



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

January 27, 2025

1. Information & Discussion – USM FYE 6/30/2024 Audited Financial Statements and Independent Auditor’s Report

- Key Points Associated with FY 2024 Financial Statements
- Financial Statements for the Year Ended Jun 30, 2024
- Financial Snapshot
- Review of Independent Auditor’s Presentation to the Board
- Independent Audit Report of USM’s Financial Statements, FY 2024

Ms. Denson
Ms. Herbst
Mr. Acton
Ms. Bowman (CLA)

Information & Discussion – USM FYE 6/30/2024 Audited Financial Statements and Independent Auditor's Report

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

COMMITTEE: Audit

DATE OF COMMITTEE MEETING: January 27, 2025

SUMMARY: This item is a brief review of the audited University System of Maryland basic financial statements for the year ended June 30, 2024, for which CliftonLarsonAllen LLP (CLA) provided an unmodified opinion.

A set of key points to be taken from the System’s financial statements appears on the first page of the attached materials. The statement of net position (balance sheet), along with the statement of revenues, expenses, and changes in net position follows on pages two and three.

The “Financial Snapshot” on page four summarizes the System’s key financial health ratio used by rating agencies—available resources to debt outstanding—using the figures reflected in the financial statements, to provide a comparison between June 30, 2024 and 2023. The lower part of the Financial Snapshot displays adjustments to the publicly reported balances for Board-approved claims and authorizations not yet expended or reflected in the financial statements to arrive at a “true” financial health ratio for internal management and decision-making purposes.

NOTE: The University System of Maryland Financial Statements and Supplemental Schedules for FY 2024 can be viewed online at <https://www.usmd.edu/usm/adminfinance/finafair/fsssch.html> .

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

Key Points Associated with FY 2024 Financial Statements

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

Key points associated with FY 2024 financial statements and materials:

1. Annual Financial Statement Report

The USM 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.

