



Financial Statements and Supplementary Information and
Data Together with Report of Independent Public Accountants

For the Years Ended June 30, 2019 and 2018

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UNIVERSITY SYSTEM OF MARYLAND

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Regents
University System of Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the University System of Maryland (the System), as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The System's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We audited the component unit financial statements of UMBC Research Park Corporation, Inc, the Bowie State University Foundation, Inc, and the Robert H. Smith School of Business Foundation, Inc. We did not audit the financial statements of the other component units, which represent 98 percent, 98 percent, and 96 percent, respectively, of the total assets, net assets and unrestricted revenue of the total component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audits 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 System and its discretely presented component units as of June 30, 2019 and 2018, and the respective changes in their financial position and, where applicable, their cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, schedule of proportionate share of net pension liability, the schedule of contributions to the teachers pension system and employees retirement system, and schedule of contributions for other postemployment benefits (OPEB) as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the System’s basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary 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. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is 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 October 29, 2019 on our consideration of the System’s internal controls 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 to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System’s internal controls over financial reporting and compliance.

Owings Mills, Maryland
October 29, 2019

UNIVERSITY SYSTEM OF MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2019 AND 2018

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, 2019 and 2018, with 2017 information for comparative purposes.

Financial Highlights

- Unrestricted net position increased by \$51,410,821 for the year ended June 30, 2019, compared to an increase of \$118,794,140 for the year ended June 30, 2018.
- State appropriations for the System increased by 5.2% for the year ended June 30, 2019. For the year ended June 30, 2018, State appropriations increased by 2.6% from the amount received in the year ended June 30, 2017.
- Tuition and fees, after deducting scholarship allowances, increased by \$16,278,474 or 1.2% for the year ended June 30, 2019. During the year ended June 30, 2018, net tuition and fees, increased by \$54,789,973 or 4.1%.
- For the year ended June 30, 2019, investment income on Endowment assets was \$22,996,847, representing an investment return of 7%. Investment income on Endowment assets amounted to \$23,171,003, an investment return of 9%, for the year ended June 30, 2018.

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 Balance Sheet, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows.

The *Balance Sheet* 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).

UNIVERSITY SYSTEM OF MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED JUNE 30, 2019 AND 2018

The *Statement of Cash Flows* presents information on sources and uses of cash during the year. This statement details the changes in cash and cash equivalents from the amounts reported at the end of the preceding year, to the amounts reported in the Balance Sheet as of the end of the current year. Sources and uses are organized into operating activities, 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 20 legally-separate and distinct entities for which the System is financially accountable, which are considered component units. Of the 20 component units, three 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, 2019, the System's financial health remains strong, with assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by \$6,752,883,463, shown on the Balance Sheet as total net position. This compares with total net position of \$6,468,889,005 as of June 30, 2018 and \$6,130,490,901 as of June 30, 2017. As suggested earlier, when viewed over time, net position may be useful as an indicator of financial health.

For the year ended June 30, 2019, total net position increased by \$283,994,458. While net investment in capital assets increased by \$224,163,748, unrestricted net position increased by \$51,410,821 and restricted net position categories increased by \$8,419,889.

For the year ended June 30, 2018, total net position increased by \$338,398,104. While net investment in capital assets increased by \$228,014,304, unrestricted net position increased by \$118,794,140 and restricted net position categories decreased by \$8,410,340.

UNIVERSITY SYSTEM OF MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2019 AND 2018

The table below presents summary-level information of the System's assets, liabilities, and net position as of June 30, 2019, 2018 and 2017.

	2019	2018	2017
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current and other assets	\$ 3,456,588,174	\$ 3,137,784,825	\$ 2,898,981,768
Capital assets, net	6,633,402,152	6,465,263,867	6,270,469,058
Total assets	10,089,990,326	9,603,048,692	9,169,450,826
Deferred outflows of resources	563,631,265	486,760,958	603,156,888
Total assets and deferred outflows of resources	<u>\$ 10,653,621,591</u>	<u>\$ 10,089,809,650</u>	<u>\$ 9,772,607,714</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Debt and capital lease obligations	\$ 1,303,513,443	\$ 1,286,257,221	\$ 1,297,820,817
Other liabilities	890,535,191	792,360,653	751,817,540
Net pension liability	1,309,998,345	1,130,058,957	1,216,808,542
Total liabilities	3,504,046,979	3,208,676,831	3,266,446,899
Deferred inflows of resources	396,691,149	412,243,814	375,669,914
Total liabilities and deferred inflows of resources	<u>3,900,738,128</u>	<u>3,620,920,645</u>	<u>3,642,116,813</u>
NET POSITION			
Net investment in capital assets	5,222,375,942	4,998,212,194	4,770,197,890
Restricted	240,599,318	232,179,429	240,589,769
Unrestricted	1,289,908,203	1,238,497,382	1,119,703,242
Total net position	<u>6,752,883,463</u>	<u>6,468,889,005</u>	<u>6,130,490,901</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 10,653,621,591</u>	<u>\$ 10,089,809,650</u>	<u>\$ 9,772,607,714</u>

UNIVERSITY SYSTEM OF MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2019 AND 2018

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, 2019, 2018 and 2017.

	2019	2018	2017
Operating revenues	\$ 3,748,608,760	\$ 3,601,883,828	\$ 3,515,720,214
Operating expenses	5,403,345,576	5,118,945,734	4,919,209,000
Operating loss	(1,654,736,816)	(1,517,061,906)	(1,403,488,786)
State appropriations	1,398,073,778	1,328,645,088	1,295,338,118
Other nonoperating revenues, net	267,160,620	262,153,113	233,175,561
Total nonoperating revenues	1,665,234,398	1,590,798,201	1,528,513,679
Income before other revenues	10,497,582	73,736,295	125,024,893
Other revenues	273,496,876	264,661,809	230,567,630
Increase in net position	283,994,458	338,398,104	355,592,523
Net position, beginning of year	6,468,889,005	6,130,490,901	5,774,898,378
Net position, end of year	<u>\$ 6,752,883,463</u>	<u>\$ 6,468,889,005</u>	<u>\$ 6,130,490,901</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, 2019, 2018 and 2017, operating revenues, which under the definitions used by the Governmental Accounting Standards Board (GASB), excludes state appropriations, are detailed below:

	2019		2018		2017	
	\$	%	\$	%	\$	%
Tuition and fees, net	\$ 1,404,412,716	37.5 %	\$ 1,388,134,242	38.6 %	\$ 1,333,344,269	37.9 %
Contracts and grants	1,251,850,503	33.4	1,157,068,340	32.1	1,116,480,044	31.8
Sales and services of educational departments	337,560,431	9.0	328,787,009	9.1	344,781,319	9.8
Auxiliary enterprises, net	672,753,381	17.9	652,228,180	18.1	644,117,225	18.3
Other operating	82,031,729	2.2	75,666,057	2.1	76,997,357	2.2
Total	<u>\$ 3,748,608,760</u>	<u>100.0 %</u>	<u>\$ 3,601,883,828</u>	<u>100.0 %</u>	<u>\$ 3,515,720,214</u>	<u>100.0 %</u>

UNIVERSITY SYSTEM OF MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2019 AND 2018

For the years ended June 30, 2019, 2018 and 2017, operating expenses are detailed below:

	2019		2018		2017	
	\$	%	\$	%	\$	%
Instruction	\$ 1,374,934,008	25.4 %	\$ 1,341,989,472	26.2 %	\$ 1,304,339,999	26.6 %
Research	1,139,494,806	21.1	1,048,328,939	20.5	1,006,751,565	20.5
Public service	164,646,811	3.0	162,474,866	3.2	159,815,026	3.2
Academic support	485,278,173	9.0	467,594,558	9.1	451,797,952	9.2
Student services	293,172,052	5.4	268,680,489	5.2	242,660,746	4.9
Institutional support	561,650,960	10.4	531,306,794	10.4	507,673,901	10.3
Operation and maintenance of plant	397,229,390	7.4	373,714,746	7.3	353,917,522	7.2
Scholarships and fellowships	120,607,680	2.2	120,668,204	2.4	110,187,780	2.2
Auxiliary enterprises	641,738,185	11.9	592,972,508	11.6	574,454,741	11.7
Hospital	224,593,511	4.2	211,215,158	4.1	207,609,768	4.2
Total	\$ 5,403,345,576	100.0 %	\$ 5,118,945,734	100.0 %	\$ 4,919,209,000	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, 2019 and 2018, increases in total employee payments of \$131,818,363 and \$70,180,482, respectively, represent the largest component of the overall increase in operating expenses over the prior year. For 2019 and 2018, the largest increases associated with employee payments were for research and instruction activities, 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.

UNIVERSITY SYSTEM OF MARYLAND

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2019 AND 2018**

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

	2019	2018	2017
State of Maryland debt proceeds	\$244,478,467	\$228,607,790	\$208,834,385
System debt proceeds	172,711,919	129,433,987	118,276,999
System cash balances and donations	101,522,580	179,634,557	247,571,537
Total	\$518,712,966	\$537,676,334	\$574,682,921

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, 2019		
Brendan Iribe Center for Computer Science & Innovation	University of Maryland, College Park	\$152,250,000
Residence Tower Renovation	Towson University	33,860,000
Dorchester Hall Renovation	University of Maryland, College Park	13,180,000
USPS Replacement Facility	University of Baltimore	13,180,000
Year ended June 30, 2018		
Health Sciences Facility III	University of Maryland, Baltimore	\$305,392,000
A. James Clark Bioengineering Building	University of Maryland, College Park	168,475,000
New Academic Commons	University of Maryland Baltimore County	85,374,000
Year ended June 30, 2017		
Edward St. John Learning and Teaching Center	University of Maryland, College Park	\$119,156,000
Natural Sciences Building	Bowie State University	102,171,000
New Academic Commons	Salisbury University	117,088,000
West Village Housing	Towson University	100,150,000

The System has issued 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, during the years ended June 30, 2019, 2018 and 2017, as follows:

Debt issuance	Date of issue	Purpose	Total Par Value Issued	Present Value of Future Debt Service Savings
2017 Series A and B	2/15/2017	Refinancing, construction, and facilities renewal	\$165,075,000	\$ 4,540,054
2018 Series A	2/21/2018	Construction and facilities renewal	115,000,000	N/A
2019 Series A and B	2/20/2019	Refinancing, construction, and facilities renewal	153,080,000	10,630,322

UNIVERSITY SYSTEM OF MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED JUNE 30, 2019 AND 2018

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.

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 revenue base.

Across all student categories, enrollment is expected to continue to increase over the next ten years, with approximately 6.0% more full-time equivalent students anticipated by the fall 2028. While, preliminary fall 2019 enrollment indicates a slight decrease in full-time equivalent enrollment of approximately 1%, this is not out of line with the long-term projection.

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 state-wide economic activity and work-force development.

Personnel costs account for more than two-thirds of the System's noncapital spending. Healthcare costs and the adoption of a state-wide 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
BALANCE SHEETS
JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,552,186,538	\$ 2,333,139,133
Accounts receivable, net	295,439,263	292,311,191
Notes receivable, current portion, net	5,345,066	6,521,332
Inventories	9,464,301	9,216,939
Prepaid expenses and other	<u>20,758,341</u>	<u>18,440,579</u>
Total current assets	<u>2,883,193,509</u>	<u>2,659,629,174</u>
Noncurrent assets		
Restricted cash and cash equivalents	157,124,871	95,885,066
Endowment investments	364,140,586	328,770,327
Other investments	22,144,370	16,813,151
Notes receivable, net	29,984,838	36,687,107
Capital assets, net	<u>6,633,402,152</u>	<u>6,465,263,867</u>
Total noncurrent assets	<u>7,206,796,817</u>	<u>6,943,419,518</u>
Total assets	10,089,990,326	9,603,048,692
DEFERRED OUTFLOWS OF RESOURCES	<u>563,631,265</u>	<u>486,760,958</u>
Total assets and deferred outflows of resources	<u>\$ 10,653,621,591</u>	<u>\$ 10,089,809,650</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 315,630,844	\$ 268,551,512
Accrued workers' compensation, current portion	4,309,950	4,405,800
Accrued vacation costs, current portion	111,785,925	105,995,954
Revenue bonds and notes payable, current portion	100,892,731	97,913,227
Obligations under capital lease agreements, current portion	1,652,537	1,548,767
Unearned revenues	<u>318,662,589</u>	<u>278,896,782</u>
Total current liabilities	<u>852,934,576</u>	<u>757,312,042</u>
Noncurrent liabilities		
Accrued workers' compensation	24,423,050	24,966,200
Accrued vacation costs	115,722,833	109,544,405
Revenue bonds and notes payable	1,198,123,353	1,182,297,867
Obligations under capital lease agreements	2,844,822	4,497,360
Net pension liability	<u>1,309,998,345</u>	<u>1,130,058,957</u>
Total noncurrent liabilities	<u>2,651,112,403</u>	<u>2,451,364,789</u>
Total liabilities	<u>3,504,046,979</u>	<u>3,208,676,831</u>
DEFERRED INFLOWS OF RESOURCES	<u>396,691,149</u>	<u>412,243,814</u>
NET POSITION		
Unrestricted	1,289,908,203	1,238,497,382
Net investment in capital assets	5,222,375,942	4,998,212,194
Restricted:		
Nonexpendable	39,149,289	38,438,222
Expendable	<u>201,450,029</u>	<u>193,741,207</u>
Total net position	<u>6,752,883,463</u>	<u>6,468,889,005</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 10,653,621,591</u>	<u>\$ 10,089,809,650</u>

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND
COMBINING BALANCE SHEETS, COMPONENT UNITS
JUNE 30, 2019**

	Major Component Units				Total
	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.	Nonmajor Component Units	
ASSETS					
Current assets					
Cash	\$ 151,000	\$ 48,401,711	\$ 2,276,444	\$ 26,616,019	\$ 77,445,174
Accounts receivable, net	842,000	110,483,352	19,528,380	11,183,387	142,037,119
Other assets	273,000	219,172	14,712	875,847	1,382,731
Total current assets	1,266,000	159,104,235	21,819,536	38,675,253	220,865,024
Investments					
Endowment investments	296,031,000	395,720,453	225,992,571	248,914,189	1,166,658,213
Other investments	498,929,000	71,496,362	72,779,296	33,978,953	677,183,611
Total investments	794,960,000	467,216,815	298,771,867	282,893,142	1,843,841,824
Noncurrent assets					
Accounts receivable, net	10,315,000	79,168,703	21,310,379	7,110,763	117,904,845
Capital assets, net	14,145,000	31,681,436		19,909,157	65,735,593
Other assets	456,000	546,910	4,424,535	2,646,335	8,073,780
Total noncurrent assets	24,916,000	111,397,049	25,734,914	29,666,255	191,714,218
Total assets	\$ 821,142,000	\$ 737,718,099	\$ 346,326,317	\$ 351,234,650	\$ 2,256,421,066
LIABILITIES					
Current liabilities					
Accounts payable & accrued expenses	\$ 4,280,000	\$ 6,842,302	\$ 1,254,920	\$ 4,945,021	\$ 17,322,243
Long-term debt, current				2,695,081	2,695,081
Unearned revenues	1,777,000	1,186,032		6,643,736	9,606,768
Total current liabilities	6,057,000	8,028,334	1,254,920	14,283,838	29,624,092
Noncurrent liabilities					
Other payables	76,527,498	15,133,365	1,696,555	2,016,685	95,374,103
Due to primary government	364,026,502				364,026,502
Long-term debt, noncurrent				17,480,355	17,480,355
Total noncurrent liabilities	440,554,000	15,133,365	1,696,555	19,497,040	476,880,960
Total liabilities	446,611,000	23,161,699	2,951,475	33,780,878	506,505,052
NET ASSETS					
Without donor restrictions	63,841,000	5,019,066	42,750,792	46,072,071	157,682,929
With donor restrictions	310,690,000	709,537,334	300,624,050	271,381,701	1,592,233,085
Total net assets	374,531,000	714,556,400	343,374,842	317,453,772	1,749,916,014
Total liabilities and net assets	\$ 821,142,000	\$ 737,718,099	\$ 346,326,317	\$ 351,234,650	\$ 2,256,421,066

See accompanying notes.

UNIVERSITY SYSTEM OF MARYLAND
COMBINING BALANCE SHEETS, COMPONENT UNITS
JUNE 30, 2018

	Major Component Units				
	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.	Nonmajor Component Units	Total
ASSETS					
Current assets					
Cash	\$ 310,000	\$ 38,362,709	\$ 2,195,891	\$ 23,058,160	\$ 63,926,760
Accounts receivable, net	1,990,000	78,999,272	21,006,480	9,368,270	111,364,022
Other assets	67,000	51,385	23,350	820,563	962,298
Total current assets	2,367,000	117,413,366	23,225,721	33,246,993	176,253,080
Investments					
Endowment investments	285,509,000	355,271,571	204,804,169	239,944,579	1,085,529,319
Other investments	465,840,000	68,984,951	68,472,892	31,696,593	634,994,436
Total investments	751,349,000	424,256,522	273,277,061	271,641,172	1,720,523,755
Noncurrent assets					
Accounts receivable, net	11,680,000	84,708,470	27,484,229	8,458,753	132,331,452
Capital assets, net	14,090,000	31,506,104		21,159,098	66,755,202
Other assets	467,000	564,154	4,479,899	2,669,801	8,180,854
Total noncurrent assets	26,237,000	116,778,728	31,964,128	32,287,652	207,267,508
Total assets	\$ 779,953,000	\$ 658,448,616	\$ 328,466,910	\$ 337,175,817	\$ 2,104,044,343
LIABILITIES					
Current liabilities					
Accounts payable & accrued expenses	\$ 4,058,000	\$ 1,437,728	\$ 1,243,849	\$ 3,063,287	\$ 9,802,864
Long-term debt, current				2,779,326	2,779,326
Unearned revenues	2,141,000	1,337,531		7,422,520	10,901,051
Total current liabilities	6,199,000	2,775,259	1,243,849	13,265,133	23,483,241
Noncurrent liabilities					
Other payables	80,385,927	14,928,297	1,791,227	2,226,842	99,332,293
Due to primary government	328,652,073				328,652,073
Long-term debt, noncurrent				18,007,889	18,007,889
Total noncurrent liabilities	409,038,000	14,928,297	1,791,227	20,234,731	445,992,255
Total liabilities	415,237,000	17,703,556	3,035,076	33,499,864	469,475,496
NET ASSETS					
Without donor restrictions	63,966,000	4,703,621	34,461,827	43,112,337	146,243,785
With donor restrictions	300,750,000	636,041,439	290,970,007	260,563,616	1,488,325,062
Total net assets	364,716,000	640,745,060	325,431,834	303,675,953	1,634,568,847
Total liabilities and net assets	\$ 779,953,000	\$ 658,448,616	\$ 328,466,910	\$ 337,175,817	\$ 2,104,044,343

See accompanying notes.

