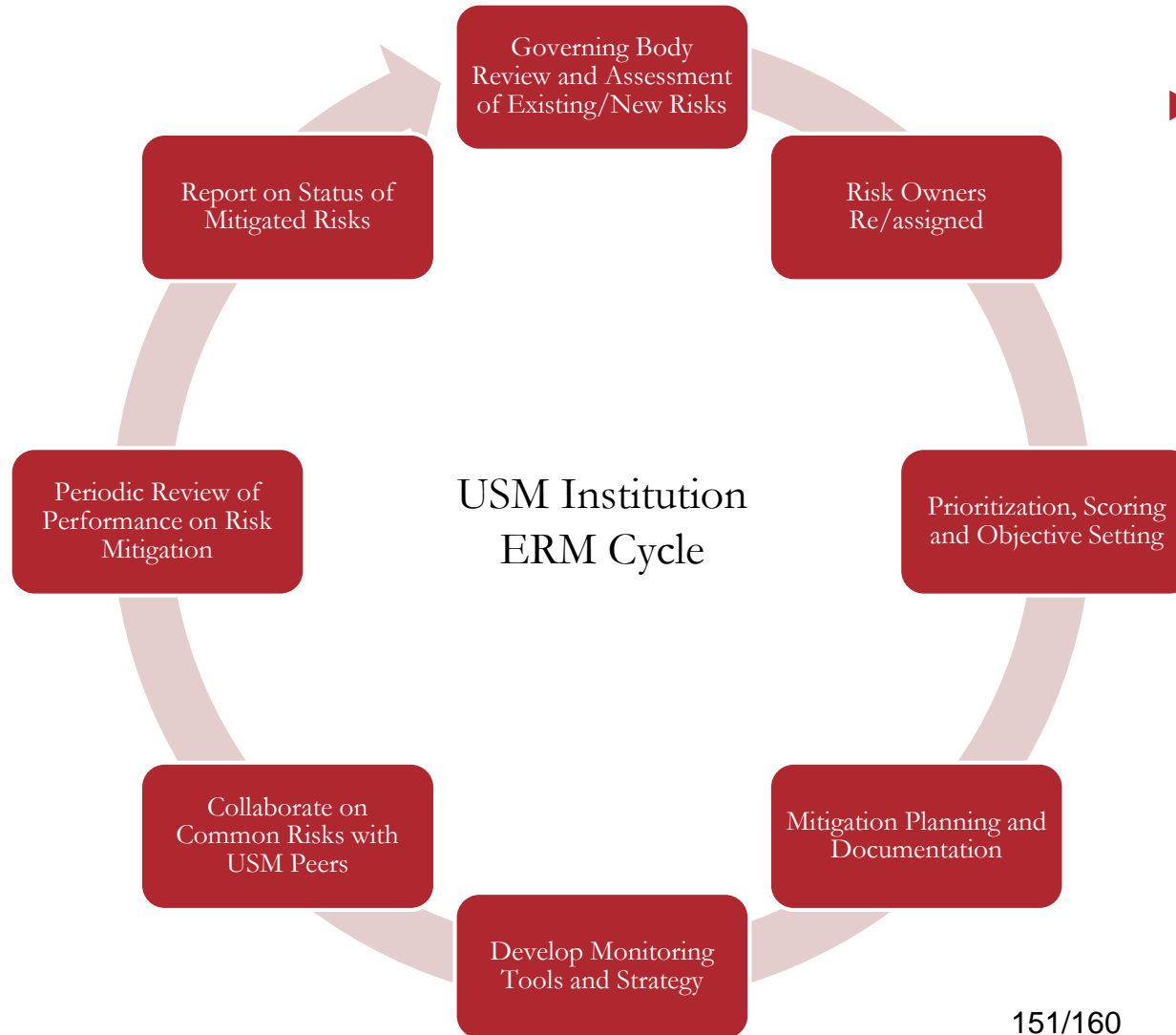
University System of Maryland
 Compilation of Institution-identified Risks
 May 2024 Presidents Review Risk Reporting