Financial Statements for the Year Ended Jun 30, 2024

**UNIVERSITY SYSTEM OF MARYLAND
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023**

	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		
Unamortized loss on refundings of debt	1,889,845	4,861,048
Asset retirement obligations	10,640,037	11,194,989
Deferred changes, pension expense	473,869,714	314,484,404
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		
Deferred service concession arrangement receipts	226,929,964	246,838,739
Deferred inflows related to leases	18,648,322	13,940,687
Deferred changes, pension expense	74,145,765	116,254,540
Total 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:		
Scholarships and fellowships	21,495,617	21,439,572
Research	7,637,941	7,636,977
Other	16,929,356	16,928,834
Expendable:		
Scholarships and fellowships	72,058,008	78,559,144
Research	113,313,016	78,683,998
Loans	16,826,883	22,664,745
Capital projects	2,972,633	4,891,748
Other	34,598,923	33,651,950
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 OF SYSTEM OF MARYLAND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>			<u>2023</u>		
OPERATING REVENUES:						
Tuition and fees	\$ 1,840,281,459			\$ 1,776,662,985		
Less: scholarship allowances	(451,258,174)	\$ 1,389,023,285	32.6 %	(402,468,846)	\$ 1,374,194,139	33.3 %
Federal grants and contracts		1,005,694,323	23.6		953,874,024	23.1
State and local grants and contracts		304,719,629	7.1		277,496,646	6.7
Nongovernmental grants and contracts		319,968,148	7.5		317,951,633	7.7
Sales and services of educational departments		420,496,529	9.8		411,628,170	10.0
Auxiliary enterprises:						
Residential facilities	231,425,357			215,887,920		
Less: scholarship allowances	(26,541,275)	204,884,082	4.8	(16,520,371)	199,367,549	4.8
Dining facilities	146,382,337			150,819,587		
Less: scholarship allowances	(12,322,220)	134,060,117	3.1	(8,663,551)	142,156,036	3.4
Intercollegiate athletics	174,020,257			154,888,205		
Less: scholarship allowances	(9,880,934)	164,139,323	3.8	(8,510,515)	146,377,690	3.5
Bookstore	14,625,835			14,874,198		
Less: scholarship allowances	(2,088,672)	12,537,163	0.3	(2,174,553)	12,699,645	0.3
Parking facilities	54,357,575			42,664,914		
Less: scholarship allowances	(108,275)	54,249,300	1.3	(157,119)	42,507,795	1.0
Other auxiliary enterprises revenues	162,685,982			166,037,955		
Less: scholarship allowances	(357,318)	162,328,664	3.8	(456,638)	165,581,317	4.0
Other operating revenues		98,297,572	2.3		90,444,137	2.2
Total operating revenues		4,270,398,135	100.0		4,134,278,781	100.0
OPERATING EXPENSES:						
Instruction		1,712,461,394	25.0		1,600,428,234	25.5
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:						
Residential facilities		198,768,057	2.9		191,683,735	3.1
Dining facilities		158,357,840	2.3		144,142,417	2.3
Intercollegiate athletics		182,807,057	2.7		168,220,152	2.7
Bookstore		14,134,091	0.2		14,695,038	0.2
Parking facilities		30,716,088	0.4		27,324,429	0.4
Other auxiliary enterprises expenses		162,073,796	2.4		159,279,496	2.5
Total operating expenses		6,860,548,831	100.0		6,262,627,295	100.0
Operating loss		(2,590,150,696)			(2,128,348,514)	
NONOPERATING REVENUES (EXPENSES)						
State appropriations		2,211,017,153	82.3		1,953,912,133	80.4
Pell grants		207,407,186	7.7		179,807,022	7.4
Other nonoperating grants		8,582,598	0.3		59,342,332	2.4
Gifts		84,440,884	3.1		65,435,471	2.7
Investment Income	200,276,141			139,254,630		
Less: investment expense	(1,633,356)	198,642,785	7.4	(1,771,876)	137,482,754	5.7
Interest on indebtedness		(31,741,099)	(1.2)		(35,940,588)	(1.5)
Other revenues, (expenses), gains and (losses)		9,875,792	0.4		71,486,779	2.9
Total nonoperating revenues (expenses)		2,688,225,299	100.0		2,431,525,903	100.0
Income (loss) before other revenues		98,074,603			303,177,389	
OTHER REVENUES:						
Capital appropriations		258,236,816	99.2		305,138,195	96.1
Capital gifts and grants		2,122,205	0.8		12,166,701	3.8
Additions to permanent endowments		57,530	-		173,059	0.1
Total other revenues		260,416,551	100.0 %		317,477,955	100.0 %
Increase (decrease) 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		\$ 8,192,442,677			\$ 7,833,951,523	

Financial Snapshot

University System of Maryland
Financial Snapshot
June 30, 2024

	June 30, 2024	June 30, 2023
From the June 30, 2024 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.

Review of Independent Auditor's Presentation to the Board



We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

University System of Maryland

June 30, 2024 Audit Update Presentation

Scope of Services and Deliverables- FY24 Status

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

• *Complete. Issued on 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 OPINIONS

Financial statement

Financial statement audit opinion is **unmodified**.



14/139



AUDIT RESULTS

Financial statement

No material weaknesses or significant deficiencies identified.



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)



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



CLAAconnect.com



CPAs | CONSULTANTS | WEALTH ADVISORS

©2024 CliftonLarsonAllen LLP. CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAGlobal.com/disclaimer](https://claglobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

University System of Maryland

June 30, 2024 Audit Results Presentation-
As Presented on 12/18/24

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**.



23/139



AUDIT RESULTS

Financial statement

No material weaknesses or significant deficiencies identified.