UNIVERSITY SYSTEM OF MARYLAND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2019 AND 2018

	2019		2018
OPERATING REVENUES			
Tuition and fees	\$ 1,742,567,318		\$ 1,710,962,609
Less: scholarship allowances	(338,154,602)	\$ 1,404,412,716	(322,828,367) \$ 1,388,134,242
Federal grants and contracts	785,626,017		717,304,312
State and local grants and contracts	210,355,708		210,117,713
Nongovernmental grants and contracts	255,868,778		229,646,315
Sales and services of educational departments	337,560,431		328,787,009
Auxiliary enterprises	698,358,209		677,636,114
Less: scholarship allowances	(25,604,828)	672,753,381	(25,407,934) 652,228,180
Other operating revenues	82,031,729		75,666,057
Total operating revenues	3,748,608,760		3,601,883,828
OPERATING EXPENSES			
Instruction	1,374,934,008		1,341,989,472
Research	1,139,494,806		1,048,328,939
Public service	164,646,811		162,474,866
Academic support	485,278,173		467,594,558
Student services	293,172,052		268,680,489
Institutional support	561,650,960		531,306,794
Operation and maintenance of plant	397,229,390		373,714,746
Scholarships and fellowships	120,607,680		120,668,204
Auxiliary enterprises	641,738,185		592,972,508
Hospital	224,593,511		211,215,158
Total operating expenses	5,403,345,576		5,118,945,734
Operating loss	(1,654,736,816)		(1,517,061,906)
NONOPERATING REVENUES (EXPENSES)			
State appropriations	1,398,073,778		1,328,645,088
Pell grants	167,702,482		162,894,822
Gifts	48,647,832		63,976,147
Investment income	80,677,254		69,665,122
Less: investment expense	(1,263,921)	79,413,333	(1,054,520) 68,610,602
Interest on indebtedness	(42,630,462)		(41,485,749)
Other revenues and gains, net	14,027,435		8,157,291
Total nonoperating revenues	1,665,234,398		1,590,798,201
Income before other revenues	10,497,582		73,736,295
OTHER REVENUES			
Capital appropriations	244,478,467		228,607,790
Capital gifts and grants	28,307,336		35,240,920
Additions to permanent endowments	711,073		813,099
Total other revenues	273,496,876		264,661,809
Increase in net position	283,994,458		338,398,104
Net position - beginning of year	6,468,889,005		6,130,490,901
Net position - end of year	\$ 6,752,883,463		\$ 6,468,889,005

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF ACTIVITIES, COMPONENT UNITS
YEAR ENDED JUNE 30, 2019**

	Major Component Units				Total
	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.	Nonmajor Component Units	
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS					
Revenues					
Contributions & grants	\$ 2,200,000		\$ 7,360,291	\$ 7,994,960	\$ 17,555,251
Investment income, net	1,502,000	\$ 7,663,895	1,609,339	2,652,998	13,428,232
Other income	6,712,000	2,485,947	1,271,780	8,711,295	19,181,022
Assets released from restrictions	22,541,000	66,902,360	24,358,341	20,409,403	134,211,104
Total revenues	32,955,000	77,052,202	34,599,751	39,768,656	184,375,609
Expenses					
Program	25,769,000	73,241,788	22,586,652	26,414,751	148,012,191
General & administrative	4,410,000	3,340,180	2,130,966	5,575,987	15,457,133
Fundraising	2,901,000	154,789	1,593,168	2,911,354	7,560,311
Other expense				1,906,830	1,906,830
Total expenses	33,080,000	76,736,757	26,310,786	36,808,922	172,936,465
Change in net assets without donor restrictions	(125,000)	315,445	8,288,965	2,959,734	11,439,144
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS					
Contributions & grants	15,750,000	121,804,657	19,786,431	18,042,666	175,383,754
Investment income	16,729,000	18,604,015	14,225,953	11,179,034	60,738,002
Other income (loss)	2,000	(10,417)		2,005,788	1,997,371
Assets released from restrictions	(22,541,000)	(66,902,360)	(24,358,341)	(20,409,403)	(134,211,104)
Change in net assets with donor restrictions	9,940,000	73,495,895	9,654,043	10,818,085	103,908,023
Total changes in net assets	9,815,000	73,811,340	17,943,008	13,777,819	115,347,167
Net assets - beginning of year	364,716,000	640,745,060	325,431,834	303,675,953	1,634,568,847
Net assets - end of year	\$ 374,531,000	\$ 714,556,400	\$ 343,374,842	\$ 317,453,772	\$ 1,749,916,014

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF ACTIVITIES, COMPONENT UNITS
YEAR ENDED JUNE 30, 2018**

	Major Component Units				Total
	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.	Nonmajor Component Units	
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS					
Revenues					
Contributions & grants	\$ 2,177,000	\$ 12,300	\$ 4,774,127	\$ 7,803,182	\$ 14,766,609
Investment income, net	4,729,000	2,710,671	2,338,637	3,229,960	13,008,268
Other income	6,995,000	2,613,603	1,136,500	9,212,179	19,957,282
Assets released from restrictions	19,056,000	62,222,764	19,783,836	24,779,369	125,841,969
Total revenues	32,957,000	67,559,338	28,033,100	45,024,690	173,574,128
Expenses					
Program	23,207,000	68,552,351	21,643,451	31,427,515	144,830,317
General & administrative	6,417,000	3,118,506	2,678,508	5,141,742	17,355,756
Fundraising	2,196,000	210,754	663,076	2,648,797	5,718,627
Other expense				3,057,652	3,057,652
Total expenses	31,820,000	71,881,611	24,985,035	42,275,706	170,962,352
Change in net assets without donor restrictions	1,137,000	(4,322,273)	3,048,065	2,748,984	2,611,776
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS					
Contributions & grants	16,866,000	168,720,534	30,078,424	18,887,610	234,552,568
Investment income	21,508,000	24,208,952	16,943,138	18,370,497	81,030,587
Other income (loss)	2,000	(593,256)		1,797,406	1,206,150
Assets released from restrictions	(19,056,000)	(62,222,764)	(19,783,836)	(24,779,369)	(125,841,969)
Change in net assets with donor restrictions	19,320,000	130,113,466	27,237,726	14,276,144	190,947,336
Total changes in net assets	20,457,000	125,791,193	30,285,791	17,025,128	193,559,112
Net assets - beginning of year	344,259,000	514,953,867	295,146,043	286,650,825	1,441,009,735
Net assets - end of year	\$ 364,716,000	\$ 640,745,060	\$ 325,431,834	\$ 303,675,953	\$ 1,634,568,847

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 1,392,927,775	\$ 1,388,913,184
Research contracts and grants	1,270,059,303	1,156,963,441
Payments to employees	(3,416,015,578)	(3,279,967,356)
Payments to suppliers and contractors	(1,490,589,860)	(1,419,829,617)
Loans issued to students	(1,447,696)	(2,621,938)
Collection of loans from students	8,928,368	9,101,235
Auxiliary enterprises	684,584,338	661,488,874
Other receipts	486,888,703	474,650,090
Net cash used by operating activities	(1,064,664,647)	(1,011,302,087)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	1,398,073,778	1,328,645,088
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes	711,073	813,099
Pell grants	167,702,482	162,894,822
Net cash provided by noncapital financing activities	1,566,487,333	1,492,353,009
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	172,711,919	129,433,987
Capital appropriations	244,478,467	228,607,790
Capital grants and gifts received	25,739,013	32,218,419
Proceeds from sales of capital assets	1,909,456	2,232,896
Purchases of capital assets	(513,533,350)	(536,093,929)
Principal paid on debt and capital leases	(143,886,460)	(130,856,595)
Interest paid on debt and capital leases	(51,086,793)	(48,861,848)
Net cash used by capital and related financing activities	(263,667,748)	(323,319,280)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	13,400,373	11,822,618
Interest on investments	62,918,856	45,420,211
Investment expense	(1,263,921)	(1,062,634)
Purchases of investments	(32,923,036)	(58,036,181)
Net cash provided (used) by investing activities	42,132,272	(1,855,986)
Net increase in cash and cash equivalents	280,287,210	155,875,656
Cash and cash equivalents - beginning of year	2,429,024,199	2,273,148,543
Cash and cash equivalents - end of year	\$ 2,709,311,409	\$ 2,429,024,199

SUPPLEMENTARY SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

Gifts and contributions of capital assets	\$ 1,920,663	\$ 3,053,381
Changes in unrealized appreciation on investments	7,287,192	10,642,965

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES

Operating loss	\$ (1,654,736,816)	\$ (1,517,061,906)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	348,013,437	329,048,378
Loss on disposals of capital assets	651,788	11,577,033
Amortization of deferred service concession arrangement receipts	(18,356,042)	(18,356,042)
Gifts and other revenues, (expenses), gains, and (losses)	62,675,267	72,133,438
Effect of changes in assets and liabilities:		
Accounts receivable, net	(3,128,072)	(17,038,155)
Inventories	(247,362)	1,442,736
Prepaid expenses and other deferred charges	(2,317,762)	(4,403,019)
Notes receivable	7,878,535	7,350,560
Accounts payable and accrued liabilities	28,322,039	1,102,763
Unearned revenues	39,765,807	39,070,838
Accrued vacation	11,968,399	2,297,142
Accrued workers' compensation	(639,000)	(232,000)
Net pension liability and related deferred outflows and inflows of resources	115,485,135	81,766,147
Net cash used by operating activities	\$ (1,064,664,647)	\$ (1,011,302,087)

See accompanying notes.

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UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2019 AND 2018

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, nineteen 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 nineteen 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. (the UMCPF), and the University of Maryland Baltimore Foundation, Inc. (the UMBF) 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 YEARS ENDED JUNE 30, 2019 AND 2018

The following affiliated foundations are considered nonmajor component units:

- Medical Alumni Association of the University of Maryland, Inc.
- M Club Foundation, University of Maryland, Inc.
- The Robert H. Smith School of Business Foundation, Inc.
- Harry R. Hughes Center for Agro-Ecology, Inc.
- 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.
- The Ward Foundation, Inc.
- The Maryland 4-H Foundation, Inc.
- The Maryland Center @ Bowie State University, Inc.
- University of Maryland, Baltimore County Research Park Corporation, Inc.
- Maryland Hawk Corporation
- Towson University Public Media, Inc.

During the years ended June 30, 2019 and 2018, affiliated foundations distributed approximately \$121,393,548 and \$124,756,129, respectively, to the System and its institutions for both restricted and unrestricted purposes.

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

Complete financial statements of affiliated foundations 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 UMUC Ventures, 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
YEARS ENDED JUNE 30, 2019 AND 2018

The condensed financial statements for UMUC Ventures are as follows:

	2019	2018
Condensed statements of net assets		
Current assets	\$ 26,578,409	\$ 22,157,323
Capital assets	108,568	113,055
Other assets	771,576	315,914
Total assets	<u>\$ 27,458,553</u>	<u>\$ 22,586,292</u>
Current liabilities	\$ 9,582,841	\$ 11,621,220
Long term liabilities	1,243,942	220,224
Total liabilities	<u>10,826,783</u>	<u>11,841,444</u>
Invested in capital assets, net of related debt	108,568	113,055
Unrestricted net assets	16,523,202	10,631,793
Total net assets	<u>16,631,770</u>	<u>10,744,848</u>
Total liabilities & net assets	<u>\$ 27,458,553</u>	<u>\$ 22,586,292</u>
Condensed statements of revenues, expenses and changes in net assets		
Operating revenues	\$ 44,275,804	\$ 25,573,456
Operating expenses:		
Depreciation	30,785	23,243
Other expenses	44,382,310	28,979,449
Total operating expenses	<u>44,413,095</u>	<u>29,002,692</u>
Operating loss	(137,291)	(3,429,236)
Nonoperating revenues	957,425	64,180
Capital contributions	5,066,788	5,060,386
Net income	<u>5,886,922</u>	<u>1,695,330</u>
Beginning net assets	10,744,848	9,049,518
Ending net assets	<u>\$ 16,631,770</u>	<u>\$ 10,744,848</u>
Condensed statements of cash flows		
Net cash (used) provided by:		
Operating activities	\$ (3,687,708)	\$ 6,818,513
Noncapital financing activities	5,009,222	5,016,196
Investing activities	<u>(3,660,996)</u>	<u>(3,880,802)</u>
Beginning cash and cash equivalents	17,113,973	9,160,066
Ending cash and cash equivalents	<u>\$ 14,774,491</u>	<u>\$ 17,113,973</u>

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2019 AND 2018

The University of Maryland, Baltimore provides services to hospital and critical care facilities under contractual arrangements. The expenditures relating to these activities are reported within the hospital functional category. The revenues derived from these activities were reported as sales and services of educational departments.

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.

Application of Accounting Standards

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

Operating and Nonoperating Revenues and Expenses

Operating revenues and expenses are generally associated with those activities that relate directly to the core activities of instruction, research and public service that form the essence of the System's mission. Nonoperating revenues, expenses, gains and losses represent amounts that recur regularly but are not included in operating revenues and expenses. Accounting principles generally accepted in the United State of America defines 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 market 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 fair market value at the date of donation in the case of gifts. Personal property with an original cost of more than \$5,000 and outlays for real property in excess of \$250,000 are considered capital assets.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2019 AND 2018

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the Balance Sheet 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 Balance Sheet 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.

Reclassifications

Certain amounts for the year ended June 30, 2018, have been reclassified to conform with the presentation for the year ended June 30, 2019.

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 terms. Investments are reported at fair value.

New Accounting Pronouncements

The GASB issued the following: GASB Statement No. 84, *Fiduciary Activities*; GASB Statement No. 87, *Leases*; GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*; and GASB Statement No. 91, *Conduit Debt Obligations*. The System will be analyzing the effects of these pronouncements and intends to adopt each, as applicable, by the effective date for each new accounting pronouncement.

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

3. CASH AND INVESTMENTS

Cash and cash equivalents

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

	<u>2019</u>	<u>2018</u>
Cash and short-term investments on deposit with the State Treasurer	\$2,510,912,995	\$2,287,540,448
Demand and time deposits	41,273,543	45,598,685
Total	<u>\$2,552,186,538</u>	<u>\$2,333,139,133</u>

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

As of June 30, 2019 and 2018, the carrying amount of the System's demand and time deposits was \$41,273,543 and \$45,598,685, respectively, as compared to bank balances of \$42,142,227 and \$46,357,797, respectively. The difference is primarily due to items in-transit. Of the bank balances, \$13,486,951 and \$14,949,446 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 \$28,655,276 and \$31,408,351 was uninsured and uncollateralized as of June 30, 2019 and 2018, respectively.

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

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

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

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2019 AND 2018

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

	<u>2019</u>	<u>2018</u>
Money market accounts – endowment fund uninvested cash	\$ 47,280	\$ 47,280
Money market accounts – unspent proceeds of debt	<u>157,077,591</u>	<u>95,837,786</u>
Total	<u>\$157,124,871</u>	<u>\$ 95,885,066</u>

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

Investments

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

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

Investments in the USMF are accounted for as an open-ended mutual fund. Asset values, investment gains and losses, and other portfolio-wide transactions are allocated based on the number of units or shares that each fund has relative to the total number of shares or units. Assets associated with the System's endowment funds are reported as Endowment Investments on the Balance Sheet of the System, and Investments on the Balance Sheet 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 below.

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.

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

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:

	2019	2018
Corporate debt	\$ 7,200	\$ 7,200
Corporate equities	106,884	111,054
Assets invested with USMF	<u>364,026,502</u>	<u>328,652,073</u>
Total	<u>\$364,140,586</u>	<u>\$328,770,327</u>

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

	2019	2018
Pure endowments	\$142,730,730	\$139,735,198
Funds functioning as endowments	216,882,613	184,593,741
Term endowments	<u>4,527,243</u>	<u>4,441,388</u>
Total	<u>\$364,140,586</u>	<u>\$328,770,327</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.

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

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 \$99,054,199 and \$96,855,589 as of June 30, 2019 and 2018, 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. The carrying value of partnership interests are assessed on an annual basis by reference to the reported value of the university's interest.

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. As of June 30, investment income attributed to unrestricted funds and restricted funds was:

	<u>2019</u>	<u>2018</u>
Unrestricted funds	\$ 68,236,840	\$ 57,583,632
Restricted funds	12,440,414	12,081,490
Total	<u>\$ 80,677,254</u>	<u>\$ 69,665,122</u>

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2019 AND 2018

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, 2019 and 2018, respectively, the System holds corporate debt investments of \$7,200 and \$7,200 that are classified as level 3 investments, and corporate equity investments of \$106,884 and \$111,054 that are classified as level 1 investments.

As of June 30, 2019 and 2018, respectively, System other investments include partnership interests of \$14,214,630 and \$13,034,309 that are classified as level 3 investments. As of June 30, 2019 and 2018, respectively, other investments include mutual funds and short-term securities of \$7,929,740 and \$3,778,842 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
YEARS ENDED JUNE 30, 2019 AND 2018

The following table shows the USMF's investments using the fair value hierarchy as of June 30, 2019:

Investments by fair value level	June 30, 2019	Fair Value Measurements		
		Level 1	Level 2	Level 3
Money market funds and short-term investments	\$ 59,438,000	\$ 59,438,000		
Equities and mutual funds	523,392,000	480,652,000	\$ 42,740,000	
Absolute return	111,853,000			\$ 111,853,000
Long/short equity hedge funds	92,466,000			92,466,000
Private capital	499,298,000			499,298,000
Total investments by fair value level	1,286,447,000	\$ 540,090,000	\$ 42,740,000	\$ 703,617,000
Investments measured at net asset value (NAV)				
Absolute return	38,303,000			
Long/short equity hedge funds	163,326,000			
Private capital	79,075,000			
Total investments measured at the NAV	280,704,000			
Total investments	1,567,151,000			
Due to other System affiliated foundations	(772,191,000)			
Total USMF investments reported	794,960,000			
Due to the System	(364,026,502)			
Total USMF investments	\$ 430,933,498			

System component unit investments managed by the USMF of \$772,191,000 were eliminated from the USMF financial statements as of June 30, 2019.

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

The following table shows the USMF's investments using the fair value hierarchy as of June 30, 2018:

Investments by fair value level	June 30, 2018	Fair Value Measurements		
		Level 1	Level 2	Level 3
Money market funds and short-term investments	\$ 123,600,000	\$ 123,600,000		
Equities and mutual funds	425,228,000	393,981,000	\$ 31,247,000	
Absolute return	130,851,000			\$ 130,851,000
Long/short equity hedge funds	60,247,000			60,247,000
Private capital	422,967,000			422,967,000
Total investments by fair value level	1,162,893,000	\$ 517,581,000	\$ 31,247,000	\$ 614,065,000
Investments measured at net asset value (NAV)				
Absolute return	57,051,000			
Long/short equity hedge funds	166,986,000			
Private capital	66,654,000			
Total investments measured at the NAV	290,691,000			
Total investments	1,453,584,000			
Due to other System affiliated foundations	(702,235,000)			
Total USMF investments reported	751,349,000			
Due to the System	(328,652,073)			
Total USMF investments	\$ 422,696,927			

System component unit investments managed by the USMF of \$702,235,000 were eliminated from the USMF financial statements as of June 30, 2018.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2019 AND 2018

Investments measured at net asset value

Absolute return investments track the purchase and sale of shares in companies that are the subject of publicly announced transactions, including corporate combinations (for cash or exchange of shares), tender offers, restructurings, liquidations, bankruptcies, capitalizations and deals in distressed securities, which are discounted securities of a company in financial distress or bankruptcy. The fair value of these investments has been estimated either by using the net asset value (NAV) per share of the investments or the ownership percentage of the fund's net assets. Investments valued using the ownership percentage of the fund's net assets are subject to reporting within the fair value hierarchy and are classified as Level 3. The majority of these investments can be redeemed within one year. The remainder of these investments have liquidity provisions that extend past one year. The notice period for redemption of these investments ranges from one month to six months. There are no outstanding unfunded commitments to this asset category.

Long/short equity hedge funds take long and short positions in publicly traded equity securities in an effort to achieve attractive returns with moderate risk. Off-shore investment vehicles are included within this category. Early withdrawal carries a penalty. Therefore, even though some of the investments are readily saleable in the open market, a portion are classified as Level 3 since the USMF does not have the ability to liquidate the investments. The fair value of these investments has been estimated either by using the net asset value (NAV) per share of the investments or the ownership percentage of the fund's net assets. The majority of these investments can be redeemed within one year. The remainder of these investments have liquidity provisions that extend past one year. The notice period for redemption of these investments ranges from one month to six months. There are no outstanding unfunded commitments to this asset category.

Private capital consists of private equity and venture capital investments. Private equity investments represent purchases of all or a portion of the equity interest in a company and the arrangement allows the purchasing group to take control. Venture capital investments are made in non-marketable securities of new companies or companies considered to be in the early stages of growth. Investments in private capital are presented at fair value as approved by the USMF's management based, in part, on information and valuations provided by the general partner of the partnerships or investment manager. The general partner or investment manager generally values their investments at fair value. Securities with no readily available market are initially valued at cost, with subsequent adjustment to values which reflect either the basis of meaningful third party transactions in the private market or the fair value deemed appropriate by the USMF's management. In such instances, consideration is also given to the financial condition and operating results of the issuer, the amount that the investment company or fund can reasonably expect to realize upon the sale of the securities, and any other factors deemed relevant. Such value represents the USMF's proportionate share of the capital in the investment company or fund. Accordingly, the value of the investment is generally increased by additional contributions and the share of net earnings from the investments and decreased by distributions from the partnerships and the partner's share of net losses. A portion of these assets are classified as Level 3 based upon their lock up periods and the transparency of their assets. Redemption of these investments is left to the discretion of the general partner or manager of the funds. Distributions from each fund will be received as the underlying investments are liquidated. As of June 30, 2019 and 2018, unfunded commitments within the private capital category equaled approximately \$363 million and \$396 million, respectively.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018

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

Accounts receivable as of June 30, 2019 and 2018, were comprised of:

	<u>2019</u>	<u>2018</u>
Tuition and fees	\$ 93,302,233	\$ 83,391,160
Contracts and grants	187,304,070	204,883,551
Other	32,506,041	21,133,314
Subtotal	313,112,344	309,408,025
Less: allowance for doubtful accounts receivable	(17,673,081)	(17,096,834)
Accounts receivable, net	<u>\$295,439,263</u>	<u>\$292,311,191</u>

Notes receivable as of June 30, 2019 and 2018, were comprised of:

	<u>2019</u>	<u>2018</u>
Student loans	\$ 47,882,529	\$ 55,923,316
Business development loans	6,176,722	6,520,710
Subtotal	54,059,251	62,444,026
Less: allowance for doubtful accounts receivable	(18,729,347)	(19,235,587)
Notes receivable, net	<u>\$ 35,329,904</u>	<u>\$ 43,208,439</u>

Accounts payable and accrued liabilities as of June 30, 2019 and 2018, were comprised of:

	<u>2019</u>	<u>2018</u>
Payroll and benefits	\$ 116,099,968	\$ 104,879,692
Suppliers and contractors	128,851,604	112,639,689
Accrued interest payable	12,132,794	11,711,785
Asset retirement obligations	15,057,440	
Other	43,489,038	39,320,346
Accounts payable and accrued liabilities	<u>\$315,630,844</u>	<u>\$268,551,512</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.