Risk	# in common	A	B	C	D	E	F	H	I	J	K
Enrollment/Retention	7	x	x	x		x	x	x	x		
Cyber & Data Security and Compliance	6	x		x	x	x	x				x
Attracting and retaining high quality and diverse faculty and staff	5		x	x		x	x	x			
Financial health - Budget constraints	4			x	x	x		x			
Near/Campus safety and partnering	4	x			x		x		x	x	
Facilities Infrastructure	2		x				x			x	
Significant student, faculty and staff misconduct	2				x		x				
Externally driven risks	2								x		x
Accreditation and Compliance requirements	2	x								x	
Business continuity - system failure	1	x									
Emergency/critical health issues	1									x	
Major student mental health incident	1								x		
Research Integrity and Security	1								x		
Research and creative achievement	1						x				
Improve residence halls	1		x								
Culture, execution and accountability	1					x					
Student issues on social media	1		x								
Activism on campus	1				x						
Failure to comply with federal, state and USM laws and regs	1										x
Negative Publicity	1							x			
Academic Alignment with Career Pathways	1							x			
Crisis Response Preparedness	1									x	

Majority of institutions reporting similar risk
 Multiple institutions reporting similar risk
 One institution reporting risk



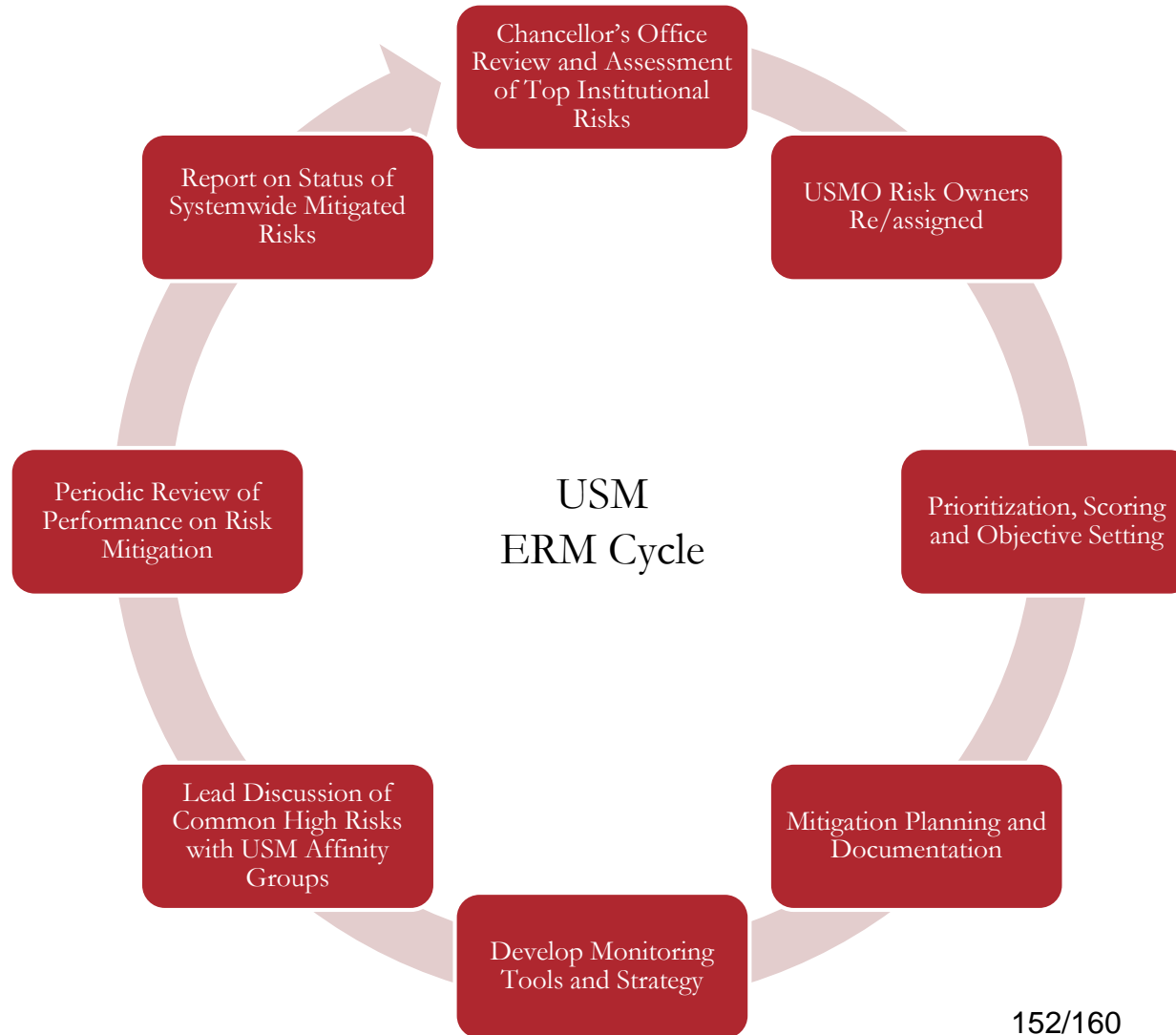
Cycle of Institution Enterprise Risk Management