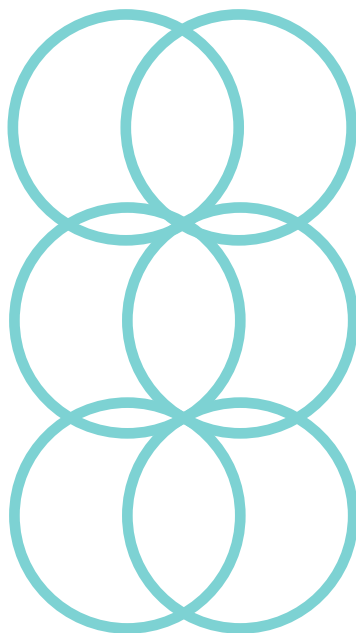
Governance Communications

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



CLAAconnect.com



CPAs | CONSULTANTS | WEALTH ADVISORS

©2024 CliftonLarsonAllen LLP. CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAGlobal.com/disclaimer](https://www.claglobal.com/disclaimer).
Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

Independent Audit Report of USM's Financial Statements, FY 2024



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

For the Year Ended June 30, 2024

This page intentionally left blank.

UNIVERSITY SYSTEM OF MARYLAND

**TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024:	
Statement of Net Position, University System of Maryland	11
Combining Statement of Financial Position, Component Units	12
Statement of Revenues, Expenses and Changes in Net Position, University System of Maryland	13
Combining Statement of Activities, Component Units	14
Statement of Cash Flows, University System of Maryland	15
Notes to Financial Statements	17
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Proportionate Share of Net Pension Liability	52
Schedule of Contributions to the Teachers Pension System and the Employees Retirement System	52
Schedule of Contributions for Other Postemployment Benefits	52
SUPPLEMENTARY DATA:	
Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows for:	
University of Maryland, Baltimore	55
University of Maryland, College Park	58
Bowie State University	61
Towson University	64
University of Maryland Eastern Shore	67
Frostburg State University	70
Coppin State University	73
University of Baltimore	76
Salisbury University	79
University of Maryland Global Campus	82
University of Maryland, Baltimore County	85
University of Maryland Center for Environmental Science	88
University System of Maryland Office	91
Combining Statement of Financial Position, Nonmajor Component Units	94
Combining Statement of Activities, Nonmajor Component Units	96
Notes to Supplementary Data	98
REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	100



INDEPENDENT AUDITORS' REPORT

Board of Regents
University System of Maryland
Adelphi, Maryland

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the University System of Maryland (the System), a component unit of the State of Maryland, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the System as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the University System of Maryland Foundation, Inc., the University of Maryland College Park Foundation, Inc., the University of Maryland Baltimore Foundation, Inc., University of Maryland Faculty Physicians, Inc., 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., University of Maryland Orthopaedic Associates, P.A., University of Maryland Pediatric Associates, P.A., and UMGC Ventures, Inc. and Subsidiaries (component units), which represent 0.4%, 0.5%, and 0.7%, respectively, of the assets, net position, and revenues of the System's business-type activities and 100% of the net assets, net assets, and revenues of the aggregate discretely presented component units as of June 30, 2024. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the component units, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of 100% of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair

presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the various schedules of Proportionate Share of Net Pension Liability, Contributions to the Teachers Pension System and the Employees Retirement System, and Contributions for Other Postemployment Benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial


reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows for University of Maryland, Baltimore, University of Maryland, College Park, Bowie State University, Towson University, University of Maryland Eastern Shore, Frostburg State University, Coppin State University, University of Baltimore, Salisbury University, University of Maryland Global Campus, University of Maryland, Baltimore County, University of Maryland Center for Environmental Science, and the University of Maryland System Office; the Combining Statement of Financial Position, Nonmajor Component Units; and the Combining Statement of Activities, Nonmajor Component Units (the supplementary schedules) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS by us and other auditors. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering System's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Baltimore, Maryland
December 16, 2024

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 a 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.

	<u>2024</u>	<u>2023</u>
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:

	<u>2024</u>		<u>2023</u>	
	\$	%	\$	%
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)
Notes receivable, net	3,325,590
Accounts payable and accrued liabilities	63,805,916
Unearned revenues	(144,597,005)
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.

This page intentionally left blank.