UNIVERSITY SYSTEM OF MARYLAND**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

As of June 30, 2019 and 2018, contributions receivable were due as follows:

University System of Maryland Foundation, Inc.

Due	Discount Rates	2019	2018
Within one year	Not applicable	\$ 330,000	\$ 1,549,000
One to five years	6.00% - 6.50%	10,493,000	11,997,000
Subtotal		10,823,000	13,546,000
Less: pledge discount		(978,000)	(1,124,000)
Net contributions receivable		<u>\$ 9,845,000</u>	<u>\$ 12,422,000</u>

University of Maryland, College Park Foundation, Inc.

Due	Discount Rates	2019	2018
Within one year	Not applicable	\$ 114,460,633	\$ 93,779,580
Two to five years	4.09% - 4.40%	81,860,242	101,133,878
More than five years	5.00% - 5.50%	7,996,348	9,667,711
Subtotal		204,317,223	204,581,169
Less: allowance for doubtful accounts		(8,245,672)	(32,966,370)
Less: pledge discount		(7,041,585)	(8,515,864)
Net contributions receivable		<u>\$ 189,029,966</u>	<u>\$ 163,098,935</u>

University of Maryland, Baltimore Foundation, Inc.

Due	Discount Rates	2019	2018
Within one year	Not applicable	\$ 21,047,209	\$ 21,552,008
One to five years	1.71% - 2.76%	22,850,375	29,943,441
More than five years	1.71% - 2.76%	148,666	123,362
Subtotal		44,046,250	51,618,811
Less: allowance for doubtful accounts		(1,351,434)	(417,964)
Less: pledge discount		(1,875,074)	(2,728,901)
Net contributions receivable		<u>\$ 40,819,742</u>	<u>\$ 48,471,946</u>

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UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018

6. CHANGES IN NET CAPITAL ASSETS

Changes in net capital assets for the years ended June 30, 2019 and 2018:

	June 30, 2017	Additions	Decreases	June 30, 2018	Additions	Decreases	June 30, 2019
Capital assets being depreciated:							
Infrastructure & land improvements	\$ 457,723,518	\$ 12,423,820		\$ 470,147,338	\$ 6,355,810		\$ 476,503,148
Buildings & improvements	7,700,142,390	609,229,133	\$ 21,686,770	8,287,684,753	269,857,977	\$ 4,075,937	8,553,466,793
Contents	1,469,925,181	99,765,226	64,500,969	1,505,189,438	81,251,951	41,167,278	1,545,274,111
Buildings recorded under capital lease agreements	14,629,140			14,629,140			14,629,140
Total capital assets being depreciated	9,642,420,229	721,418,179	86,187,739	10,277,650,669	357,465,738	45,243,215	10,589,873,192
Less accumulated depreciation for:							
Infrastructure & land improvements	243,005,125	18,511,341		261,516,466	18,621,239		280,137,705
Buildings & improvements	2,892,879,640	220,370,944	12,449,929	3,100,800,655	236,326,210	4,731,602	3,332,395,263
Contents	1,107,781,663	88,978,914	59,904,663	1,136,855,914	91,878,809	37,981,869	1,190,752,854
Buildings recorded under capital lease agreements	8,969,145	1,187,179		10,156,324	1,187,179		11,343,503
Total accumulated depreciation	4,252,635,573	329,048,378	72,354,592	4,509,329,359	348,013,437	42,713,471	4,814,629,325
Total capital assets being depreciated, net	5,389,784,656	392,369,801	13,833,147	5,768,321,310	9,452,301	2,529,744	5,775,243,867
Capital assets not being depreciated:							
Land	167,513,020	1,515,758		169,028,778	7,692,424		176,721,202
Contents	31,639,117	439,625		32,078,742	173,525	31,500	32,220,767
Construction in progress	681,532,265	357,434,544	543,131,772	495,835,037	336,346,758	182,965,479	649,216,316
Total capital assets not being depreciated	880,684,402	359,389,927	543,131,772	696,942,557	344,212,707	182,996,979	858,158,285
Capital assets, net	\$ 6,270,469,058	\$ 751,759,728	\$ 556,964,919	\$ 6,465,263,867	\$ 353,665,008	\$ 185,526,723	\$ 6,633,402,152

The System adopted GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, for the year ended June 30, 2019. Accordingly, at the beginning of this period, interest costs associated with projects not yet completed were recognized as an expense as incurred. Interest expense of \$2,470,311 associated with projects not yet completed was capitalized and recorded as construction in progress during the year ended June 30, 2018.

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UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

7. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The composition of deferred outflows of resources as of June 30, 2019 and 2018, was summarized as follows:

	<u>2019</u>	<u>2018</u>
Unamortized loss on refundings of debt	\$ 14,196,040	\$ 16,987,930
Deferred outflows related to asset retirement obligations	12,404,568	
Deferred outflows related to the pension liability	<u>537,030,657</u>	<u>469,773,028</u>
Total deferred outflows of resources	<u>\$563,631,265</u>	<u>\$486,760,958</u>

The composition of deferred inflows of resources as of June 30, 2019 and 2018, was summarized as follows:

	<u>2019</u>	<u>2018</u>
Deferred service concession arrangement receipts	\$270,575,431	\$288,931,472
Deferred inflows related to the pension liability	<u>126,115,718</u>	<u>123,312,342</u>
Total deferred inflows of resources	<u>\$396,691,149</u>	<u>\$412,243,814</u>

8. SERVICE CONCESSION ARRANGEMENTS FOR STUDENT HOUSING

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

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

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

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

As of June 30, 2019 and 2018, the following amounts associated with service concession arrangements were reflected on the Balance Sheet:

	<u>2019</u>	<u>2018</u>
Capital assets, net – Buildings & improvements	\$306,296,064	\$320,187,026
Deferred service concession arrangement receipts	270,575,431	288,931,472

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). The reactor was subject to estimated asset retirement obligations of \$13,057,440 as of June 30, 2019. The reactor had a remaining useful life of 20 years as of June 30, 2019.

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, 2019.

The System also owns and operates various equipment assets, including gamma cell irradiators and underground oil tanks, that are subject to statutory or regulatory asset retirement obligations of individually nominal dollar values. All such assets were fully depreciated as of June 30, 2019.

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, with current personnel costs, and a contingency factor of 25%.

Total asset retirement obligations of \$15,057,440, as of June 30, 2019, were 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
YEARS ENDED JUNE 30, 2019 AND 2018**

10. RESTRICTED NET POSITION

Restricted net position as of June 30, 2019 and 2018, were as follows:

	<u>2019</u>	<u>2018</u>
Nonexpendable		
Scholarships and fellowships	\$ 16,764,483	\$ 16,541,068
Research	5,461,934	5,024,979
Other	16,922,872	16,872,175
Total restricted nonexpendable net position	<u>\$ 39,149,289</u>	<u>\$ 38,438,222</u>
Expendable		
Scholarships and fellowships	\$ 38,527,037	\$ 36,949,109
Research	78,706,352	76,936,727
Loans	49,234,447	50,552,708
Capital projects	6,799,771	2,284,150
Other	28,182,422	27,018,513
Total restricted expendable net position	<u>\$201,450,029</u>	<u>\$193,741,207</u>

Major component units

Net assets with donor restrictions as of June 30, 2019, were as follows:

	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.
Scholarships & fellowships	\$ 155,142,000	\$ 162,444,755	\$ 61,840,423
Research	21,810,000	18,384,835	13,427,285
Other	133,738,000	528,707,744	225,356,342
Total net assets with donor restrictions	<u>\$ 310,690,000</u>	<u>\$ 709,537,334</u>	<u>\$ 300,624,050</u>

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

Net assets with donor restrictions as of June 30, 2018, were as follows:

	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.
Scholarships & fellowships	\$ 148,026,000	\$ 154,356,000	\$ 66,266,019
Research	20,780,000	17,378,000	11,564,809
Other	131,944,000	464,307,439	213,139,179
Total net assets with donor restrictions	<u>\$ 300,750,000</u>	<u>\$ 636,041,439</u>	<u>\$ 290,970,007</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 capital lease obligations for real property to no more than \$1,400,000,000.

As of June 30, 2019 and 2018, revenue bonds and notes payable consisted of the following:

	<u>2019</u>	<u>2018</u>
Revenue Bonds, net	\$1,279,680,417	\$1,256,571,784
Other	19,335,667	23,639,310
Revenue bonds and notes payable, net	<u>\$1,299,016,084</u>	<u>\$1,280,211,094</u>

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018

Auxiliary Facility and Tuition Revenue Bonds

As of June 30, 2019, Auxiliary Facility and Tuition Revenue Bonds (Revenue Bonds) consisted of the following:

	Interest Rates	Maturity Dates	Principal Outstanding
2009 Series A	4.00%	2020	\$ 5,025,000
2009 Refunding Series C	4.00%	2020	6,360,000
2009 Refunding Series D	4.00%	2020-2022	12,505,000
2010 Series B	4.5% - 5.40%	2020-2030	75,640,000
2010 Series C	2.50% - 4.00%	2020-2023	24,845,000
2010 Series E	4% - 5.85%	2020-2030	75,120,000
2011 Series A	3.00% - 5.00%	2020-2031	33,195,000
2011 Refunding Series B	3.00% - 5.00%	2020-2024	22,455,000
2012 Refunding Series A & B	2.00% - 3.25%	2020-2024	20,400,000
2012 Series C & D	2.00% - 5.00%	2020-2032	133,230,000
2014 Series A	3.00% - 5.00%	2020-2034	115,860,000
2015 Series A	3.00% - 5.00%	2020-2028	56,830,000
2016 Series A	3.00% - 5.00%	2020-2036	126,960,000
2016 Refunding Series B	2.35% - 5.00%	2020-2030	61,710,000
2017 Series A	4.00% - 5.00%	2020-2037	108,315,000
2017 Refunding Series B	5.00%	2020-2023	29,655,000
2018 Series A	3.00% - 5.00%	2020-2038	111,815,000
2019 Series A	3.00% - 5.00%	2020-2039	115,000,000
2019 Refunding Series B	5.00%	2020-2029	<u>38,080,000</u>
Subtotal			1,173,000,000
Unamortized discounts and premiums			<u>106,680,417</u>
Revenue Bonds, net			<u><u>\$1,279,680,417</u></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.

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

Revenue Bonds issued during the years ended June 30, 2019 and 2018, including the results of any advance refunding of previously-issued 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 on refunding	Economic gain
2018 Series A	2/21/2018	\$ 115,000,000	\$ 8,807,262				
2019 Series A	2/20/2019	115,000,000	11,238,799				
2019 Refunding Series B	2/20/2019	38,080,000	7,487,584	\$ 44,290,000	\$ 12,277,467	\$ 151,488	\$ 10,630,322

The System has issued series of Revenue Bonds that qualify for participation in the Build America Bonds program, a provision of the American Recovery and Reinvestment Act of 2009. The provisions of the Build America Bonds provide that the Federal government will reimburse issuers of Build America Bonds an amount equal to 35% of the interest payments made to bondholders. On March 1, 2013, the Budget Control Act of 2011 went into effect. The Federal government has reduced the amount of interest reimbursement by 6.2% and 6.6% in Federal fiscal year 2019 and 2018, respectively. The 2010 Series B, and 2010 Series E bonds have been issued to comply with the requirements of the Build America Bonds program, the System has been receiving the interest payment reimbursements from the Federal government, and the System expects that these bonds will continue to qualify under the program in the future. The interest amounts reflected in the future principal and interest payments schedule on the following page reflect the System's obligations to bondholders, and have not been reduced for any expectation of interest reimbursement from the Federal government under the Build America Bonds program.

As of June 30, 2019, previously issued debt removed from the System's financial statements through advance refunding transactions still outstanding was \$47,510,000.

As of June 30, 2019 and 2018, cash and cash equivalents and investments restricted by the terms of the Indenture of Trust totaled \$157,085,964 and \$95,709,137, respectively.

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

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, 2019, 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	
2020	\$ 96,495,000	\$ 50,745,996	\$ 4,397,731	\$ 268,288	\$ 151,907,015
2021	94,990,000	45,776,584	4,305,675	214,186	145,286,445
2022	86,575,000	41,388,679	4,214,870	158,835	132,337,384
2023	87,960,000	37,310,352	3,075,779	102,211	128,448,342
2024	84,990,000	33,272,279	2,877,203	44,278	121,183,760
2025 - 2029	375,530,000	114,181,954	464,409		490,176,363
2030 - 2034	240,165,000	42,813,922			282,978,922
2035 - 2039	106,295,000	8,634,107			114,929,107
Total	<u>\$1,173,000,000</u>	<u>\$ 374,123,873</u>	<u>\$ 19,335,667</u>	<u>\$ 787,798</u>	<u>\$1,567,247,338</u>

12. LEASES

Obligations under capital lease agreements

The System leases two facilities, one for the use of the University of Maryland College Park and another at Towson University under agreements recorded as capital lease obligations. The obligations are recorded at the present value of future minimum lease payments using a discount rate of 6.8% and 3.2%, for the University of Maryland College Park and the Towson University leases, respectively.

Future minimum payments on obligations under capital lease agreements as of June 30, 2019, are as follows:

Years ending June 30,	Total
2020	\$ 1,814,639
2021	1,597,726
2022	1,381,986
Total future lease payments	4,794,351
Less: Interest component	(296,992)
Obligations under capital lease agreements	<u>\$ 4,497,359</u>

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

Operating leases

The System and its institutions lease facilities and equipment under agreements accounted for as operating leases. 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.

Future minimum payments on operating leases as of June 30, 2019, are as follows:

Years ending June 30,	Minimum Annual Lease Payments
2020	\$ 15,700,129
2021	10,670,351
2022	7,841,529
2023	5,878,694
2024	4,765,042
2025 - 2029	<u>5,416,242</u>
Total	<u>\$ 50,271,987</u>

Operating lease expenditures for the years ended June 30, 2019 and 2018, were \$17,091,382 and \$18,002,285, respectively.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018

13. AUXILIARY ENTERPRISES

Auxiliary enterprises revenues for the years ended June 30, 2019 and 2018, were as follows:

	<u>2019</u>		<u>2018</u>	
Residential facilities	\$204,234,018		\$197,159,431	
Less: scholarship allowances	<u>(11,275,093)</u>	\$192,958,925	<u>(11,583,970)</u>	\$185,575,461
Dining facilities	137,630,194		131,941,768	
Less: scholarship allowances	<u>(6,327,041)</u>	131,303,153	<u>(5,830,948)</u>	126,110,820
Intercollegiate athletics	140,759,174		137,466,663	
Less: scholarship allowances	<u>(6,350,369)</u>	134,408,805	<u>(6,237,079)</u>	131,229,584
Bookstore	15,689,421		16,695,599	
Less: scholarship allowances	<u>(1,475,404)</u>	14,214,017	<u>(1,587,569)</u>	15,108,030
Parking facilities	44,278,604		43,666,133	
Less: scholarship allowances	<u>(141,414)</u>	44,137,190	<u>(139,226)</u>	43,526,907
Other	155,766,798		150,706,520	
Less: scholarship allowances	<u>(35,507)</u>	155,731,291	<u>(29,142)</u>	150,677,378
Total auxiliary enterprises revenues		<u>\$672,753,381</u>		<u>\$652,228,180</u>

Auxiliary enterprises expenses for the years ended June 30, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Residential facilities	\$180,250,467	\$170,631,162
Dining facilities	123,133,350	119,195,039
Intercollegiate athletics	145,198,019	125,176,052
Bookstore	16,393,630	17,948,666
Parking facilities	35,699,965	32,884,807
Other	<u>141,062,754</u>	<u>127,136,782</u>
Total auxiliary enterprises expenses	<u>\$641,738,185</u>	<u>\$592,972,508</u>

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UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018

14. CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for the years ended June 30, 2019 and 2018, were as follows:

	June 30, 2017	Additions	Decreases	June 30, 2018	Additions	Decreases	June 30, 2019	Due Within One Year
Accrued vacation costs	\$ 213,243,217	\$ 112,062,666	\$ 109,765,524	\$ 215,540,359	\$ 132,322,401	\$ 120,354,002	\$ 227,508,758	\$ 111,785,925
Accrued workers' compensation	29,604,000	4,437,679	4,669,679	29,372,000	4,369,179	5,008,179	28,733,000	4,309,950
Revenue bonds and notes payable, net	1,290,324,395	129,433,987	139,547,288	1,280,211,094	172,711,919	153,906,929	1,299,016,084	100,892,731
Obligations under capital lease agreements	7,496,422		1,450,295	6,046,127		1,548,768	4,497,359	1,652,537
Net pension liability	1,216,808,542		86,749,585	1,130,058,957	179,939,388		1,309,998,345	
Total long-term liabilities	\$2,757,476,576	\$ 245,934,332	\$ 342,182,371	\$2,661,228,537	\$ 489,342,887	\$ 280,817,878	\$2,869,753,546	\$ 218,641,143

15. OPERATING EXPENSES BY OBJECT

The System reports operating expenses in the Statement of Revenues, Expenses and Changes in Net Assets by program category. Operating expenses, grouped by object classification for the years ended June 30, 2019 and 2018, were as follows:

	2019				2018			
	Employee	Payments to Suppliers, Contractors and Others	Depreciation	Total	Employee	Payments to Suppliers, Contractors and Others	Depreciation	Total
Instruction	\$1,177,516,078	\$ 132,660,927	\$ 64,757,003	\$1,374,934,008	\$1,141,239,383	\$ 138,225,499	\$ 62,524,590	\$1,341,989,472
Research	680,034,854	428,774,636	30,685,316	1,139,494,806	629,097,578	389,682,972	29,548,389	1,048,328,939
Public service	101,308,821	58,107,610	5,230,380	164,646,811	99,520,647	57,936,501	5,017,718	162,474,866
Academic support	335,175,591	116,272,747	33,829,835	485,278,173	333,627,443	101,237,275	32,729,840	467,594,558
Student services	167,347,949	117,886,769	7,937,334	293,172,052	159,085,493	102,284,950	7,310,046	268,680,489
Institutional support	400,735,206	143,415,532	17,500,222	561,650,960	407,174,548	104,663,796	19,468,450	531,306,794
Operation and maintenance of plant	159,847,908	164,010,272	73,371,210	397,229,390	152,398,604	155,974,012	65,342,130	373,714,746
Scholarships and fellowships	7,607,691	112,999,989		120,607,680	7,816,636	112,851,568		120,668,204
Auxiliary enterprises:								
Residential facilities	54,419,968	65,817,220	60,013,279	180,250,467	51,825,214	62,601,217	56,204,731	170,631,162
Dining facilities	40,480,051	75,503,277	7,150,022	123,133,350	39,792,646	72,508,464	6,893,929	119,195,039
Intercollegiate athletics	75,783,288	59,374,839	10,039,892	145,198,019	63,288,466	52,443,811	9,443,775	125,176,052
Bookstore	4,244,614	12,112,694	36,322	16,393,630	4,250,230	13,650,897	47,539	17,948,666
Parking facilities	18,513,932	10,676,730	6,509,303	35,699,965	17,121,654	9,667,431	6,095,722	32,884,807
Other auxiliary enterprises	60,188,957	49,926,905	30,946,892	141,062,754	56,985,916	41,735,851	28,415,015	127,136,782
Hospital	223,046,567	1,540,517	6,427	224,593,511	211,208,654		6,504	211,215,158
Total	\$3,506,251,475	\$1,549,080,664	\$ 348,013,437	\$5,403,345,576	\$3,374,433,112	\$1,415,464,244	\$ 329,048,378	\$5,118,945,734

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UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2019 AND 2018

16. 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 of the State of Maryland (ERS). 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 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.

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

Contributions

The Article sets contribution requirements of the active employees and the participating governmental units are established 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 is for the normal cost and does not include any contribution for past service cost. 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 contractually required contribution for the years ended June 30, 2019 and 2018, was \$127,554,617 and \$124,482,282, respectively, 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, 2019 and 2018, the System reported a liability of \$1,309,998,345 and \$1,130,058,957, respectively, as its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and 2017, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The System's proportion of the net pension liability was a ratio of the System's long-term share of contributions to the pension plan relative to the contributions of all participating government units, actuarially determined. As of June 30, 2019 and 2018, the System's proportion for the net pension liability was 6.66% and 5.54%, respectively.

For the years ended June 30, 2019 and 2018, the System recognized pension expense of \$243,039,951 and \$206,248,434, respectively. As of June 30, 2019 and 2018, the System reported deferred outflows of resources and deferred inflows of resources related to the net pension liability of the following sources:

	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$ 30,204,737		\$ 35,759,781	
Net difference between projected and actual earnings on pension plan investments	81,629,336	\$ 40,291,588	133,083,970	\$ 55,780,481
Contributions made subsequent to the measurement date	127,554,617		124,482,282	
Change in proportionate share	297,641,967		176,446,995	
Net difference between actual and expected experience		85,824,130		67,531,861
Total	\$537,030,657	\$126,115,718	\$469,773,028	\$123,312,342

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

The System reported \$127,554,617 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, 2020.