► 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

TOPIC: Update of Office of Legislative Audit Activity

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: December 18, 2024

Since the Committee's October 2024 meeting, the Office of Legislative Audits (OLA) has not issued any audit reports on University System of Maryland institutions.

On November 13, 2024, the Joint Audit and Evaluation Committee (JCEL) met with leadership from UMGC, FSU, and USMO in a hearing in Annapolis on November 13, 2024.

OLA Engagements Currently Active:

- Bowie State University (Active since February 2024),
- University of Maryland, Baltimore (Active since May 2024),
- University of Baltimore (Active since September 2024) and
- University of Maryland College Park (Active since January 2024),

Attachments

FISCAL IMPACT: none

CHANCELLOR'S RECOMMENDATION: none

COMMITTEE ACTION: None

DATE:

BOARD ACTION: None

DATE:

SUBMITTED BY: David Mosca 12-18-2024

USM
Summary of Audit Findings per
Office of Legislative Audits
As of 12/18/24

OLA Report Issued:														
	5/12/2021	11/6/2023	9/11/2024	3/5/2024	3/22/2024	12/3/2021	3/1/2023	10/11/2024	2/5/2024	9/27/2022	12/15/2022	8/20/2024	9/11/2024	
	BSU	CSU	FSU	SU	TU	UB	UMB	UMBC	UMCES	UMCP	UMES	UMGC	USMO	Total
Fiscal Compliance														
Business Initiatives/Relationships	-	-	-	-	-	-	-	-	-	-	-	1.00	-	1.00
Cash	-	1.00	1.00	-	-	-	1.00	-	-	-	-	1.00	1.00	5.00
Center and Institutes	-	-	-	-	-	-	-	-	-	-	-	-	1.00	1.00
Conflict of Interest	-	-	-	-	-	1.00	-	-	-	0.50	-	-	-	1.50
Employee Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Account Reconciliations	-	-	-	-	-	-	-	-	-	-	1.00	-	-	1.00
Financial Aid Adjustments	0.50	-	0.50	-	-	0.50	1.00	-	-	-	-	-	1.00	3.50
Financial Aid Awards Without Independent Review	0.50	-	-	-	-	-	-	-	-	-	-	-	-	0.50
Financial Aid Awards Without Written Eligibility Criteria	-	2.00	-	-	-	-	-	-	-	-	-	-	-	2.00
Food Services Contract	-	-	-	-	-	-	-	-	-	-	1.00	-	-	1.00
Grants Accounts Receivable	-	-	-	-	-	-	1.00	-	-	-	-	-	-	1.00
Interagency Agreements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll	-	-	1.00	-	-	1.00	1.00	1.00	-	2.00	-	-	-	6.00
Procurement / Contract Monitoring	0.50	1.00	3.00	-	-	-	-	-	-	0.50	-	4.00	1.00	10.00
Purchases and Disbursements	0.50	-	-	-	-	-	-	-	-	-	-	-	-	0.50
Student Accounts Receivable	-	-	0.50	-	-	1.00	-	-	-	-	0.50	-	-	2.00
Student Refund Validity Not Confirmed and Issuance Not Verified	0.50	-	-	-	-	-	-	-	-	-	-	-	-	0.50
Student Residency Verification	-	1.00	1.00	-	-	-	1.00	-	-	1.00	0.50	1.00	-	5.50
Verification of Financial Aid Application Data Without Independent Review	-	-	-	-	-	0.50	-	-	-	-	-	-	-	0.50
Verification of Vendor Safeguarding Student Sensitive Personal Information (SOC 2 Report)	0.50	-	-	-	-	1.00	-	-	-	-	-	-	-	1.50
IT Areas														
Redacted				1.00										1.00
Redacted	2.00				1.00	2.00		1.00		1.00	2.00			9.00
Redacted	1.00			1.00			1.00			2.00	1.00		2.00	8.00
Redacted	1.00													1.00
Total number of findings per OLA Audit report	7.00	5.00	7.00	2.00	1.00	7.00	6.00	2.00	-	7.00	6.00	7.00	6.00	63.00
														63.00