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:

	2024
Condensed statements of financial position	
Current assets	\$ 40,838,500
Capital assets	109,912
Other assets	3,537,712
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	39,352,889
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	51,331,147
Total operating expenses	<u>51,469,394</u>
Operating loss	(1,309,684)
Nonoperating revenues	841,981
Net income	<u>(467,703)</u>
Beginning net assets	39,930,504
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	25,134,686
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

June 30, 2023 balances were reclassified between buildings & improvements and right-to-use buildings under lease agreements, including accumulated depreciation and amortization, in Note 6. Changes in Net Capital Assets 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>\$3,268,660,320</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.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

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

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

	<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

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

gains and losses, and other portfolio-wide transactions are allocated based on the number of units or shares that each fund has relative to the total number of shares or units. Assets associated with the System's endowment funds are reported as Endowment Investments on the Statement of Net Position of the System, and Investments on the Statement of Financial Position of the USMF, with a corresponding liability reflecting the fair value of the System's interest in the investment portfolio.

The System discloses investment risks as follows:

Interest rate risk

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

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

Custodial credit risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the System would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the System, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the System's name. Endowment investments managed by the USMF are uninsured and are not registered in the name of the System, as they are a part of a commingled portfolio comprising proportionate interests of several different entities.

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

Credit risk

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

Foreign currency risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The System is not exposed to any material amount of foreign currency risk.

Endowment investments

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

	<u>2024</u>
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	<u>37,026,647</u>
Subtotal	488,410,463
Less: allowance for doubtful accounts receivable	<u>(35,772,303)</u>
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	<u>5,042,981</u>
Subtotal	16,183,999
Less: allowance for doubtful accounts receivable	<u>(7,116,256)</u>
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>

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

This page intentionally left blank.

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

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

an intangible right-to-use lease asset (lease asset) in its financial statements. Right-to-use assets acquired through outstanding leases are shown by underlying asset class in Note 6. Many of the leases provide for an optional extension of the terms of the agreements and increases in payment amounts based on changes in indices such as the Consumer Price Index. The leases expire at various dates through 2043.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 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>

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

This page intentionally left blank.

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.

This page intentionally left blank.

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.

This page intentionally left blank.

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		
	104,256,773	
Total assets and deferred outflows of resources	\$ 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		
	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	336,382,975	
State and local grants and contracts	130,951,387	
Nongovernmental grants and contracts	120,042,464	
Sales and services of educational departments	369,158,730	
Auxiliary enterprises:		
Residential facilities	2,279,669	
Parking facilities	14,670,853	
Other auxiliary enterprises revenues	<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	(1,620,478)	
Other revenues, (expenses), gains and (losses)	(2,473,486)	
Other affiliated foundation revenues		120,460,269
Other affiliated foundation expenses		(198,925,917)
Transfers (to) other University System of Maryland institutions	<u>(2,823,659)</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	
	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
	2,850,517,986	1,435,528,667
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		
	175,329,504	
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
	413,961,859	26,506,016
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	
	1,043,397,010	248,864,868
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
	2,579,586,972	1,324,107,666
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>2,494,087,566</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	<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	<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	<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	<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	<u>120,477,163</u>	<u>10,006,903</u>
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	<u>430,822,774</u>	<u>52,922,009</u>
Total assets	551,299,937	62,928,912
DEFERRED OUTFLOWS OF RESOURCES		
	<u>14,894,639</u>	
Total assets and deferred outflows of resources	<u>\$ 566,194,576</u>	<u>\$ 62,928,912</u>
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	<u>36,233,789</u>	<u>3,527,806</u>
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	<u>70,027,445</u>	<u>2,924,679</u>
Total liabilities	<u>106,261,234</u>	<u>6,452,485</u>
DEFERRED INFLOWS OF RESOURCES		
	<u>63,150,656</u>	
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	<u>396,782,686</u>	<u>56,476,427</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 566,194,576</u>	<u>\$ 62,928,912</u>