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:

<u>Years ending June 30,</u>	<u>Deferred outflows</u>	<u>Deferred inflows</u>
2020	\$ 158,584,321	\$ 35,934,304
2021	133,133,733	35,406,003
2022	70,953,610	31,486,381
2023	45,588,750	18,002,576
2024	1,215,626	5,286,454
Total	<u>\$409,476,040</u>	<u>\$126,115,718</u>

Information included in the MSRPS financial statements

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

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

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

The System's proportionate share of the net pension liability calculated using the discount rate of 7.45 percent is \$1,309,998,345. The System's proportionate share of the net pension liability, if it were calculated using a discount rate that is 1-percentage-point lower (6.45 percent) is \$1,886,847,153, or 1-percentage-point higher (8.45 percent) is \$831,255,312.

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% 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.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2019 AND 2018

Payroll for employees covered in the ORP for the years ended June 30, 2019 and 2018, was \$1,303,322,870 and \$1,272,943,603, respectively.

The amount contributed by the System for employees participating in the ORP for the years ended June 30, 2019 and 2018 was \$94,490,908 and \$92,288,411, respectively.

Major Component Units

The USMF maintains a defined contribution plan for certain personnel provided by TIAA-CREF. The USMF contributes 7.25% 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 years ended June 30, 2019 and 2018, was approximately \$211,000 and \$193,000, respectively.

17. 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.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2019 AND 2018

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, 2019, 2018, and 2017. The amount contributed for the years ended June 30, 2019, 2018, and 2017 was \$87,680,958, \$74,945,815, and \$96,216,009 respectively.

18. CONSTRUCTION COMMITMENTS

The estimated costs to complete construction in progress as of June 30, 2019 is \$371,741,000 of which \$125,350,000 is to be funded from Revenue Bond proceeds, \$183,757,000 is to be derived from State capital appropriations and grants, and \$62,634,000 to be provided from System funds.

19. 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, 2019, the System had entered into open contracts for the purchase of \$4,940,655 of natural gas to be delivered through June 2020. Future purchase commitments for electricity to be supplied through June 2020 totaled \$15,348,341 as of June 30, 2019. The System and its institutions generally take delivery of the natural gas and electricity purchased through future purchase contracts.

The System is involved in a number of legal actions that arise in the normal course of its operations. In the opinion of management, based on the advice of the State Attorney General, such actions, as well as any exposure to unasserted claims, will not have a material adverse effect on the System's financial position.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2019 AND 2018

20. RISK MANAGEMENT

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

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

The System records a liability when it is probable that a loss has been incurred and the amount of that loss can be reasonably estimated. Liabilities recorded include a provision for claims incurred but not reported. Because actual claims liabilities depend on such complex factors such as inflation, changes in legal doctrines, and damage awards, actual claims could differ from estimates. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Liabilities for incurred workers' compensation losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using a 4% discount rate. The provision for workers' compensation is based upon a separately determined actuarial valuation for the fiscal years ended June 30, 2019 and 2018. Settlement amounts have not exceeded insurance coverage levels for the years ended June 30, 2019 and 2018. As of June 30, 2019 and 2018, the System has recorded \$28,733,000 and \$29,372,000, in liabilities associated with workers' compensation, respectively.

21. SUBSEQUENT EVENTS

On September 18, 2019 the System issued 2019 Refunding Series C bonds in an advance refunding of the outstanding principal of the 2010 Series B and Series E bonds. Interest is payable semiannually on April 1 and October 1. Interest rates range from 3.00% to 5.00% with principal maturity dates from 2022 to 2030. Issuance information and the results of refunding are 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 loss on refunding	Economic gain
2019 Refunding Series C	09/18/2019	\$ 107,965,000	\$ 22,021,246	\$ 127,000,000	\$ 14,852,333	\$ 189,389	\$ 13,416,590

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REQUIRED SUPPLEMENTARY INFORMATION

UNIVERSITY SYSTEM OF MARYLAND

REQUIRED SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2019 AND 2018

SCHEDULE OF PROPORTIONATE SHARE OF PENSION LIABILITY

	2019	2018	2017	2016	2015
The System's proportion of the net pension liability	6.660%	5.540%	5.580%	5.120%	4.049%
The System's proportionate share of the net pension liability	\$1,309,998,345	\$1,130,058,957	\$1,216,808,542	\$ 966,400,173	\$ 718,516,394
The System's covered-employee payroll	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	197%	175%	190%	160%	115%
Plan fiduciary net position as a percentage of the total pension liability	71.18%	69.38%	65.79%	68.78%	71.87%

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

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

	2019	2018	2017	2016	2015
Contractually required contribution	\$ 127,554,617	\$ 124,482,282	\$ 127,341,536	\$ 108,699,493	\$ 107,709,938
Contributions in relation to the contractually required contribution	(127,554,617)	(124,482,282)	(127,341,536)	(108,699,493)	(107,709,938)
Contribution deficiency (excess)	None	None	None	None	None
System's covered-employee payroll	\$ 663,610,683	\$ 643,954,572	\$ 640,734,064	\$ 602,991,802	\$ 625,011,000
Contributions as a percentage of covered-employee payroll	19.22%	19.33%	19.87%	18.03%	17.23%

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

SCHEDULE OF CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	2019	2018	2017
Statutorily required contribution	\$ 87,680,958	\$ 74,945,815	\$ 96,216,009
Contributions in relation to the statutorily required contribution	(87,680,958)	(74,945,815)	(96,216,009)
Contribution deficiency (excess)	None	None	None
System's covered-employee payroll	\$1,936,933,552	\$1,916,898,172	\$1,884,518,905
Contributions as a percentage of covered-employee payroll	4.53%	3.91%	5.11%

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

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SUPPLEMENTARY DATA

UNIVERSITY OF MARYLAND, BALTIMORE
BALANCE SHEETS
JUNE 30, 2019 AND 2018

	2019		2018	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 409,427,514	\$ 5,279,620	\$ 358,299,641	\$ 4,825,633
Accounts receivable, net	93,982,025	19,554,257	98,749,648	21,027,895
Notes receivable, current portion, net	1,359,707		1,584,754	
Inventories	260,540		226,169	
Prepaid expenses and other	339,240	222,208	307,799	213,235
Inter-institutional balances	(7,017,166)		(7,836,025)	
Total current assets	498,351,860	25,056,085	451,331,986	26,066,763
Noncurrent assets				
Accounts receivable, net		21,363,544		27,852,827
Endowment investments	115,633,652	243,525,619	112,427,193	222,025,753
Other investments	1,860,343	190,692,282	769,351	183,996,825
Notes receivable, net	12,092,369		14,332,681	
Other assets		4,738,686		4,479,899
Capital assets, net	868,471,280		878,320,095	
Total noncurrent assets	998,057,644	460,320,131	1,005,849,320	438,355,304
Total assets	1,496,409,504	485,376,216	1,457,181,306	464,422,067
DEFERRED OUTFLOWS OF RESOURCES	116,845,489		102,386,353	
Total assets and deferred outflows of resources	\$1,613,254,993	\$ 485,376,216	\$1,559,567,659	\$ 464,422,067
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 60,291,198	\$ 1,267,902	\$ 55,689,233	\$ 1,251,660
Accrued workers' compensation, current portion	1,104,300		1,140,750	
Accrued vacation costs, current portion	44,461,174		42,412,589	
Revenue bonds and notes payable, current portion	9,703,282		10,514,237	
Unearned revenues	69,057,689		60,970,761	
Total current liabilities	184,617,643	1,267,902	170,727,570	1,251,660
Noncurrent liabilities				
Accrued workers' compensation	6,257,700		6,464,250	
Accrued vacation costs	47,473,645		44,266,130	
Endowments invested on behalf of primary government		115,633,652		112,427,193
Other payables		1,696,555		1,791,227
Revenue bonds and notes payable	73,332,399		82,236,508	
Net pension liability	281,940,512		243,159,150	
Total noncurrent liabilities	409,004,256	117,330,207	376,126,038	114,218,420
Total liabilities	593,621,899	118,598,109	546,853,608	115,470,080
DEFERRED INFLOWS OF RESOURCES	52,117,732		53,265,502	
NET POSITION				
Unrestricted	115,578,821	50,204,053	110,303,047	40,557,503
Net investment in capital assets	762,994,155		761,834,755	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	9,376,926		9,363,061	
Research	1,881,391		1,456,391	
Other	10,297,251		10,297,051	
Expendable:				
Scholarships and fellowships	25,304,106		24,431,166	
Research	7,792,426		7,256,668	
Loans	17,991,739		19,142,028	
Other	16,298,547		15,364,382	
Net assets with donor restrictions		316,574,054		308,394,484
Total net position	967,515,362	366,778,107	959,448,549	348,951,987
Total liabilities, deferred inflows of resources and net position	\$1,613,254,993	\$ 485,376,216	\$1,559,567,659	\$ 464,422,067

UNIVERSITY OF MARYLAND, BALTIMORE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>		<u>2018</u>	
	<u>Institution</u>	<u>Component Units</u>	<u>Institution</u>	<u>Component Units</u>
OPERATING REVENUES				
Tuition and fees	\$ 153,609,826		\$ 145,995,747	
Less: scholarship allowances	<u>(29,530,962)</u>	\$ 124,078,864	<u>(27,675,652)</u>	\$ 118,320,095
Federal grants and contracts		323,545,421		284,280,740
State and local grants and contracts		89,066,137		83,056,290
Nongovernmental grants and contracts		115,538,421		99,488,559
Sales and services of educational departments		287,182,174		279,066,777
Auxiliary enterprises:				
Residential facilities		2,521,863		2,463,085
Parking facilities		13,770,217		14,135,044
Other auxiliary enterprises revenues		<u>15,992,680</u>		<u>14,784,044</u>
Total operating revenues		<u>971,695,777</u>		<u>895,594,634</u>
OPERATING EXPENSES				
Instruction		208,577,861		201,659,891
Research		501,033,253		446,436,167
Public service		6,005,212		5,787,757
Academic support		69,763,799		66,273,661
Student services		5,598,074		7,300,581
Institutional support		88,773,148		83,557,779
Operation and maintenance of plant		106,376,035		95,506,373
Scholarships and fellowships		2,181,862		1,521,238
Auxiliary enterprises:				
Residential facilities		1,943,184		1,906,668
Parking facilities		10,214,773		9,557,514
Other auxiliary enterprises expenses		15,718,897		13,095,216
Hospital		<u>224,593,511</u>		<u>211,215,158</u>
Total operating expenses		<u>1,240,779,609</u>		<u>1,143,818,003</u>
Operating loss		<u>(269,083,832)</u>		<u>(248,223,369)</u>
NONOPERATING REVENUES (EXPENSES)				
State appropriations		236,403,430		230,213,735
Pell grants		1,206,354		1,121,037
Gifts		19,019,013		33,741,020
Investment income	16,341,176	\$ 29,153,618	18,908,137	\$ 38,073,419
Less: investment expense	<u>(472,509)</u>	15,868,667	<u>(400,984)</u>	20,851,988
Interest on indebtedness		(2,618,460)		(2,978,289)
Other revenues, (expenses), gains and (losses)		650,275		2,691,203
Other affiliated foundation revenues		1,554,569		1,404,447
Other affiliated foundation expenses		(29,157,426)		(28,800,318)
Transfers (to) other University System of Maryland institutions		<u>(5,098,792)</u>		<u>(3,446,930)</u>
Total nonoperating revenues		<u>265,430,487</u>	<u>17,826,120</u>	<u>279,848,929</u>
Income (loss) before other revenues		<u>(3,653,345)</u>	<u>17,826,120</u>	<u>31,625,560</u>
OTHER REVENUES				
Capital appropriations		11,281,090		34,322,220
Additions to permanent endowments		<u>439,068</u>		<u>763,488</u>
Total other revenues		<u>11,720,158</u>		<u>35,085,708</u>
Increase in net position		8,066,813	17,826,120	66,711,268
Net position - beginning of year		<u>959,448,549</u>	<u>348,951,987</u>	<u>892,737,281</u>
Net position - end of year		<u>\$ 967,515,362</u>	<u>\$ 366,778,107</u>	<u>\$ 959,448,549</u>

**UNIVERSITY OF MARYLAND, BALTIMORE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 125,762,768	\$ 118,858,851
Research contracts and grants	543,732,798	459,599,122
Payments to employees	(817,506,173)	(778,307,238)
Payments to suppliers and contractors	(326,520,231)	(295,241,732)
Loans issued to students	(929,000)	(1,351,665)
Collection of loans to students	2,943,546	3,505,089
Auxiliary enterprises:		
Residential facilities	769,897	711,119
Parking facilities	13,770,217	14,135,044
Other	16,043,968	14,835,962
Other receipts	<u>304,125,721</u>	<u>312,355,582</u>
Net cash provided (used) by operating activities	<u>(137,806,489)</u>	<u>(150,899,866)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	236,403,430	230,213,735
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes	439,068	763,488
Pell grants	<u>1,206,354</u>	<u>1,121,037</u>
Net cash provided by noncapital financing activities	<u>238,048,852</u>	<u>232,098,260</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	3,645,542	961,433
Capital appropriations	11,281,090	34,322,220
Proceeds from sales of capital assets	11,610	81,732
Purchases of capital assets	(54,099,515)	(87,639,288)
Principal paid on debt and capital leases	(13,219,733)	(17,050,375)
Interest paid on debt and capital leases	(3,445,326)	(3,741,272)
Transfers (to) from other University System of Maryland institutions	<u>(4,859,375)</u>	<u>6,568,821</u>
Net cash provided (used) by capital and related financing activities	<u>(60,685,707)</u>	<u>(66,496,729)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	4,825,065	4,714,663
Interest on investments	8,749,720	10,370,245
Investment expense	(472,509)	(400,984)
Purchases of investments	<u>(1,531,059)</u>	<u>(15,098,028)</u>
Net cash provided (used) by investing activities	<u>11,571,217</u>	<u>(414,104)</u>
Net increase in cash and cash equivalents	51,127,873	14,287,561
Cash and cash equivalents - beginning of year	<u>358,299,641</u>	<u>344,012,080</u>
Cash and cash equivalents - end of year	<u>\$ 409,427,514</u>	<u>\$ 358,299,641</u>

**UNIVERSITY OF MARYLAND, COLLEGE PARK
BALANCE SHEETS
JUNE 30, 2019 AND 2018**

	2019		2018	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 735,715,565	\$ 50,918,160	\$ 663,340,234	\$ 40,418,456
Accounts receivable, net	106,445,948	110,998,810	105,290,278	79,355,478
Notes receivable, current portion, net	1,292,936		1,638,616	
Inventories	2,884,540		2,851,817	
Prepaid expenses and other	2,284,257	285,737	2,396,105	104,157
Inter-institutional balances	(13,129,645)		(8,030,505)	
Total current assets	835,493,601	162,202,707	767,486,545	119,878,091
Noncurrent assets				
Restricted cash and cash equivalents	1,530,671		2,475,877	
Accounts receivable, net		79,626,301		85,160,401
Endowment investments	174,081,864	517,187,554	144,464,781	475,524,742
Other investments	10,933,036	271,608,078	11,868,708	239,850,305
Notes receivable, net	5,408,442		6,847,415	
Other assets		546,910		564,154
Capital assets, net	2,117,110,678	34,055,275	2,062,663,556	33,976,666
Total noncurrent assets	2,309,064,691	903,024,118	2,228,320,337	835,076,268
Total assets	3,144,558,292	1,065,226,825	2,995,806,882	954,954,359
DEFERRED OUTFLOWS OF RESOURCES				
	196,810,562		162,338,343	
Total assets and deferred outflows of resources	\$ 3,341,368,854	\$ 1,065,226,825	\$ 3,158,145,225	\$ 954,954,359
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 110,384,108	\$ 7,935,576	\$ 85,229,431	\$ 2,276,353
Accrued workers' compensation, current portion	1,613,850		1,778,400	
Accrued vacation costs, current portion	24,332,855		23,361,435	
Revenue bonds and notes payable, current portion	30,411,792		31,192,924	
Obligations under capital lease agreements, current portion	471,357		441,139	
Unearned revenues	156,047,651	1,539,987	126,510,313	2,188,673
Total current liabilities	323,261,613	9,475,563	268,513,642	4,465,026
Noncurrent liabilities				
Accrued workers' compensation	9,145,150		10,077,600	
Accrued vacation costs	41,432,670		39,698,944	
Endowments invested on behalf of primary government		174,074,664		144,457,581
Other payables		15,133,365		14,928,297
Revenue bonds and notes payable	278,052,141		284,973,795	
Obligations under capital lease agreements	247,649		719,006	
Net pension liability	436,964,022		375,883,715	
Total noncurrent liabilities	765,841,632	189,208,029	711,353,060	159,385,878
Total liabilities	1,089,103,245	198,683,592	979,866,702	163,850,904
DEFERRED INFLOWS OF RESOURCES				
	164,161,148		170,919,658	
NET POSITION				
Unrestricted	289,871,932	42,731,278	281,083,904	43,296,844
Net investment in capital assets	1,689,842,848		1,620,384,438	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	6,152,733		5,944,093	
Research	3,580,543		3,568,588	
Other	5,164,166		5,113,669	
Expendable:				
Scholarships and fellowships	10,212,380		9,549,419	
Research	66,720,555		65,432,498	
Loans	9,207,272		9,021,913	
Capital projects	51,431		100,028	
Other	7,300,601		7,160,315	
Net assets with donor restrictions		823,811,955		747,806,611
Total net position	2,088,104,461	866,543,233	2,007,358,865	791,103,455
Total liabilities, deferred inflows of resources and net position	\$ 3,341,368,854	\$ 1,065,226,825	\$ 3,158,145,225	\$ 954,954,359

UNIVERSITY OF MARYLAND, COLLEGE PARK
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2019 AND 2018

	2019		2018	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES				
Tuition and fees	\$ 650,515,959		\$ 629,753,622	
Less: scholarship allowances	(109,394,701)	\$ 541,121,258	(104,156,795)	\$ 525,596,827
Federal grants and contracts		362,654,892		342,337,264
State and local grants and contracts		54,379,262		56,875,863
Nongovernmental grants and contracts		112,386,867		102,662,506
Sales and services of educational departments		33,549,203		33,590,756
Auxiliary enterprises:				
Residential facilities	79,846,142		76,441,038	
Less: scholarship allowances	(3,201,138)	76,645,004	(3,256,210)	73,184,828
Dining facilities	61,611,320		57,930,408	
Less: scholarship allowances	(1,502,743)	60,108,577	(1,579,507)	56,350,901
Intercollegiate athletics		85,419,758		82,858,834
Parking facilities		16,135,380		15,319,183
Other auxiliary enterprises revenues		45,452,599		43,543,801
Other operating revenues		38,852,029		37,276,194
Total operating revenues		<u>1,426,704,829</u>		<u>1,369,596,957</u>
OPERATING EXPENSES				
Instruction		543,424,878		534,832,751
Research		487,037,326		458,269,306
Public service		97,655,842		93,453,374
Academic support		214,617,099		200,963,725
Student services		61,456,624		62,659,484
Institutional support		154,468,681		141,698,550
Operation and maintenance of plant		122,898,232		117,917,566
Scholarships and fellowships		30,824,029		34,452,216
Auxiliary enterprises:				
Residential facilities		90,985,695		88,272,763
Dining facilities		60,348,130		57,796,358
Intercollegiate athletics		89,414,467		75,399,533
Parking facilities		13,907,132		13,155,438
Other auxiliary enterprises expenses		59,920,193		57,650,050
Total operating expenses		<u>2,026,958,328</u>		<u>1,936,521,114</u>
Operating loss		<u>(600,253,499)</u>		<u>(566,924,157)</u>
NONOPERATING REVENUES (EXPENSES)				
State appropriations		532,483,695		503,031,828
Pell grants		27,356,496		27,077,290
Gifts		27,486,152	\$ 126,532,088	28,529,601
Investment income	28,468,339		34,262,925	\$ 175,892,437
Less: investment expense	(592,906)	27,875,433	24,001,544	36,522,870
Interest on indebtedness		(8,854,804)	(509,484)	23,492,060
Other revenues, (expenses), gains and (losses)		(586,812)		(9,682,195)
Other affiliated foundation revenues			6,422,966	(564,789)
Other affiliated foundation expenses			(91,778,201)	6,325,650
Transfers (to) other University System of Maryland institutions		(6,354,539)		(85,637,437)
		<u>(10,087,947)</u>		<u>(10,087,947)</u>
Total nonoperating revenues		<u>599,405,621</u>	<u>75,439,778</u>	<u>561,795,848</u>
Income (loss) before other revenues		<u>(847,878)</u>	<u>75,439,778</u>	<u>(5,128,309)</u>
OTHER REVENUES				
Capital appropriations		56,093,413		73,006,775
Capital gifts and grants		25,228,965		32,196,879
Additions to permanent endowments		271,096		49,611
Total other revenues		<u>81,593,474</u>		<u>105,253,265</u>
Increase in net position		80,745,596	75,439,778	100,124,956
Net position - beginning of year		<u>2,007,358,865</u>	<u>791,103,455</u>	<u>1,907,233,909</u>
Net position - end of year		<u>\$ 2,088,104,461</u>	<u>\$ 866,543,233</u>	<u>\$ 2,007,358,865</u>
				<u>\$ 791,103,455</u>