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

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: December 18, 2024

SUMMARY:

Attachment: Register of Open Action Items From 2023 – 2024 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 2023 - 2024 Audit Committee Meetings
 18-Dec-24

Action Item

Status

From October 2024 Audit Committee Meeting

1.	Update Audit Committee Charter to add language of oversight of emerging risks such as cybersecurity and Title IX compliance.	Update provided for October 2024 Audit Committee meeting and to be provided at the December 2024 meeting.
2.	Add a reference to Board of Regents Policy on Child Abuse to the policy on Sexual Harassment. Include language to Child Abuse policy to include "the Chancellor should alert the appropriate authorities and the full Board of Regents.	Updates were approved by the BOR at its November 2024 meeting.
3.	Send out the BOR's Investigation Workgroup to the committee members.	Completed on October 23rd.
4.	Update Policy on Reporting Suspected or Known Fiscal Irregularities to incorporate recommendations from the Investigation Workgroup's report.	Planned for Committee on Audit's March 2025 meeting.
5.	Upgrade USMO's anonymous reporting mechanism to include recommendations from the Investigation Workgroup's report.	Procurement for the new reporting mechanism is underway.

From June 2024 Audit Committee Meeting

1.	Monitor Progress of UMGC's OLA audit results.	Update provided for October 2024 Audit Committee meeting and to be provided at the December 2024 meeting.
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From April 2024 Audit Committee Meeting

1.	Modify comparison report of USM characteristics with other institutions that have the same bond rating (UMGC endowment per student, footnotes, and report heading - peers vs. institutions with same rating).	Will be included with the annual report for March 2025 audit committee meeting.
4.	Invite Mandiant to make a presentation to audit committee at a future meeting. Include discussion regarding vulnerability trends.	In process.
5.	Verify outsourcing of firm to monitor UMBC's Title IX function per terms of settlement with DOJ.	Outsourcing approved by BOPW in April 2024. Work estimated to begin in summer of 2024 and funded by DOJ. In process.

Note: Action items concluded prior to the October 2024 BOR Audit Committee meeting are not included in this schedule.

TOPIC: Convening Closed Session

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: December 18, 2024

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 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:

COMMITTEE ACTION:

DATE:

BOARD ACTION:

DATE:

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



STATEMENT REGARDING CLOSING A MEETING
OF THE USM BOARD OF REGENTS

Date: December 18, 2024

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
 - (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) To consult with counsel to obtain legal advice.
- (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:

Discussion of personnel matters as these arise related to matters on the closed session agenda; discussion of legal matters with Counsel of the Higher Education Division of the Maryland Office of the Attorney General and receipt of legal advice; discussion of legislative audit matters that are confidential by statute as these are ongoing; discussion of investigative matters involving actual or potential criminal conduct which may lead to criminal prosecution, meeting separately with independent auditor's engagement partner and USM's VC of accountability; discussion of IT security matters that pose

vulnerabilities of networks, critical IT infrastructure and information resources; and consideration of calendar year 2024 internal audit plan of activity. Review of the Office of internal audit's proposed plan of activity for CY 2025.

REASON FOR CLOSING:

- 1) To maintain the confidentiality of personnel matters involved in various topics on the closed session agenda, including legal advice, investigations of possible criminal activity and ongoing legislative audits (General§3-305(b)(1))
- 2) To maintain confidentiality and attorney-client privilege regarding legal advice received from the OAG's Higher Education Division (§3-305(b)(7));
- 3) To maintain confidentiality of discussions of investigations involving possible criminal behavior, which could result in criminal prosecutions (§3-305(b)(12));
- 3) 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));
- 4) To maintain confidentiality of USM's cybersecurity to avoid disclosing risk vulnerability of networks, critical IT infrastructure and information resources; (§3-305(b)(15));
- 5) To carry out an administrative function: discussion of calendar year's 2024 audit plan of activity by the USM Office of Internal Audit (§ 3-103(a)(1)(i);
- 6) To carry out an administrative function: review and consider approving the Office of Internal Audit's 2025 plan of activity; and
- 7) To carry out an administrative function: the Committee's separate meeting with the VC of Accountability and independent auditors (§3-103(b)(1)(ii).