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	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>10,831,684</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 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		
	14,152,032	
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		
	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>\$ 6,375,785</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	
	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
	271,543,752	53,219,836
Total noncurrent assets		
	271,543,752	53,219,836
Total assets	339,485,808	53,826,997
DEFERRED OUTFLOWS OF RESOURCES		
	17,619,211	
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
	33,118,244	46,652
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	
	101,878,980	6,862,588
Total noncurrent liabilities		
	101,878,980	6,862,588
Total liabilities	134,997,224	6,909,240
DEFERRED INFLOWS OF RESOURCES		
	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
	208,089,825	46,917,757
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		<u>110,867</u>
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	
	13,140,861
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	
	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	
Proceeds of capital debt	5,744,402
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 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	283,495,430	113,398,219
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	9,674,640	1,114,306
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

	Institution	Component Units
OPERATING REVENUES		
Tuition and fees	\$ 47,294,600	
Less: scholarship allowances	<u>(14,466,998)</u>	\$ 32,827,602
Federal grants and contracts		10,891,774
State and local grants and contracts		10,609,069
Nongovernmental grants and contracts		5,459,767
Sales and services of educational departments		147,694
Auxiliary enterprises:		
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	8,517,042
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>67,894,881</u>	<u>12,329,235</u>
Income before other revenues	<u>5,982,144</u>	<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	12,329,235
Net position - beginning of year	<u>194,838,642</u>	<u>95,872,950</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		
	<u>18,826,098</u>	
Total assets and deferred outflows of resources	<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

	Institution	Component Units
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		18,818,248
Other revenues, (expenses), gains and (losses)		(173,721)
Other affiliated foundation revenues		3,848,230
Other affiliated foundation expenses		956
Transfers (to) other University System of Maryland institutions		<u>(3,053,045)</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	<u>72,928,932</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 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><u>\$ 674,989,067</u></u>
		<u><u>\$ 212,847,696</u></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**

	Institution	Component Units
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>

**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><u>\$ 28,197,065</u></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	<u>(89,051,410)</u>	
Total current assets	<u>255,125,490</u>	<u>1,916,019</u>
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	<u>314,403,848</u>	<u>1,667,513</u>
Total noncurrent assets	<u>436,994,649</u>	<u>208,304,132</u>
Total assets	692,120,139	210,220,151
DEFERRED OUTFLOWS OF RESOURCES		
	<u>9,920,744</u>	
Total assets and deferred outflows of resources	<u><u>\$ 702,040,883</u></u>	<u><u>\$ 210,220,151</u></u>
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	<u>7,176,975</u>	<u>2,004,000</u>
Total current liabilities	<u>27,340,902</u>	<u>5,107,100</u>
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	<u>10,556,188</u>	
Total noncurrent liabilities	<u>109,583,155</u>	<u>156,859,995</u>
Total liabilities	<u>136,924,057</u>	<u>161,967,095</u>
DEFERRED INFLOWS OF RESOURCES		
	<u>10,369,664</u>	
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		<u>41,484,717</u>
Total net position	<u>554,747,162</u>	<u>48,253,056</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 702,040,883</u></u>	<u><u>\$ 210,220,151</u></u>

**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>

**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

This page intentionally left blank.

**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

This page intentionally left blank.

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.

This page intentionally left blank.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Regents
University System of Maryland
Adelphi, Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the University System of Maryland (the System), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated December 16, 2024. Our report includes a reference to other auditors who audited the financial statements of the University System of Maryland Foundation, Inc., the University of Maryland College Park Foundation, Inc., the University of Maryland Baltimore Foundation, Inc., University of Maryland Faculty Physicians, Inc., 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., University of Maryland Orthopaedic Associates, P.A., University of Maryland Pediatric Associates, P.A., and UMGC Ventures, Inc. and Subsidiaries, as described in our report on the University System of Maryland's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

The financial statements of the University System of Maryland Foundation, Inc., the University of Maryland College Park Foundation, Inc., the University of Maryland Baltimore Foundation, Inc., University of Maryland Faculty Physicians, Inc., 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., University of Maryland Orthopaedic Associates, P.A., University of Maryland Pediatric Associates, P.A., and UMGC Ventures, Inc. and Subsidiaries were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness the System's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Baltimore, Maryland
December 16, 2024