**UNIVERSITY OF MARYLAND, COLLEGE PARK
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 541,081,301	\$ 524,895,018
Research contracts and grants	529,949,470	507,306,372
Payments to employees	(1,353,263,949)	(1,273,668,251)
Payments to suppliers and contractors	(494,528,914)	(515,844,681)
Loans issued to students	(300,000)	(699,551)
Collection of loans to students	1,609,653	1,456,411
Auxiliary enterprises:		
Residential facilities	68,934,889	65,474,713
Dining facilities	60,108,577	56,350,901
Intercollegiate athletics	115,000,438	113,240,519
Parking facilities	16,135,380	15,319,183
Other	46,356,312	41,922,567
Other receipts	95,875,859	92,607,790
Net cash provided (used) by operating activities	<u>(373,040,984)</u>	<u>(371,639,009)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	532,483,695	503,031,828
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes	271,096	49,611
Pell grants	27,356,496	27,077,290
Net cash provided by noncapital financing activities	<u>560,111,287</u>	<u>530,158,729</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	10,437,228	16,337,049
Capital appropriations	56,093,413	73,006,775
Capital grants and gifts received	25,228,965	32,196,879
Proceeds from sales of capital assets	1,861,038	1,848,662
Purchases of capital assets	(183,732,750)	(180,280,039)
Principal paid on debt and capital leases	(41,505,417)	(38,625,668)
Interest paid on debt and capital leases	(11,407,318)	(12,057,223)
Transfers from other University System of Maryland institutions	24,713,287	9,724,395
Net cash provided (used) by capital and related financing activities	<u>(118,311,554)</u>	<u>(97,849,170)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	6,239,871	5,677,442
Interest on investments	23,126,533	12,177,317
Investment expense	(592,906)	(509,484)
Purchases of investments	(26,102,122)	(21,238,725)
Net cash provided (used) by investing activities	<u>2,671,376</u>	<u>(3,893,450)</u>
Net increase in cash and cash equivalents	71,430,125	56,777,100
Cash and cash equivalents - beginning of year	<u>665,816,111</u>	<u>609,039,011</u>
Cash and cash equivalents - end year	<u>\$ 737,246,236</u>	<u>\$ 665,816,111</u>

**BOWIE STATE UNIVERSITY
BALANCE SHEETS
JUNE 30, 2019 AND 2018**

	2019		2018	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 97,924,445	\$ 1,220,699	\$ 93,043,688	\$ 883,025
Accounts receivable, net	5,004,045	1,281,353	3,169,932	366,439
Notes receivable, current portion, net	66,443		66,364	
Inter-institutional balances	326,741		(823,544)	
Total current assets	103,321,674	2,502,052	95,456,440	1,249,464
Noncurrent assets				
Endowment investments	2,392,429	9,075,401	2,302,847	8,329,087
Other investments		2,392,429		2,302,847
Notes receivable, net	149,975		95,425	
Capital assets, net	277,219,560		283,553,239	352
Total noncurrent assets	279,761,964	11,467,830	285,951,511	10,632,286
Total assets	383,083,638	13,969,882	381,407,951	11,881,750
DEFERRED OUTFLOWS OF RESOURCES	16,589,043		14,575,284	
Total assets and deferred outflows of resources	\$ 399,672,681	\$ 13,969,882	\$ 395,983,235	\$ 11,881,750
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 10,528,557	\$ 786,214	\$ 8,741,614	\$ 35,356
Accrued workers' compensation, current portion	157,350		175,350	
Accrued vacation costs, current portion	1,776,604		1,737,413	
Revenue bonds and notes payable, current portion	2,939,107		2,478,916	
Unearned revenues	3,707,286	156,850	3,797,760	329,029
Total current liabilities	19,108,904	943,064	16,931,053	364,385
Noncurrent liabilities				
Accrued workers' compensation	891,650		993,650	
Accrued vacation costs	1,540,651		1,156,880	
Endowments invested on behalf of primary government		2,392,429		2,302,847
Revenue bonds and notes payable	37,635,151		40,356,284	
Net pension liability	37,089,940		32,022,437	
Total noncurrent liabilities	77,157,392	2,392,429	74,529,251	2,302,847
Total liabilities	96,266,296	3,335,493	91,460,304	2,667,232
DEFERRED INFLOWS OF RESOURCES	24,230,321		25,747,835	
NET POSITION				
Unrestricted	62,436,228	724,036	59,617,907	556,236
Net investment in capital assets	216,387,143		218,941,946	
Restricted:				
Expendable:				
Loans	352,693		215,243	
Net assets with donor restrictions		9,910,353		8,658,282
Total net position	279,176,064	10,634,389	278,775,096	9,214,518
Total liabilities, deferred inflows of resources and net position	\$ 399,672,681	\$ 13,969,882	\$ 395,983,235	\$ 11,881,750

BOWIE STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2019 AND 2018

	2019		2018	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES				
Tuition and fees	\$ 45,548,577		\$ 43,971,886	
Less: scholarship allowances	<u>(16,296,354)</u>	\$ 29,252,223	<u>(16,479,120)</u>	\$ 27,492,766
Federal grants and contracts		9,160,805		8,231,389
State and local grants and contracts		283,162		343,242
Nongovernmental grants and contracts		510,468		360,875
Sales and services of educational departments		35,446		35,573
Auxiliary enterprises:				
Residential facilities	6,804,860		6,854,270	
Less: scholarship allowances	<u>(58,361)</u>	6,746,499	<u>(29,417)</u>	6,824,853
Dining facilities	5,036,387		4,949,491	
Less: scholarship allowances	<u>(631,437)</u>	4,404,950	<u>(627,708)</u>	4,321,783
Intercollegiate athletics	4,242,688		4,161,409	
Less: scholarship allowances	<u>(486,222)</u>	3,756,466	<u>(468,517)</u>	3,692,892
Parking facilities		252,844		302,623
Other auxiliary enterprises revenues		<u>8,967,156</u>		<u>8,615,554</u>
Total operating revenues		<u>63,370,019</u>		<u>60,221,550</u>
OPERATING EXPENSES				
Instruction		43,207,361		44,848,143
Research		974,161		471,825
Public service		268,785		137,780
Academic support		15,960,817		14,473,858
Student services		9,529,638		10,023,434
Institutional support		19,236,054		17,281,600
Operation and maintenance of plant		11,493,756		11,631,310
Scholarships and fellowships		2,153,693		1,448,029
Auxiliary enterprises:				
Residential facilities		6,436,429		5,790,888
Dining facilities		4,964,928		4,939,587
Intercollegiate athletics		4,557,513		3,997,659
Other auxiliary enterprises expenses		<u>4,694,326</u>		<u>3,894,465</u>
Total operating expenses		<u>123,477,461</u>		<u>118,938,578</u>
Operating loss		<u>(60,107,442)</u>		<u>(58,717,028)</u>
NONOPERATING REVENUES (EXPENSES)				
State appropriations		46,013,664		44,518,089
Pell grants		12,951,274		13,255,969
Gifts			\$ 1,991,157	\$ 1,439,288
Investment income	2,051,701		478,919	593,567
Less: investment expense	<u>(5,823)</u>	2,045,878	<u>(2,912)</u>	1,568,797
Interest on indebtedness		(1,149,459)		(1,324,411)
Other revenues, (expenses), gains and (losses)		660,598		710,199
Other affiliated foundation revenues			304,707	282,754
Other affiliated foundation expenses			(1,354,912)	(2,352,347)
Transfers (to) other University System of Maryland institutions		<u>(1,223,944)</u>		<u>(938,177)</u>
Total nonoperating revenues (expenses)		<u>59,298,011</u>	<u>1,419,871</u>	<u>(36,738)</u>
Income (loss) before other revenues		<u>(809,431)</u>	<u>1,419,871</u>	<u>(36,738)</u>
OTHER REVENUES				
Capital appropriations		<u>1,210,399</u>		<u>8,353,137</u>
Total other revenues		<u>1,210,399</u>		<u>8,353,137</u>
Increase (decrease) in net position		400,968	1,419,871	(36,738)
Net position - beginning of year		<u>278,775,096</u>	<u>9,214,518</u>	<u>271,348,521</u>
Net position - end of year		<u>\$ 279,176,064</u>	<u>\$ 10,634,389</u>	<u>\$ 278,775,096</u>

**BOWIE STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 26,516,821	\$ 26,762,626
Research contracts and grants	10,211,551	9,253,674
Payments to employees	(70,443,356)	(65,497,577)
Payments to suppliers and contractors	(37,761,056)	(32,978,446)
Collection of loans to students	66,443	66,364
Auxiliary enterprises:		
Residential facilities	5,150,036	5,228,390
Dining facilities	4,404,950	4,321,783
Intercollegiate athletics	3,756,466	3,692,892
Parking facilities	252,844	302,623
Other	8,967,156	8,615,554
Other receipts (payments)	<u>1,271,415</u>	<u>(919,373)</u>
Net cash provided (used) by operating activities	<u>(47,606,730)</u>	<u>(41,151,490)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	46,013,664	44,518,089
Pell grants	<u>12,951,274</u>	<u>13,255,969</u>
Net cash provided by noncapital financing activities	<u>58,964,938</u>	<u>57,774,058</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	3,718,794	208,299
Capital appropriations	1,210,399	8,353,137
Purchases of capital assets	(3,975,954)	(9,914,839)
Principal paid on debt and capital leases	(6,111,882)	(2,398,890)
Interest paid on debt and capital leases	(1,510,321)	(1,577,917)
Transfers (to) from other University System of Maryland institutions	<u>(1,818,810)</u>	<u>550,313</u>
Net cash provided (used) by capital and related financing activities	<u>(8,487,774)</u>	<u>(4,779,897)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments		2,912
Interest on investments	2,016,146	1,488,276
Investment expense	(5,823)	(2,912)
Purchases of investments		<u>(1,265,879)</u>
Net cash provided by investing activities	<u>2,010,323</u>	<u>222,397</u>
Net increase in cash and cash equivalents	4,880,757	12,065,068
Cash and cash equivalents - beginning of year	<u>93,043,688</u>	<u>80,978,620</u>
Cash and cash equivalents - end of year	<u>\$ 97,924,445</u>	<u>\$ 93,043,688</u>

**TOWSON UNIVERSITY
BALANCE SHEETS
JUNE 30, 2019 AND 2018**

	2019		2018	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 281,823,654	\$ 3,985,058	\$ 254,051,084	\$ 3,055,983
Accounts receivable, net	10,756,601	428,888	11,006,154	481,808
Notes receivable, current portion, net	1,620,495		2,051,396	
Inventories	3,350,179		3,217,107	
Prepaid expenses and other	4,481,856	365,626	3,528,332	373,816
Inter-institutional balances	(166,855)		(166,375)	
Total current assets	301,865,930	4,779,572	273,687,698	3,911,607
Noncurrent assets				
Restricted cash and cash equivalents	47,280		47,280	
Accounts receivable, net		3,148,504		2,459,089
Endowment investments	8,668,452	79,132,031	8,483,735	74,963,982
Other investments		8,584,783		8,373,945
Notes receivable, net	7,142,375		8,667,249	
Capital assets, net	921,162,351	2,341	869,317,191	992
Total noncurrent assets	937,020,458	90,867,659	886,515,455	85,798,008
Total assets	1,238,886,388	95,647,231	1,160,203,153	89,709,615
DEFERRED OUTFLOWS OF RESOURCES				
	56,367,415		50,632,999	
Total assets and deferred outflows of resources	\$1,295,253,803	\$ 95,647,231	\$1,210,836,152	\$ 89,709,615
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 33,264,682	\$ 1,612,318	\$ 30,380,147	\$ 780,284
Accrued workers' compensation, current portion	314,100		287,550	
Accrued vacation costs, current portion	8,835,221		7,990,070	
Revenue bonds and notes payable, current portion	22,059,906		19,909,151	
Obligations under capital lease agreements, current portion	1,181,180		1,107,628	
Unearned revenues	10,014,251		10,318,895	
Total current liabilities	75,669,340	1,612,318	69,993,441	780,284
Noncurrent liabilities				
Accrued workers' compensation	1,779,900		1,629,450	
Accrued vacation costs	2,845,009		3,006,523	
Endowments invested on behalf of primary government		8,561,568		8,372,681
Revenue bonds and notes payable	331,814,956		339,846,516	
Obligations under capital lease agreements	2,597,173		3,778,354	
Net pension liability	131,360,521		113,960,559	
Total noncurrent liabilities	470,397,559	8,561,568	462,221,402	8,372,681
Total liabilities	546,066,899	10,173,886	532,214,843	9,152,965
DEFERRED INFLOWS OF RESOURCES				
	50,660,428		52,956,250	
NET POSITION				
Unrestricted	154,259,983	3,692,939	142,295,187	3,622,138
Net investment in capital assets	528,772,086		467,836,191	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	265,025		265,025	
Expendable:				
Scholarships and fellowships	136,144		37,202	
Research	2,053,121		2,221,747	
Loans	10,338,820		10,355,624	
Other	2,701,297		2,654,083	
Net assets with donor restrictions		81,780,406		76,934,512
Total net position	698,526,476	85,473,345	625,665,059	80,556,650
Total liabilities, deferred inflows of resources and net position	\$1,295,253,803	\$ 95,647,231	\$1,210,836,152	\$ 89,709,615

TOWSON UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>		<u>2018</u>	
	<u>Institution</u>	<u>Component Units</u>	<u>Institution</u>	<u>Component Units</u>
OPERATING REVENUES				
Tuition and fees	\$ 197,189,997		\$ 190,061,754	
Less: scholarship allowances	<u>(53,291,220)</u>	\$ 143,898,777	<u>(50,650,535)</u>	\$ 139,411,219
Federal grants and contracts		2,968,224		4,591,885
State and local grants and contracts		1,781,354		1,752,651
Nongovernmental grants and contracts		312,006		601,197
Sales and services of educational departments		6,839,707		6,641,039
Auxiliary enterprises:				
Residential facilities	38,127,964		32,918,792	
Less: scholarship allowances	<u>(1,073,388)</u>	37,054,576	<u>(922,678)</u>	31,996,114
Dining facilities	25,046,338		23,318,093	
Less: scholarship allowances	<u>(621,625)</u>	24,424,713	<u>(470,656)</u>	22,847,437
Intercollegiate athletics	21,066,990		20,077,423	
Less: scholarship allowances	<u>(4,624,659)</u>	16,442,331	<u>(4,511,982)</u>	15,565,441
Bookstore	6,351,704		6,738,373	
Less: scholarship allowances	<u>(1,469,892)</u>	4,881,812	<u>(1,579,796)</u>	5,158,577
Parking facilities		9,292,126		9,209,387
Other auxiliary enterprises revenues		<u>39,275,821</u>		<u>39,234,470</u>
Total operating revenues		<u>287,171,447</u>		<u>277,009,417</u>
OPERATING EXPENSES				
Instruction		135,174,289		128,855,759
Research		4,608,296		5,026,069
Public service		8,996,204		11,214,577
Academic support		44,380,038		44,739,748
Student services		26,803,666		25,221,380
Institutional support		54,042,888		52,123,340
Operation and maintenance of plant		33,782,507		32,248,661
Scholarships and fellowships		13,876,206		12,997,525
Auxiliary enterprises:				
Residential facilities		26,468,000		21,903,821
Dining facilities		19,896,999		18,169,110
Intercollegiate athletics		17,536,566		16,126,185
Bookstore		7,043,880		7,830,755
Parking facilities		7,819,680		6,907,231
Other auxiliary enterprises expenses		<u>21,296,557</u>		<u>21,662,829</u>
Total operating expenses		<u>421,725,776</u>		<u>405,026,990</u>
Operating loss		<u>(134,554,329)</u>		<u>(128,017,573)</u>
NONOPERATING REVENUES (EXPENSES)				
State appropriations		120,316,767		117,705,641
Pell grants		28,585,695		26,572,342
Gifts		486,729	\$ 8,054,462	\$ 7,611,710
Investment income	6,861,615		4,494,686	5,942
Less: investment expense	<u>(21,003)</u>	6,840,612	<u>(19,624)</u>	5,192,499
Interest on indebtedness		(11,372,757)		(12,263,294)
Other revenues, (expenses), gains and (losses)		12,726,185		9,702,726
Other affiliated foundation revenues			1,979,086	1,892,208
Other affiliated foundation expenses			(9,611,539)	(8,709,226)
Transfers (to) other University System of Maryland institutions		<u>(6,765,863)</u>		<u>(6,282,303)</u>
Total nonoperating revenues		<u>150,817,368</u>	<u>4,916,695</u>	<u>140,633,553</u>
Income before other revenues		<u>16,263,039</u>	<u>4,916,695</u>	<u>12,615,980</u>
OTHER REVENUES				
Capital appropriations		56,587,838		12,082,836
Capital gifts and grants		<u>10,540</u>		<u>1,486,400</u>
Total other revenues		<u>56,598,378</u>		<u>13,569,236</u>
Increase in net position		<u>72,861,417</u>	<u>4,916,695</u>	<u>26,185,216</u>
Net position - beginning of year		<u>625,665,059</u>	<u>80,556,650</u>	<u>599,479,843</u>
Net position - end of year		<u>\$ 698,526,476</u>	<u>\$ 85,473,345</u>	<u>\$ 625,665,059</u>

**TOWSON UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 142,439,380	\$ 141,228,880
Research contracts and grants	6,865,814	7,780,859
Payments to employees	(252,449,148)	(243,847,032)
Payments to suppliers and contractors	(110,014,471)	(106,907,911)
Collection of loans to students	1,955,775	2,335,259
Auxiliary enterprises:		
Residential facilities	34,375,449	29,431,972
Dining facilities	24,349,037	22,871,604
Intercollegiate athletics	15,703,469	15,473,319
Bookstores	5,247,503	4,988,405
Parking facilities	9,265,057	9,236,720
Other	39,702,501	39,186,735
Other receipts	<u>20,804,384</u>	<u>15,295,733</u>
Net cash provided (used) by operating activities	<u>(61,755,250)</u>	<u>(62,925,457)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	120,316,767	117,705,641
Pell grants	<u>28,585,695</u>	<u>26,572,342</u>
Net cash provided by noncapital financing activities	<u>148,902,462</u>	<u>144,277,983</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	6,813,247	8,294,485
Capital appropriations	56,587,838	12,082,836
Purchases of capital assets	(97,765,503)	(71,740,887)
Principal paid on debt and capital leases	(28,270,151)	(20,086,449)
Interest paid on debt and capital leases	(13,741,012)	(13,915,463)
Transfers from other University System of Maryland institutions	<u>10,345,044</u>	<u>24,186,098</u>
Net cash provided (used) by capital and related financing activities	<u>(66,030,537)</u>	<u>(61,179,380)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	377,699	385,037
Interest on investments	6,299,199	4,645,195
Investment expense	<u>(21,003)</u>	<u>(19,624)</u>
Net cash provided by investing activities	<u>6,655,895</u>	<u>5,010,608</u>
Net increase in cash and cash equivalents	27,772,570	25,183,754
Cash and cash equivalents - beginning of year	<u>254,098,364</u>	<u>228,914,610</u>
Cash and cash equivalents - end of year	<u>\$ 281,870,934</u>	<u>\$ 254,098,364</u>

**UNIVERSITY OF MARYLAND EASTERN SHORE
BALANCE SHEETS
JUNE 30, 2019 AND 2018**

	2019		2018	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 2,733,778	\$ 235,938	\$ 5,267,140	\$ 90,242
Accounts receivable, net	3,990,256	43,857	5,306,687	71,277
Notes receivable, current portion, net	186,505		210,214	
Prepaid expenses and other	153,624		167,036	
Inter-institutional balances	466,096		(2,927,342)	
Total current assets	7,530,259	279,795	8,023,735	161,519
Noncurrent assets				
Accounts receivable, net		500,221		1,037,056
Endowment investments	6,549,502	23,192,535	6,526,938	22,351,831
Other investments		7,764,383		7,760,744
Notes receivable, net	596,257		986,155	
Other assets		38,191		39,718
Capital assets, net	218,066,139	10,575,899	221,954,782	11,472,150
Total noncurrent assets	225,211,898	42,071,229	229,467,875	42,661,499
Total assets	232,742,157	42,351,024	237,491,610	42,823,018
DEFERRED OUTFLOWS OF RESOURCES	15,771,080		14,242,791	
Total assets and deferred outflows of resources	\$ 248,513,237	\$ 42,351,024	\$ 251,734,401	\$ 42,823,018
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 6,180,685	\$ 568,012	\$ 4,734,560	\$ 519,802
Accrued workers' compensation, current portion	195,150		202,650	
Accrued vacation costs, current portion	2,394,193		2,113,247	
Revenue bonds and notes payable, current portion	3,770,316	185,687	4,284,871	178,103
Unearned revenues	1,716,863	99,288	1,784,915	
Total current liabilities	14,257,207	852,987	13,120,243	697,905
Noncurrent liabilities				
Accrued workers' compensation	1,105,850		1,148,350	
Accrued vacation costs	2,336,251		2,680,065	
Endowments invested on behalf of primary government		6,549,502		6,526,938
Revenue bonds and notes payable	17,784,939	12,380,967	20,918,448	12,460,012
Net pension liability	35,967,523		31,215,931	
Total noncurrent liabilities	57,194,563	18,930,469	55,962,794	18,986,950
Total liabilities	71,451,770	19,783,456	69,083,037	19,684,855
DEFERRED INFLOWS OF RESOURCES	3,345,842		3,271,814	
NET POSITION				
Unrestricted	(31,738,986)	1,442,648	(26,466,273)	2,920,984
Net investment in capital assets	196,801,883		197,160,257	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	28,009		28,009	
Expendable:				
Scholarships and fellowships	2,789,228		2,836,130	
Loans	4,281,298		4,298,704	
Other	1,554,193		1,522,723	
Net assets with donor restrictions		21,124,920		20,217,179
Total net position	173,715,625	22,567,568	179,379,550	23,138,163
Total liabilities, deferred inflows of resources and net position	\$ 248,513,237	\$ 42,351,024	\$ 251,734,401	\$ 42,823,018

UNIVERSITY OF MARYLAND EASTERN SHORE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2019 AND 2018

	2019		2018	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES				
Tuition and fees	\$ 24,460,644		\$ 26,580,563	
Less: scholarship allowances	<u>(11,591,131)</u>	\$ 12,869,513	<u>(12,350,484)</u>	\$ 14,230,079
Federal grants and contracts		9,994,660		8,104,084
State and local grants and contracts		7,626,428		8,335,288
Nongovernmental grants and contracts		1,160,137		1,017,633
Sales and services of educational departments		227,260		166,763
Auxiliary enterprises:				
Residential facilities	8,810,119		11,055,454	
Less: scholarship allowances	<u>(363,833)</u>	8,446,286	<u>(429,356)</u>	10,626,098
Dining facilities	5,064,949		5,604,331	
Less: scholarship allowances	<u>(510,132)</u>	4,554,817	<u>(547,760)</u>	5,056,571
Intercollegiate athletics		3,787,146		4,094,616
Parking facilities		101,235		144,658
Other auxiliary enterprises revenues		5,364,705		6,476,345
Other operating revenues		<u>1,695,424</u>		<u>914,980</u>
Total operating revenues		<u>55,827,611</u>		<u>59,167,115</u>
OPERATING EXPENSES				
Instruction		41,277,621		40,554,634
Research		11,144,256		9,124,402
Public service		2,814,599		2,367,552
Academic support		8,565,535		8,941,326
Student services		5,876,139		5,969,190
Institutional support		12,981,921		13,497,330
Operation and maintenance of plant		11,624,255		11,547,655
Scholarships and fellowships		924,499		817,503
Auxiliary enterprises:				
Residential facilities		7,560,667		9,322,347
Dining facilities		4,687,763		4,677,109
Intercollegiate athletics		4,936,866		4,340,532
Other auxiliary enterprises expenses		<u>4,863,851</u>		<u>5,659,603</u>
Total operating expenses		<u>117,257,972</u>		<u>116,819,183</u>
Operating loss		<u>(61,430,361)</u>		<u>(57,652,068)</u>
NONOPERATING REVENUES (EXPENSES)				
State appropriations		44,084,104		41,614,710
Pell grants		6,656,618		7,835,212
Gifts		337,354	\$ 632,539	161,556
Investment income	632,174		567,954	\$ 833,428
Less: investment expense	<u>(24,296)</u>	607,878	<u>(21,343)</u>	2,026,498
Interest on indebtedness		(632,213)		(819,791)
Other revenues, (expenses), gains and (losses)		(655,273)		(292,398)
Other affiliated foundation revenues		1,087,638		1,037,781
Other affiliated foundation expenses		(3,551,778)		(4,023,351)
Transfers (to) from other University System of Maryland institutions		<u>614,862</u>		<u>(58,363)</u>
Total nonoperating revenues (expenses)		<u>51,013,330</u>	<u>(570,595)</u>	<u>48,987,537</u>
Income (loss) before other revenues		<u>(10,417,031)</u>	<u>(570,595)</u>	<u>(8,664,531)</u>
OTHER REVENUES				
Capital appropriations		<u>4,753,106</u>		<u>2,389,931</u>
Total other revenues		<u>4,753,106</u>		<u>2,389,931</u>
Increase (decrease) in net position		(5,663,925)	(570,595)	(6,274,600)
Net position - beginning of year		<u>179,379,550</u>	<u>23,138,163</u>	<u>185,654,150</u>
Net position - end of year		<u>\$ 173,715,625</u>	<u>\$ 22,567,568</u>	<u>\$ 179,379,550</u>

**UNIVERSITY OF MARYLAND EASTERN SHORE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 12,611,301	\$ 16,037,913
Research contracts and grants	19,743,173	18,278,881
Payments to employees	(68,320,976)	(69,632,522)
Payments to suppliers and contractors	(33,208,954)	(33,423,602)
Loans issued to students		(30,000)
Collection of loans to students	413,607	667,966
Auxiliary enterprises:		
Residential facilities	8,446,286	10,626,098
Dining facilities	4,554,817	5,056,571
Intercollegiate athletics	3,787,146	4,094,616
Parking facilities	101,235	144,658
Other	5,909,347	5,865,337
Other receipts	<u>1,833,788</u>	<u>917,892</u>
Net cash provided (used) by operating activities	<u>(44,129,230)</u>	<u>(41,396,192)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	44,084,104	41,614,710
Pell grants	<u>6,656,618</u>	<u>7,835,212</u>
Net cash provided by noncapital financing activities	<u>50,740,722</u>	<u>49,449,922</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	609,435	559,562
Capital appropriations	4,753,106	2,389,931
Purchases of capital assets	(7,494,087)	(5,665,857)
Principal paid on debt and capital leases	(5,432,792)	(7,119,680)
Interest paid on debt and capital leases	(1,007,237)	(1,179,851)
Transfers (to) from other University System of Maryland institutions	<u>(1,158,593)</u>	<u>4,338,875</u>
Net cash provided (used) by capital and related financing activities	<u>(9,730,168)</u>	<u>(6,677,020)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	422,709	172,062
Interest on investments	191,216	63,727
Investment expense	(24,296)	(21,343)
Purchases of investments	<u>(4,315)</u>	<u>(105,800)</u>
Net cash provided by investing activities	<u>585,314</u>	<u>108,646</u>
Net increase (decrease) in cash and cash equivalents	(2,533,362)	1,485,356
Cash and cash equivalents - beginning of year	<u>5,267,140</u>	<u>3,781,784</u>
Cash and cash equivalents - end of year	<u>\$ 2,733,778</u>	<u>\$ 5,267,140</u>

**FROSTBURG STATE UNIVERSITY
BALANCE SHEETS
JUNE 30, 2019 AND 2018**

	2019		2018	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 37,336,687	\$ 362,376	\$ 34,232,272	\$ 402,626
Accounts receivable, net	1,976,524	99,751	1,802,305	128,187
Notes receivable, current portion, net	47,992		49,692	
Inventories	1,036,438		1,017,654	
Prepaid expenses and other	1,371,560	25,935	1,669,216	23,842
Inter-institutional balances	795,846		262,789	
Total current assets	42,565,047	488,062	39,033,928	554,655
Noncurrent assets				
Accounts receivable, net		1,072,123		1,162,342
Endowment investments	4,397,441	24,257,729	4,143,745	23,148,833
Other investments		8,349,870		6,347,838
Notes receivable, net	497,368		612,862	
Other assets		366,474		347,673
Capital assets, net	174,201,605	33,023	164,021,668	33,182
Total noncurrent assets	179,096,414	34,079,219	168,778,275	31,039,868
Total assets	221,661,461	34,567,281	207,812,203	31,594,523
DEFERRED OUTFLOWS OF RESOURCES	20,700,204		18,695,879	
Total assets and deferred outflows of resources	\$ 242,361,665	\$ 34,567,281	\$ 226,508,082	\$ 31,594,523
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 7,323,270	\$ 30,708	\$ 7,605,042	\$ 22,118
Accrued workers' compensation, current portion	109,350		98,550	
Accrued vacation costs, current portion	3,281,448		3,063,187	
Revenue bonds and notes payable, current portion	2,074,267		1,512,428	
Unearned revenues	2,038,855	55,690	1,710,264	56,922
Total current liabilities	14,827,190	86,398	13,989,471	79,040
Noncurrent liabilities				
Accrued workers' compensation	619,650		558,450	
Accrued vacation costs	312,513		281,132	
Endowments invested on behalf of primary government		4,397,441		4,143,745
Revenue bonds and notes payable	26,701,601		17,126,405	
Net pension liability	48,823,129		42,774,728	
Total noncurrent liabilities	76,456,893	4,397,441	60,740,715	4,143,745
Total liabilities	91,284,083	4,483,839	74,730,186	4,222,785
DEFERRED INFLOWS OF RESOURCES	20,865,650		21,943,936	
NET POSITION				
Unrestricted	(3,124,957)	2,454,425	(2,165,097)	841,712
Net investment in capital assets	129,177,519		128,002,354	
Restricted:				
Nonexpendable:				
Other	750,000		750,000	
Expendable:				
Scholarships and fellowships	22,943		30,839	
Research	2,140,250		2,025,814	
Loans	918,393		873,040	
Other	327,784		317,010	
Net assets with donor restrictions		27,629,017		26,530,026
Total net position	130,211,932	30,083,442	129,833,960	27,371,738
Total liabilities, deferred inflows of resources and net position	\$ 242,361,665	\$ 34,567,281	\$ 226,508,082	\$ 31,594,523

FROSTBURG STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2019 AND 2018

	2019		2018	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES				
Tuition and fees	\$ 37,499,030		\$ 37,281,705	
Less: scholarship allowances	<u>(8,648,036)</u>	\$ 28,850,994	<u>(9,139,855)</u>	\$ 28,141,850
Federal grants and contracts		2,013,030		1,656,964
State and local grants and contracts		2,656,468		2,630,315
Nongovernmental grants and contracts		318,707		125,817
Sales and services of educational departments		1,344,839		1,278,476
Auxiliary enterprises:				
Residential facilities	6,986,448		7,209,385	
Less: scholarship allowances	<u>(51,430)</u>	6,935,018	<u>(44,460)</u>	7,164,925
Dining facilities	7,131,886		7,369,601	
Less: scholarship allowances	<u>(22,685)</u>	7,109,201	<u>(13,097)</u>	7,356,504
Intercollegiate athletics	3,757,217		3,784,922	
Less: scholarship allowances	<u>(49,246)</u>	3,707,971	<u>(44,517)</u>	3,740,405
Bookstore	1,422,908		1,357,214	
Less: scholarship allowances	<u>(4,634)</u>	1,418,274	<u>(6,639)</u>	1,350,575
Other auxiliary enterprises revenues	4,883,358		4,872,675	
Less: scholarship allowances	<u>(31,466)</u>	4,851,892	<u>(25,418)</u>	4,847,257
Other operating revenues		<u>564,847</u>		<u>638,749</u>
Total operating revenues		<u>59,771,241</u>		<u>58,931,837</u>
OPERATING EXPENSES				
Instruction		36,137,025		36,686,951
Research		149,060		317,545
Public service		4,858,149		4,018,297
Academic support		10,597,644		10,508,710
Student services		5,433,499		5,557,039
Institutional support		15,593,922		14,535,831
Operation and maintenance of plant		10,299,227		10,034,776
Scholarships and fellowships		8,305,032		7,847,610
Auxiliary enterprises:				
Residential facilities		5,584,223		5,363,045
Dining facilities		5,308,667		5,530,051
Intercollegiate athletics		4,715,516		4,238,050
Bookstore		1,379,917		1,525,257
Other auxiliary enterprises expenses		<u>4,420,019</u>		<u>4,040,896</u>
Total operating expenses		<u>112,781,900</u>		<u>110,204,058</u>
Operating loss		<u>(53,010,659)</u>		<u>(51,272,221)</u>
NONOPERATING REVENUES (EXPENSES)				
State appropriations		42,341,396		41,138,229
Pell grants		7,667,056		8,207,153
Gifts		1,316,724	\$ 3,249,935	1,107,233
Investment income	1,064,846		1,583,400	\$ 2,205,572
Less: investment expense	<u>(14,361)</u>	1,050,485	<u>(10,844)</u>	2,006,485
Interest on indebtedness		(707,778)		(611,774)
Other revenues, (expenses), gains and (losses)		18,945		(282,424)
Other affiliated foundation revenues			392,887	377,662
Other affiliated foundation expenses			(2,514,518)	(2,483,589)
Transfers (to) other University System of Maryland institutions		<u>(824,295)</u>		<u>(889,704)</u>
Total nonoperating revenues		<u>50,862,533</u>	<u>2,711,704</u>	<u>49,562,127</u>
Income (loss) before other revenues		<u>(2,148,126)</u>	<u>2,711,704</u>	<u>(1,710,094)</u>
OTHER REVENUES				
Capital appropriations		2,451,994		494,511
Capital gifts and grants		<u>74,104</u>		<u>37,908</u>
Total other revenues		<u>2,526,098</u>		<u>532,419</u>
Increase (decrease) in net position		<u>377,972</u>	<u>2,711,704</u>	<u>(1,177,675)</u>
Net position - beginning of year		<u>129,833,960</u>	<u>27,371,738</u>	<u>131,011,635</u>
Net position - end of year		<u>\$ 130,211,932</u>	<u>\$ 30,083,442</u>	<u>\$ 129,833,960</u>
				<u>\$ 27,371,738</u>

**FROSTBURG STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 29,121,730	\$ 27,935,724
Research contracts and grants	4,994,277	4,457,975
Payments to employees	(69,179,677)	(69,184,509)
Payments to suppliers and contractors	(31,420,250)	(31,164,720)
Loans issued to students		(91,600)
Collection of loans to students	117,194	190,942
Auxiliary enterprises:		
Residential facilities	5,762,500	5,992,407
Dining facilities	7,109,519	7,366,390
Intercollegiate athletics	3,685,856	3,767,332
Bookstores	1,405,033	1,365,973
Other	4,804,216	4,845,508
Other receipts	3,168,131	2,720,903
Net cash provided (used) by operating activities	<u>(40,431,471)</u>	<u>(41,797,675)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	42,341,396	41,138,229
Pell grants	7,667,056	8,207,153
Net cash provided by noncapital financing activities	<u>50,008,452</u>	<u>49,345,382</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	2,369,645	532,894
Capital appropriations	2,451,994	494,511
Purchases of capital assets	(17,824,726)	(6,009,025)
Principal paid on debt and capital leases	(3,501,034)	(1,543,681)
Interest paid on debt and capital leases	(851,379)	(706,047)
Transfers (to) from other University System of Maryland institutions	10,086,145	(801,981)
Net cash provided (used) by capital and related financing activities	<u>(7,269,355)</u>	<u>(8,033,329)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	135,069	67,521
Interest on investments	784,813	659,818
Investment expense	(14,361)	(10,844)
Purchases of investments	(108,732)	(1,240,634)
Net cash provided (used) by investing activities	<u>796,789</u>	<u>(524,139)</u>
Net increase (decrease) in cash and cash equivalents	3,104,415	(1,009,761)
Cash and cash equivalents - beginning of year	<u>34,232,272</u>	<u>35,242,033</u>
Cash and cash equivalents - end of year	<u>\$ 37,336,687</u>	<u>\$ 34,232,272</u>

**COPPIN STATE UNIVERSITY
BALANCE SHEETS
JUNE 30, 2019 AND 2018**

	<u>2019</u>		<u>2018</u>	
	<u>Institution</u>	<u>Component Units</u>	<u>Institution</u>	<u>Component Units</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 18,618,678	\$ 3,138,127	\$ 15,671,216	\$ 2,834,881
Accounts receivable, net	2,359,348	563,482	2,036,104	894,540
Notes receivable, current portion, net	88,227		89,122	
Prepaid expenses and other	20,228	14,730	84,267	5,870
Inter-institutional balances	<u>(1,838,898)</u>		<u>(3,225,930)</u>	
Total current assets	<u>19,247,583</u>	<u>3,716,339</u>	<u>14,654,779</u>	<u>3,735,291</u>
Noncurrent assets				
Endowment investments	2,856,772	9,072,047	2,766,777	8,228,199
Other investments		2,856,772		2,766,777
Notes receivable, net	730,438		737,849	
Capital assets, net	<u>313,351,304</u>	<u>30,100</u>	<u>324,450,227</u>	<u>30,100</u>
Total noncurrent assets	<u>316,938,514</u>	<u>11,958,919</u>	<u>327,954,853</u>	<u>11,025,076</u>
Total assets	<u>336,186,097</u>	<u>15,675,258</u>	<u>342,609,632</u>	<u>14,760,367</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>15,921,174</u>		<u>14,280,396</u>	
Total assets and deferred outflows of resources	<u>\$ 352,107,271</u>	<u>\$ 15,675,258</u>	<u>\$ 356,890,028</u>	<u>\$ 14,760,367</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 6,762,626	\$ 63,999	\$ 6,352,142	\$ 68,471
Accrued workers' compensation, current portion	153,300		137,400	
Accrued vacation costs, current portion	1,476,533		1,667,418	
Revenue bonds and notes payable, current portion	2,671,490		2,789,113	
Unearned revenues	<u>2,674,890</u>		<u>2,895,336</u>	
Total current liabilities	<u>13,738,839</u>	<u>63,999</u>	<u>13,841,409</u>	<u>68,471</u>
Noncurrent liabilities				
Accrued workers' compensation	868,700		778,600	
Accrued vacation costs	1,797,510		1,270,620	
Endowments invested on behalf of primary government		2,856,772		2,766,777
Other payables		4,904		6,178
Revenue bonds and notes payable	34,188,949		37,155,818	
Net pension liability	<u>42,956,209</u>		<u>37,902,372</u>	
Total noncurrent liabilities	<u>79,811,368</u>	<u>2,861,676</u>	<u>77,107,410</u>	<u>2,772,955</u>
Total liabilities	<u>93,550,207</u>	<u>2,925,675</u>	<u>90,948,819</u>	<u>2,841,426</u>
DEFERRED INFLOWS OF RESOURCES	<u>4,177,600</u>		<u>4,098,863</u>	
NET POSITION				
Unrestricted	(24,087,071)	232,153	(24,646,195)	184,837
Net investment in capital assets	276,697,988		284,807,599	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	434,289		433,379	
Other	240,125		240,125	
Expendable:				
Scholarships and fellowships	20,815		18,528	
Loans	1,073,318		988,910	
Net assets with donor restrictions		<u>12,517,430</u>		<u>11,734,104</u>
Total net position	<u>254,379,464</u>	<u>12,749,583</u>	<u>261,842,346</u>	<u>11,918,941</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 352,107,271</u>	<u>\$ 15,675,258</u>	<u>\$ 356,890,028</u>	<u>\$ 14,760,367</u>

COPPIN STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2019 AND 2018

	2019		2018	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES				
Tuition and fees	\$ 14,539,497		\$ 14,582,149	
Less: scholarship allowances	<u>(9,839,149)</u>	\$ 4,700,348	<u>(9,999,985)</u>	\$ 4,582,164
Federal grants and contracts		5,062,988		4,984,392
State and local grants and contracts		883,895		1,132,001
Nongovernmental grants and contracts		967,192		1,142,296
Sales and services of educational departments		402,136		796,982
Auxiliary enterprises:				
Residential facilities	3,625,298		3,380,749	
Less: scholarship allowances	<u>(288,000)</u>	3,337,298	<u>(285,393)</u>	3,095,356
Dining facilities		2,764,179		2,582,280
Intercollegiate athletics	2,705,330		3,060,759	
Less: scholarship allowances	<u>(1,190,242)</u>	1,515,088	<u>(1,212,063)</u>	1,848,696
Parking facilities	1,396,531		1,490,711	
Less: scholarship allowances	<u>(141,414)</u>	1,255,117	<u>(139,226)</u>	1,351,485
Other auxiliary enterprises revenues		<u>4,211,101</u>		<u>3,919,603</u>
Total operating revenues		<u>25,099,342</u>		<u>25,435,255</u>
OPERATING EXPENSES				
Instruction		24,728,870		23,961,167
Research		646,179		477,609
Public service		26,806		229
Academic support		8,354,073		8,228,982
Student services		6,551,588		5,965,727
Institutional support		20,725,873		26,429,007
Operation and maintenance of plant		12,242,066		10,569,865
Scholarships and fellowships		440,811		477,268
Auxiliary enterprises:				
Residential facilities		2,630,865		2,427,228
Dining facilities		2,739,604		2,474,182
Intercollegiate athletics		4,917,662		3,624,908
Parking facilities		1,010,267		566,342
Other auxiliary enterprises expenses		<u>2,968,945</u>		<u>2,403,198</u>
Total operating expenses		<u>87,983,609</u>		<u>87,605,712</u>
Operating loss		<u>(62,884,267)</u>		<u>(62,170,457)</u>
NONOPERATING REVENUES (EXPENSES)				
State appropriations		47,293,536		46,566,387
Pell grants		6,552,959		6,928,648
Gifts			\$ 1,158,464	\$ 1,219,766
Investment income	558,234		606,412	791,365
Less: investment expense	<u>(14,276)</u>	543,958	<u>(6,115)</u>	320,051
Interest on indebtedness		(1,141,960)		(1,378,788)
Other revenues, (expenses), gains and (losses)		(213,538)		(382,427)
Other affiliated foundation revenues		299,305		228,177
Other affiliated foundation expenses		(1,233,539)		(1,471,367)
Transfers from other University System of Maryland institutions		<u>2,375,274</u>		<u>2,116,790</u>
Total nonoperating revenues		<u>55,410,229</u>	<u>830,642</u>	<u>54,170,661</u>
Income (loss) before other revenues		<u>(7,474,038)</u>	<u>830,642</u>	<u>(7,999,796)</u>
OTHER REVENUES				
Capital appropriations		10,247		
Additions to permanent endowments		<u>909</u>		
Total other revenues		<u>11,156</u>		
Increase (decrease) in net position		<u>(7,462,882)</u>	<u>830,642</u>	<u>(7,999,796)</u>
Net position - beginning of year		<u>261,842,346</u>	<u>11,918,941</u>	<u>269,842,142</u>
Net position - end of year		<u>\$ 254,379,464</u>	<u>\$ 12,749,583</u>	<u>\$ 261,842,346</u>

**COPPIN STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 4,377,108	\$ 5,423,488
Research contracts and grants	6,693,629	6,289,293
Payments to employees	(50,394,958)	(46,860,413)
Payments to suppliers and contractors	(25,935,538)	(24,390,861)
Loans issued to students	(24,388)	(24,000)
Collection of loans to students	32,695	29,784
Auxiliary enterprises:		
Residential facilities	3,337,298	3,095,356
Dining facilities	2,764,179	2,582,280
Intercollegiate athletics	1,515,088	1,848,696
Parking facilities	1,255,117	1,351,485
Other	4,211,101	3,919,603
Other receipts (payments)	4,501,729	789,153
	<u>(47,666,940)</u>	<u>(45,946,136)</u>
Net cash provided (used) by operating activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	47,293,536	46,566,387
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes	909	
Pell grants	6,552,959	6,928,648
	<u>53,847,404</u>	<u>53,495,035</u>
Net cash provided by noncapital financing activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	5,391,170	856,237
Capital appropriations	10,247	
Proceeds from sales of capital assets	29,863	7,029
Purchases of capital assets	(569,176)	(2,003,289)
Principal paid on debt and capital leases	(8,258,487)	(3,912,412)
Interest paid on debt and capital leases	(1,577,124)	(1,660,979)
Transfers from other University System of Maryland institutions	1,286,542	4,207,357
	<u>(3,686,965)</u>	<u>(2,506,057)</u>
Net cash provided (used) by capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	97,988	78,281
Interest on investments	371,160	180,400
Investment expense	(14,276)	(14,229)
Purchases of investments	(909)	(1,062,384)
	<u>453,963</u>	<u>(817,932)</u>
Net cash provided (used) by investing activities		
Net increase in cash and cash equivalents	2,947,462	4,224,910
Cash and cash equivalents - beginning of year	<u>15,671,216</u>	<u>11,446,306</u>
Cash and cash equivalents - end of year	<u>\$ 18,618,678</u>	<u>\$ 15,671,216</u>

**UNIVERSITY OF BALTIMORE
BALANCE SHEETS
JUNE 30, 2019 AND 2018**

	<u>2019</u>		<u>2018</u>	
	<u>Institution</u>	<u>Component Units</u>	<u>Institution</u>	<u>Component Units</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 39,558,311	\$ 9,853,058	\$ 37,977,128	\$ 9,081,729
Accounts receivable, net	5,058,025	3,739,426	5,957,605	4,579,863
Notes receivable, current portion, net	90,873		109,739	
Prepaid expenses and other	1,093,567		561,665	
Inter-institutional balances	(6,017,609)		(6,820,124)	
Total current assets	<u>39,783,167</u>	<u>13,592,484</u>	<u>37,786,013</u>	<u>13,661,592</u>
Noncurrent assets				
Endowment investments	1,163,405	49,877,557	1,089,488	49,001,471
Other investments		8,977,253		8,626,017
Notes receivable, net	590,395		695,839	
Other assets		52,911		61,593
Capital assets, net	199,699,383	615,176	198,165,034	649,508
Total noncurrent assets	<u>201,453,183</u>	<u>59,522,897</u>	<u>199,950,361</u>	<u>58,338,589</u>
Total assets	<u>241,236,350</u>	<u>73,115,381</u>	<u>237,736,374</u>	<u>72,000,181</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>15,607,972</u>		<u>13,916,400</u>	
Total assets and deferred outflows of resources	<u>\$ 256,844,322</u>	<u>\$ 73,115,381</u>	<u>\$ 251,652,774</u>	<u>\$ 72,000,181</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 7,596,207	\$ 448,597	\$ 9,577,740	\$ 494,154
Accrued workers' compensation, current portion	73,500		89,400	
Accrued vacation costs, current portion	2,678,838		2,452,364	
Revenue bonds and notes payable, current portion	2,541,123		2,447,876	
Unearned revenues	6,957,840	913,808	7,045,583	1,437,574
Total current liabilities	<u>19,847,508</u>	<u>1,362,405</u>	<u>21,612,963</u>	<u>1,931,728</u>
Noncurrent liabilities				
Accrued workers' compensation	416,500		506,600	
Accrued vacation costs	1,612,577		1,571,832	
Endowments invested on behalf of primary government		1,163,405		1,089,488
Revenue bonds and notes payable	12,337,359		14,698,294	
Net pension liability	42,835,270		37,819,384	
Total noncurrent liabilities	<u>57,201,706</u>	<u>1,163,405</u>	<u>54,596,110</u>	<u>1,089,488</u>
Total liabilities	<u>77,049,214</u>	<u>2,525,810</u>	<u>76,209,073</u>	<u>3,021,216</u>
DEFERRED INFLOWS OF RESOURCES	<u>4,400,641</u>		<u>4,322,496</u>	
NET POSITION				
Unrestricted	(10,888,573)	7,216,201	(11,231,083)	6,505,084
Net investment in capital assets	185,109,647		181,380,059	
Restricted:				
Expendable:				
Loans	1,173,393		972,229	
Net assets with donor restrictions		63,373,370		62,473,881
Total net position	<u>175,394,467</u>	<u>70,589,571</u>	<u>171,121,205</u>	<u>68,978,965</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 256,844,322</u>	<u>\$ 73,115,381</u>	<u>\$ 251,652,774</u>	<u>\$ 72,000,181</u>

UNIVERSITY OF BALTIMORE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2019 AND 2018

	2019		2018	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES				
Tuition and fees	\$ 58,728,149		\$ 62,870,918	
Less: scholarship allowances	<u>(14,108,470)</u>	\$ 44,619,679	<u>(15,596,997)</u>	\$ 47,273,921
Federal grants and contracts		8,529,720		5,183,172
State and local grants and contracts		7,411,171		8,361,839
Nongovernmental grants and contracts		4,494,093		4,675,683
Sales and services of educational departments		251,742		462,633
Auxiliary enterprises:				
Parking facilities		1,456,660		1,510,174
Other auxiliary enterprises revenues		5,113,561		5,526,574
Other operating revenues		<u>251,921</u>		<u>277,545</u>
Total operating revenues		<u>72,128,547</u>		<u>73,271,541</u>
OPERATING EXPENSES				
Instruction		40,944,828		41,636,418
Research		14,045,935		11,868,556
Academic support		13,463,766		13,771,536
Student services		10,213,435		10,466,118
Institutional support		17,317,822		16,480,631
Operation and maintenance of plant		8,998,122		8,621,019
Scholarships and fellowships		2,506,366		3,085,165
Auxiliary enterprises:				
Parking facilities		455,469		399,895
Other auxiliary enterprises expenses		<u>2,875,287</u>		<u>3,829,582</u>
Total operating expenses		<u>110,821,030</u>		<u>110,158,920</u>
Operating loss		<u>(38,692,483)</u>		<u>(36,887,379)</u>
NONOPERATING REVENUES (EXPENSES)				
State appropriations		37,952,340		36,680,775
Pell grants		4,604,482		5,438,100
Gifts		\$ 2,445,460		\$ 3,242,635
Investment income		1,203,219	3,392,198	971,403
Interest on indebtedness		(425,129)		(519,589)
Other revenues, (expenses), gains and (losses)				(3,202,128)
Other affiliated foundation revenues		182,009		178,069
Other affiliated foundation expenses		(4,409,061)		(4,418,268)
Transfers (to) other University System of Maryland institutions		<u>(3,807,399)</u>		<u>(3,790,225)</u>
Total nonoperating revenues		<u>39,527,513</u>	<u>1,610,606</u>	<u>35,578,336</u>
Income (loss) before other revenues		<u>835,030</u>	<u>1,610,606</u>	<u>(1,309,043)</u>
OTHER REVENUES				
Capital appropriations		2,928,184		10,269,476
Capital gifts and grants		<u>510,048</u>		<u>21,540</u>
Total other revenues		<u>3,438,232</u>		<u>10,291,016</u>
Increase in net position		4,273,262	1,610,606	8,981,973
Net position - beginning of year		<u>171,121,205</u>	<u>68,978,965</u>	<u>162,139,232</u>
Net position - end of year		<u>\$ 175,394,467</u>	<u>\$ 70,589,571</u>	<u>\$ 171,121,205</u>

**UNIVERSITY OF BALTIMORE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 44,470,940	\$ 47,193,281
Research contracts and grants	20,907,266	17,061,026
Payments to employees	(77,356,269)	(77,844,602)
Payments to suppliers and contractors	(25,380,317)	(19,851,119)
Collection of loans to students	531,187	355,547
Auxiliary enterprises:		
Parking facilities	1,456,660	1,510,174
Other	5,108,574	5,533,502
Other receipts (payments)	<u>956,101</u>	<u>458,291</u>
Net cash provided (used) by operating activities	<u>(29,305,858)</u>	<u>(25,583,900)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	37,952,340	36,680,775
Pell grants	<u>4,604,482</u>	<u>5,438,100</u>
Net cash provided by noncapital financing activities	<u>42,556,822</u>	<u>42,118,875</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	88,092	18,525
Capital appropriations	2,928,184	10,269,476
Capital grants and gifts received	510,048	21,540
Purchases of capital assets	(8,870,119)	(23,479,999)
Principal paid on debt and capital leases	(2,294,688)	(3,598,268)
Interest paid on debt and capital leases	(518,643)	(616,278)
Transfers (to) other University System of Maryland institutions	<u>(4,519,904)</u>	<u>(1,515,683)</u>
Net cash provided (used) by capital and related financing activities	<u>(12,677,030)</u>	<u>(18,900,687)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments		75,000
Interest on investments	<u>1,007,249</u>	<u>802,052</u>
Net cash provided by investing activities	<u>1,007,249</u>	<u>877,052</u>
Net increase (decrease) in cash and cash equivalents	1,581,183	(1,488,660)
Cash and cash equivalents - beginning of year	<u>37,977,128</u>	<u>39,465,788</u>
Cash and cash equivalents - end of year	<u>\$ 39,558,311</u>	<u>\$ 37,977,128</u>

**SALISBURY UNIVERSITY
BALANCE SHEETS
JUNE 30, 2019 AND 2018**

	2019		2018	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 126,394,007	\$ 1,631,518	\$ 121,874,988	\$ 1,582,591
Accounts receivable, net	2,641,323	4,690,625	2,365,633	2,595,589
Notes receivable, current portion, net	103,133		116,226	
Inventories	1,102,378		1,168,441	
Prepaid expenses and other	76,179	66,975	59,889	81,021
Inter-institutional balances	393,909		1,117,577	
Total current assets	130,710,929	6,389,118	126,702,754	4,259,201
Noncurrent assets				
Accounts receivable, net		2,890,136		4,837,322
Endowment investments	3,687,246	69,199,090	3,548,142	68,129,413
Other investments		7,990,841		8,037,682
Notes receivable, net	449,047		615,573	
Other assets		2,188,759		2,220,817
Capital assets, net	460,466,985	6,068,500	460,831,588	6,238,519
Total noncurrent assets	464,603,278	88,337,326	464,995,303	89,463,753
Total assets	595,314,207	94,726,444	591,698,057	93,722,954
DEFERRED OUTFLOWS OF RESOURCES	23,215,072		20,139,067	
Total assets and deferred outflows of resources	\$ 618,529,279	\$ 94,726,444	\$ 611,837,124	\$ 93,722,954
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 13,161,423	\$ 332,714	\$ 11,966,576	\$ 273,691
Accrued workers' compensation, current portion	186,900		169,650	
Accrued vacation costs, current portion	2,756,240		2,561,485	
Revenue bonds and notes payable, current portion	6,700,036	2,463,494	6,436,306	2,542,288
Unearned revenues	5,498,471	136,879	5,235,148	188,439
Total current liabilities	28,303,070	2,933,087	26,369,165	3,004,418
Noncurrent liabilities				
Accrued workers' compensation	1,059,100		961,350	
Accrued vacation costs	2,707,844		2,512,633	
Endowments invested on behalf of primary government		3,687,246		3,548,142
Other payables		2,011,781		2,220,664
Revenue bonds and notes payable	86,267,841	5,099,388	91,461,743	5,503,250
Net pension liability	54,410,050		45,943,218	
Total noncurrent liabilities	144,444,835	10,798,415	140,878,944	11,272,056
Total liabilities	172,747,905	13,731,502	167,248,109	14,276,474
DEFERRED INFLOWS OF RESOURCES	25,161,464		26,790,443	
NET POSITION				
Unrestricted	71,357,019	8,075,794	74,397,067	8,440,020
Net investment in capital assets	348,666,331		342,523,636	
Restricted:				
Expendable:				
Loans	596,560		877,869	
Net assets with donor restrictions		72,919,148		71,006,460
Total net position	420,619,910	80,994,942	417,798,572	79,446,480
Total liabilities, deferred inflows of resources and net position	\$ 618,529,279	\$ 94,726,444	\$ 611,837,124	\$ 93,722,954

SALISBURY UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>		<u>2018</u>	
	<u>Institution</u>	<u>Component Units</u>	<u>Institution</u>	<u>Component Units</u>
OPERATING REVENUES				
Tuition and fees	\$ 76,949,976		\$ 75,604,291	
Less: scholarship allowances	<u>(19,416,858)</u>	\$ 57,533,118	<u>(18,764,133)</u>	\$ 56,840,158
Federal grants and contracts		1,722,359		1,375,165
State and local grants and contracts		3,779,156		3,317,527
Nongovernmental grants and contracts		511,157		420,208
Sales and services of educational departments		286,094		217,827
Auxiliary enterprises:				
Residential facilities	29,482,900		29,029,743	
Less: scholarship allowances	<u>(856,993)</u>	28,625,907	<u>(737,830)</u>	28,291,913
Dining facilities	16,343,934		16,013,668	
Less: scholarship allowances	<u>(12,403)</u>	16,331,531	<u>(13,610)</u>	16,000,058
Intercollegiate athletics		6,711,161		6,622,908
Bookstore		3,976,631		4,189,147
Parking facilities		805,392		612,007
Other auxiliary enterprises revenues	3,063,863		3,527,671	
Less: scholarship allowances	<u>(4,041)</u>	<u>3,059,822</u>	<u>(3,724)</u>	<u>3,523,947</u>
Total operating revenues		<u>123,342,328</u>		<u>121,410,865</u>
OPERATING EXPENSES				
Instruction		62,007,744		58,576,883
Research		1,722,416		1,460,229
Public service		6,727,920		6,439,694
Academic support		18,135,112		16,816,540
Student services		9,144,375		8,339,606
Institutional support		19,192,153		18,078,726
Operation and maintenance of plant		23,752,952		22,334,726
Scholarships and fellowships		185,503		233,211
Auxiliary enterprises:				
Residential facilities		14,734,915		14,079,932
Dining facilities		13,337,211		13,760,178
Intercollegiate athletics		7,066,000		6,328,939
Bookstore		3,956,246		4,229,720
Parking facilities		932,427		1,043,607
Other auxiliary enterprises expenses		<u>2,017,794</u>		<u>2,301,920</u>
Total operating expenses		<u>182,912,768</u>		<u>174,023,911</u>
Operating loss		<u>(59,570,440)</u>		<u>(52,613,046)</u>
NONOPERATING REVENUES (EXPENSES)				
State appropriations		55,094,664		53,730,307
Pell grants		8,614,043		8,958,876
Gifts			\$ 6,691,806	\$ 6,705,192
Investment income	2,721,723		1,800,890	2,111,065
Less: investment expense	<u>(9,134)</u>	2,712,589	<u>(4,567)</u>	2,106,498
Interest on indebtedness		(2,807,265)		(3,209,000)
Other revenues, (expenses), gains and (losses)		(325,001)		(236,682)
Other affiliated foundation revenues			1,433,702	1,910,483
Other affiliated foundation expenses			(8,377,936)	(12,089,539)
Transfers (to) other University System of Maryland institutions		<u>(2,715,747)</u>		<u>(2,299,432)</u>
Total nonoperating revenues		<u>60,573,283</u>	<u>1,548,462</u>	<u>59,050,567</u>
Income before other revenues		<u>1,002,843</u>	<u>1,548,462</u>	<u>6,437,521</u>
OTHER REVENUES				
Capital appropriations				59
Capital gifts and grants		<u>1,818,495</u>		<u>58,625</u>
Total other revenues		<u>1,818,495</u>		<u>58,684</u>
Increase in net position		2,821,338	1,548,462	6,496,205
Net position - beginning of year		<u>417,798,572</u>	<u>79,446,480</u>	<u>411,302,367</u>
Net position - end of year		<u>\$ 420,619,910</u>	<u>\$ 80,994,942</u>	<u>\$ 417,798,572</u>
			<u>\$ 79,446,480</u>	

**SALISBURY UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 57,767,766	\$ 56,799,181
Research contracts and grants	5,744,141	4,951,140
Payments to employees	(120,336,034)	(114,547,135)
Payments to suppliers and contractors	(37,432,429)	(37,515,028)
Loans issued to students		(35,750)
Collection of loans to students	179,619	217,055
Auxiliary enterprises:		
Residential facilities	26,871,839	26,529,724
Dining facilities	16,307,237	16,016,957
Intercollegiate athletics	6,710,764	6,623,399
Bookstores	3,976,631	4,189,831
Parking facilities	805,392	612,007
Other	3,065,616	3,503,041
Other receipts	(153,610)	428,342
Net cash provided (used) by operating activities	<u>(36,493,068)</u>	<u>(32,227,236)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	55,094,664	53,730,307
Pell grants	8,614,043	8,958,876
Net cash provided by noncapital financing activities	<u>63,708,707</u>	<u>62,689,183</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	11,837,999	1,326,966
Capital appropriations		59
Purchases of capital assets	(15,705,882)	(17,084,484)
Principal paid on debt and capital leases	(17,624,118)	(5,896,929)
Interest paid on debt and capital leases	(3,610,962)	(3,670,857)
Transfers (to) other University System of Maryland institutions	(167,142)	(1,295,745)
Net cash provided (used) by capital and related financing activities	<u>(25,270,105)</u>	<u>(26,620,990)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	100,918	68,746
Interest on investments	2,481,701	1,980,190
Investment expense	(9,134)	(4,567)
Purchases of investments		(1,985,698)
Net cash provided by investing activities	<u>2,573,485</u>	<u>58,671</u>
Net increase in cash and cash equivalents	4,519,019	3,899,628
Cash and cash equivalents - beginning of year	<u>121,874,988</u>	<u>117,975,360</u>
Cash and cash equivalents - end of year	<u>\$ 126,394,007</u>	<u>\$ 121,874,988</u>

**UNIVERSITY OF MARYLAND GLOBAL CAMPUS
BALANCE SHEETS
JUNE 30, 2019 AND 2018**

	2019		2018	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 349,941,854		\$ 365,223,985	
Accounts receivable, net	43,177,730	\$ 62,150	34,947,407	\$ 61,239
Notes receivable, current portion, net	65,542		85,911	
Inventories	43,177		40,642	
Prepaid expenses and other	10,601,143	750	9,268,844	
Inter-institutional balances	337,533		44,052	
Total current assets	404,166,979	62,900	409,610,841	61,239
Noncurrent assets				
Accounts receivable, net		931,670		433,626
Endowment investments	10,213,655	18,630,397	9,744,535	18,094,887
Other investments	7,929,740	12,896,634	3,778,842	13,374,618
Notes receivable, net	1,193,316		1,552,672	
Capital assets, net	129,962,947	7,402,758	138,639,467	7,199,081
Total noncurrent assets	149,299,658	39,861,459	153,715,516	39,102,212
Total assets	553,466,637	39,924,359	563,326,357	39,163,451
DEFERRED OUTFLOWS OF RESOURCES	19,283,030		16,474,676	
Total assets and deferred outflows of resources	\$ 572,749,667	\$ 39,924,359	\$ 579,801,033	\$ 39,163,451
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 25,601,822	\$ 120	\$ 24,192,907	\$ 120
Accrued workers' compensation, current portion	193,200		131,850	
Accrued vacation costs, current portion	8,405,212		7,522,684	
Unearned revenues	50,796,888		48,279,956	
Total current liabilities	84,997,122	120	80,127,397	120
Noncurrent liabilities				
Accrued workers' compensation	1,094,800		747,150	
Accrued vacation costs	6,001,998		5,816,731	
Endowments invested on behalf of primary government		10,213,655		9,744,535
Net pension liability	46,440,325		38,914,690	
Total noncurrent liabilities	53,537,123	10,213,655	45,478,571	9,744,535
Total liabilities	138,534,245	10,213,775	125,605,968	9,744,655
DEFERRED INFLOWS OF RESOURCES	4,690,687		4,573,441	
NET POSITION				
Unrestricted	298,087,340	5,241,032	309,189,787	5,214,028
Net investment in capital assets	129,962,947		138,639,467	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	29,423		29,423	
Expendable:				
Scholarships and fellowships	41,421		45,825	
Loans	1,403,604		1,717,122	
Net assets with donor restrictions		24,469,552		24,204,768
Total net position	429,524,735	29,710,584	449,621,624	29,418,796
Total liabilities, deferred inflows of resources and net position	\$ 572,749,667	\$ 39,924,359	\$ 579,801,033	\$ 39,163,451

UNIVERSITY OF MARYLAND GLOBAL CAMPUS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2019 AND 2018

	2019		2018	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES				
Tuition and fees	\$ 347,614,295		\$ 351,953,045	
Less: scholarship allowances	(43,562,115)	\$ 304,052,180	(37,888,797)	\$ 314,064,248
Federal grants and contracts		1,507,110		1,232,822
State and local grants and contracts		3,225,925		3,377,789
Nongovernmental grants and contracts		1,706,911		1,578,958
Sales and services of educational departments		380,860		225,361
Auxiliary enterprises:				
Residential facilities				57,650
Bookstore		7,325		13,198
Parking facilities		2,987		799
Other operating revenues		22,040,063		19,145,988
Total operating revenues		332,923,361		339,696,813
OPERATING EXPENSES				
Instruction		109,743,395		106,902,081
Public service		16,730,000		16,279,595
Academic support		52,608,441		54,181,417
Student services		128,727,092		105,220,610
Institutional support		92,221,164		91,119,565
Operation and maintenance of plant		19,868,340		18,968,460
Scholarships and fellowships		31,592,094		30,527,632
Auxiliary enterprises:				
Residential facilities				63,163
Bookstore		8,039		8,034
Parking facilities		113,205		105,917
Total operating expenses		451,611,770		423,376,474
Operating loss		(118,688,409)		(83,679,661)
NONOPERATING REVENUES (EXPENSES)				
State appropriations		43,838,036		43,227,983
Pell grants		47,146,757		41,600,801
Gifts			\$ 1,399,497	427,520
Investment income	7,990,330		735,251	\$ 1,236,394
Less: investment expense	(24,229)	7,966,101	(12,256)	1,613,477
Other revenues, (expenses), gains and (losses)		(253,475)		87,625
Other affiliated foundation revenues			91,523	95,533
Other affiliated foundation expenses			(1,934,483)	(1,647,931)
Transfers (to) other University System of Maryland institutions		(105,899)		(353,122)
Total nonoperating revenues		98,591,520	291,788	91,214,418
Increase (decrease) in net position		(20,096,889)	291,788	7,534,757
Net position - beginning of year		449,621,624	29,418,796	442,086,867
Net position - end of year		\$ 429,524,735	\$ 29,710,584	\$ 449,621,624
			\$ 29,418,796	

**UNIVERSITY OF MARYLAND GLOBAL CAMPUS
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 294,203,129	\$ 310,145,494
Research contracts and grants	4,876,293	9,107,530
Payments to employees	(229,410,454)	(242,961,255)
Payments to suppliers and contractors	(205,089,271)	(165,879,579)
Loans issued to students		(44,000)
Collection of loans to students	379,725	55,436
Auxiliary enterprises:		
Residential facilities		57,650
Bookstores	7,325	13,198
Parking facilities	2,987	799
Other receipts	<u>27,856,392</u>	<u>23,017,469</u>
Net cash provided (used) by operating activities	<u>(107,173,874)</u>	<u>(66,487,258)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	43,838,036	43,227,983
Pell grants	<u>47,146,757</u>	<u>41,600,801</u>
Net cash provided by noncapital financing activities	<u>90,984,793</u>	<u>84,828,784</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sales of capital assets	6,945	295,473
Purchases of capital assets	(2,046,699)	(2,331,661)
Transfers (to) from other University System of Maryland institutions	<u>(399,380)</u>	<u>292,750</u>
Net cash provided (used) by capital and related financing activities	<u>(2,439,134)</u>	<u>(1,743,438)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	190,144	19,395
Interest on investments	7,331,067	5,887,894
Investment expense	(24,229)	(12,256)
Purchases of investments	<u>(4,150,898)</u>	<u>(9,241,025)</u>
Net cash provided (used) by investing activities	<u>3,346,084</u>	<u>(3,345,992)</u>
Net increase (decrease) in cash and cash equivalents	(15,282,131)	13,252,096
Cash and cash equivalents - beginning of year	<u>365,223,985</u>	<u>351,971,889</u>
Cash and cash equivalents - end of year	<u>\$ 349,941,854</u>	<u>\$ 365,223,985</u>

UNIVERSITY OF MARYLAND, BALTIMORE COUNTY
BALANCE SHEETS
JUNE 30, 2019 AND 2018

	2019		2018	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 166,840,854	\$ 749,457	\$ 148,636,681	\$ 594,760
Accounts receivable, net	13,795,772	479,300	15,082,683	1,556,128
Notes receivable, current portion, net	423,213		519,298	
Inventories	787,049		695,109	
Prepaid expenses and other	336,687	150,068	397,426	114,305
Inter-institutional balances	(894,645)		(1,020,056)	
Total current assets	181,288,930	1,378,825	164,311,141	2,265,193
Noncurrent assets				
Accounts receivable, net		8,077,646		8,999,831
Endowment investments	9,625,534	102,018,848	9,242,973	95,958,976
Other investments		35,620,910		33,028,590
Notes receivable, net	1,134,856		1,543,387	
Capital assets, net	651,123,910	2,606,341	606,190,088	2,765,831
Total noncurrent assets	661,884,300	148,323,745	616,976,448	140,753,228
Total assets	843,173,230	149,702,570	781,287,589	143,018,421
DEFERRED OUTFLOWS OF RESOURCES	55,497,303		48,800,177	
Total assets and deferred outflows of resources	\$ 898,670,533	\$ 149,702,570	\$ 830,087,766	\$ 143,018,421
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 20,856,467	\$ 25,212	\$ 18,131,273	\$ 54,730
Accrued workers' compensation, current portion	187,050		172,650	
Accrued vacation costs, current portion	9,006,447		8,731,409	
Revenue bonds and notes payable, current portion	9,967,753	45,900	10,087,988	58,935
Unearned revenues	9,991,962	5,378,520	10,198,038	5,846,742
Total current liabilities	50,009,679	5,449,632	47,321,358	5,960,407
Noncurrent liabilities				
Accrued workers' compensation	1,059,950		978,350	
Accrued vacation costs	5,282,095		4,995,176	
Endowments invested on behalf of primary government		9,625,534		9,242,973
Revenue bonds and notes payable	136,974,691		143,301,000	44,627
Net pension liability	129,132,818		110,951,109	
Total noncurrent liabilities	272,449,554	9,625,534	260,225,635	9,287,600
Total liabilities	322,459,233	15,075,166	307,546,993	15,248,007
DEFERRED INFLOWS OF RESOURCES	41,060,732		42,574,655	
NET POSITION				
Unrestricted	56,388,792	30,236,105	53,916,443	29,154,267
Net investment in capital assets	476,733,945		423,829,175	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	130,474		130,474	
Expendable:				
Loans	1,897,357		2,090,026	
Net assets with donor restrictions		104,391,299		98,616,147
Total net position	535,150,568	134,627,404	479,966,118	127,770,414
Total liabilities, deferred inflows of resources and net position	\$ 898,670,533	\$ 149,702,570	\$ 830,087,766	\$ 143,018,421

UNIVERSITY OF MARYLAND, BALTIMORE COUNTY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>		<u>2018</u>	
	<u>Institution</u>	<u>Component Units</u>	<u>Institution</u>	<u>Component Units</u>
OPERATING REVENUES				
Tuition and fees	\$ 135,911,368		\$ 132,306,929	
Less: scholarship allowances	<u>(22,475,606)</u>	\$ 113,435,762	<u>(20,126,014)</u>	\$ 112,180,915
Federal grants and contracts		40,441,787		39,888,152
State and local grants and contracts		36,885,094		36,741,352
Nongovernmental grants and contracts		13,686,897		12,513,712
Sales and services of educational departments		3,180,534		3,226,643
Auxiliary enterprises:				
Residential facilities	28,028,424		27,749,265	
Less: scholarship allowances	<u>(5,381,950)</u>	22,646,474	<u>(5,878,626)</u>	21,870,639
Dining facilities	14,631,201		14,173,896	
Less: scholarship allowances	<u>(3,026,016)</u>	11,605,185	<u>(2,578,610)</u>	11,595,286
Intercollegiate athletics		13,068,884		12,805,792
Bookstore	3,930,853		4,397,667	
Less: scholarship allowances	<u>(878)</u>	3,929,975	<u>(1,134)</u>	4,396,533
Parking facilities		1,065,232		941,547
Other auxiliary enterprises revenues		23,441,954		20,205,783
Other operating revenues		<u>17,248,321</u>		<u>16,586,974</u>
Total operating revenues		<u>300,636,099</u>		<u>292,953,328</u>
OPERATING EXPENSES				
Instruction		129,710,136		123,474,794
Research		65,860,412		63,856,219
Public service		20,563,294		22,776,011
Academic support		23,994,434		24,251,095
Student services		23,837,922		21,957,320
Institutional support		44,536,439		37,578,775
Operation and maintenance of plant		35,486,862		33,845,474
Scholarships and fellowships		27,617,585		27,260,807
Auxiliary enterprises:				
Residential facilities		23,906,489		21,501,307
Dining facilities		11,850,048		11,848,464
Intercollegiate athletics		12,053,429		11,120,246
Bookstore		4,005,548		4,354,900
Parking facilities		1,247,012		1,148,863
Other auxiliary enterprises expenses		<u>22,286,885</u>		<u>12,599,023</u>
Total operating expenses		<u>446,956,495</u>		<u>417,573,298</u>
Operating loss		<u>(146,320,396)</u>		<u>(124,619,970)</u>
NONOPERATING REVENUES (EXPENSES)				
State appropriations		131,479,316		121,297,503
Pell grants		16,360,748		15,899,394
Gifts		1,860	\$ 8,090,214	\$ 8,727,160
Investment income	3,928,055		7,716,400	3,275
Less: investment expense	<u>(30,142)</u>	3,897,913	<u>(17,130)</u>	2,907,505
Interest on indebtedness		(4,790,266)		(3,227,702)
Other revenues, (expenses), gains and (losses)		(325,434)		(366,810)
Other affiliated foundation revenues			3,030,673	3,071,112
Other affiliated foundation expenses			(11,980,297)	(12,031,832)
Transfers (to) other University System of Maryland institutions		<u>(5,261,779)</u>		<u>(5,189,401)</u>
Total nonoperating revenues		<u>141,362,358</u>	<u>6,856,990</u>	<u>131,323,764</u>
Income (loss) before other revenues		<u>(4,958,038)</u>	<u>6,856,990</u>	<u>8,809,959</u>
OTHER REVENUES				
Capital appropriations		<u>60,142,488</u>		<u>32,499,774</u>
Total other revenues		<u>60,142,488</u>		<u>32,499,774</u>
Increase in net position		55,184,450	6,856,990	39,203,568
Net position - beginning of year		<u>479,966,118</u>	<u>127,770,414</u>	<u>440,762,550</u>
Net position - end of year		<u>\$ 535,150,568</u>	<u>\$ 134,627,404</u>	<u>\$ 479,966,118</u>

**UNIVERSITY MARYLAND, BALTIMORE COUNTY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 114,575,531	\$ 113,632,728
Research contracts and grants	91,948,050	88,895,998
Payments to employees	(260,498,019)	(251,288,012)
Payments to suppliers and contractors	(146,125,394)	(134,371,743)
Loans issued to students	(194,308)	(345,372)
Collection of loans to students	698,924	221,382
Auxiliary enterprises:		
Residential facilities	20,660,336	19,957,083
Dining facilities	11,508,356	11,533,590
Intercollegiate athletics	12,959,843	12,737,655
Bookstores	3,897,185	4,362,599
Parking facilities	1,056,344	930,727
Other	23,246,365	20,114,623
Other receipts	<u>20,226,576</u>	<u>20,525,994</u>
Net cash provided (used) by operating activities	<u>(106,040,211)</u>	<u>(93,092,748)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	131,479,316	121,297,503
Pell grants	<u>16,360,748</u>	<u>15,899,394</u>
Net cash provided by noncapital financing activities	<u>147,840,064</u>	<u>137,196,897</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	1,003,137	6,699,020
Capital appropriations	60,142,488	32,499,774
Purchases of capital assets	(70,782,857)	(70,086,589)
Principal paid on debt and capital leases	(12,398,297)	(10,666,841)
Interest paid on debt and capital leases	(5,940,155)	(3,863,738)
Transfers from other University System of Maryland institutions	<u>864,653</u>	<u>18,770,836</u>
Net cash provided (used) by capital and related financing activities	<u>(27,111,031)</u>	<u>(26,647,538)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	274,364	205,099
Interest on investments	3,271,129	2,487,203
Investment expense	(30,142)	(17,130)
Purchases of investments	<u>(3,882,667)</u>	<u>(3,882,667)</u>
Net cash provided (used) by investing activities	<u>3,515,351</u>	<u>(1,207,495)</u>
Net increase in cash and cash equivalents	18,204,173	16,249,116
Cash and cash equivalents - beginning of year	<u>148,636,681</u>	<u>132,387,565</u>
Cash and cash equivalents - end of year	<u>\$ 166,840,854</u>	<u>\$ 148,636,681</u>

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
BALANCE SHEETS
JUNE 30, 2019 AND 2018**

	<u>2019</u>		<u>2018</u>	
	<u>Institution</u>	<u>Component Units</u>	<u>Institution</u>	<u>Component Units</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 18,057,678		\$ 16,191,841	
Accounts receivable, net	4,864,492	\$ 7,727	4,480,755	\$ 3,393
Inter-institutional balances			12,659	
Total current assets	<u>22,922,170</u>	<u>7,727</u>	<u>20,685,255</u>	<u>3,393</u>
Noncurrent assets				
Endowment investments	407,155	3,465,854	396,122	2,873,479
Other investments		2,856,942		2,887,170
Capital assets, net	76,108,097	8,548	79,236,147	3,139
Total noncurrent assets	<u>76,515,252</u>	<u>6,331,344</u>	<u>79,632,269</u>	<u>5,763,788</u>
Total assets	99,437,422	6,339,071	100,317,524	5,767,181
DEFERRED OUTFLOWS OF RESOURCES				
	<u>5,247,494</u>		<u>4,749,334</u>	
Total assets and deferred outflows of resources	<u>\$ 104,684,916</u>	<u>\$ 6,339,071</u>	<u>\$ 105,066,858</u>	<u>\$ 5,767,181</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 1,513,666		\$ 919,064	
Accrued workers' compensation, current portion	11,100		10,950	
Accrued vacation costs, current portion	1,624,596		1,602,521	
Revenue bonds and notes payable, current portion	689,355		686,199	
Unearned revenues	159,943	\$ 676,296	149,813	\$ 336,790
Total current liabilities	<u>3,998,660</u>	<u>676,296</u>	<u>3,368,547</u>	<u>336,790</u>
Noncurrent liabilities				
Accrued workers' compensation	62,900		62,050	
Accrued vacation costs	1,461,288		1,423,895	
Endowments invested on behalf of primary government		407,155		396,122
Revenue bonds and notes payable	5,122,150		5,838,781	
Net pension liability	11,685,609		10,336,097	
Total noncurrent liabilities	<u>18,331,947</u>	<u>407,155</u>	<u>17,660,823</u>	<u>396,122</u>
Total liabilities	<u>22,330,607</u>	<u>1,083,451</u>	<u>21,029,370</u>	<u>732,912</u>
DEFERRED INFLOWS OF RESOURCES				
	<u>975,424</u>		<u>954,399</u>	
NET POSITION				
Unrestricted	11,007,110	1,037,286	10,289,359	777,095
Net investment in capital assets	70,363,471		72,793,730	
Restricted:				
Expendable:				
Capital projects	8,304			
Net assets with donor restrictions		4,218,334		4,257,174
Total net position	<u>81,378,885</u>	<u>5,255,620</u>	<u>83,083,089</u>	<u>5,034,269</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 104,684,916</u>	<u>\$ 6,339,071</u>	<u>\$ 105,066,858</u>	<u>\$ 5,767,181</u>

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2019 AND 2018**

	2019		2018	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES				
Federal grants and contracts	\$ 17,044,651		\$ 14,097,519	
State and local grants and contracts	2,377,656		4,193,556	
Nongovernmental grants and contracts	4,165,591		4,970,198	
Sales and services of educational departments	<u>3,880,436</u>		<u>3,078,179</u>	
Total operating revenues	<u>27,468,334</u>		<u>26,339,452</u>	
OPERATING EXPENSES				
Research	52,273,512		51,021,012	
Operation and maintenance of plant	<u>407,036</u>		<u>488,861</u>	
Total operating expenses	<u>52,680,548</u>		<u>51,509,873</u>	
Operating loss	<u>(25,212,214)</u>		<u>(25,170,421)</u>	
NONOPERATING REVENUES (EXPENSES)				
State appropriations	22,811,755		22,422,544	
Gifts		\$ 1,047,906		\$ 919,473
Investment income	385,571	416,196	369,030	297,802
Interest on indebtedness	(148,726)		(177,881)	
Other affiliated foundation revenues		17,108		2,803
Other affiliated foundation expenses		(1,259,859)		(503,256)
Transfers from other University System of Maryland institutions	<u>459,410</u>		<u>607,276</u>	
Total nonoperating revenues	<u>23,508,010</u>	<u>221,351</u>	<u>23,220,969</u>	<u>716,822</u>
Income (loss) before other revenues	<u>(1,704,204)</u>	<u>221,351</u>	<u>(1,949,452)</u>	<u>716,822</u>
OTHER REVENUES				
Capital appropriations			<u>1,941,832</u>	
Total other revenues			<u>1,941,832</u>	
Increase (decrease) in net position	(1,704,204)	221,351	(7,620)	716,822
Net position - beginning of year	<u>83,083,089</u>	<u>5,034,269</u>	<u>83,090,709</u>	<u>4,317,447</u>
Net position - end of year	<u>\$ 81,378,885</u>	<u>\$ 5,255,620</u>	<u>\$ 83,083,089</u>	<u>\$ 5,034,269</u>

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Research contracts and grants	\$ 23,214,291	\$ 22,368,370
Payments to employees	(31,137,251)	(30,470,458)
Payments to suppliers and contractors	(16,048,275)	(16,833,765)
Other receipts	<u>3,910,141</u>	<u>3,114,913</u>
Net cash provided (used) by operating activities	<u>(20,061,094)</u>	<u>(21,820,940)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	<u>22,811,755</u>	<u>22,422,544</u>
Net cash provided by noncapital financing activities	<u>22,811,755</u>	<u>22,422,544</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	150,901	114,502
Capital appropriations		1,941,832
Purchases of capital assets	(881,192)	(3,241,538)
Principal paid on debt and capital leases	(841,311)	(1,074,955)
Interest paid on debt and capital leases	(189,627)	(209,124)
Transfers from other University System of Maryland institutions	<u>501,867</u>	<u>988,441</u>
Net cash provided (used) by capital and related financing activities	<u>(1,259,362)</u>	<u>(1,480,842)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments		16,948
Interest on investments	<u>374,538</u>	<u>352,155</u>
Net cash provided by investing activities	<u>374,538</u>	<u>369,103</u>
Net increase (decrease) in cash and cash equivalents	1,865,837	(510,135)
Cash and cash equivalents - beginning of year	<u>16,191,841</u>	<u>16,701,976</u>
Cash and cash equivalents - end of year	<u>\$ 18,057,678</u>	<u>\$ 16,191,841</u>

**UNIVERSITY SYSTEM OF MARYLAND OFFICE
BALANCE SHEETS
JUNE 30, 2019 AND 2018**

	<u>2019</u>		<u>2018</u>	
	<u>Institution</u>	<u>Component Units</u>	<u>Institution</u>	<u>Component Units</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 267,813,513	\$ 71,163	\$ 219,329,235	\$ 156,834
Accounts receivable, net	1,387,174	87,493	2,116,000	242,186
Prepaid expenses and other		250,702		46,052
Inter-institutional balances	<u>26,744,693</u>		<u>29,412,824</u>	
Total current assets	<u>295,945,380</u>	<u>409,358</u>	<u>250,858,059</u>	<u>445,072</u>
Noncurrent assets				
Restricted cash and cash equivalents	155,546,920		93,361,909	
Accounts receivable, net		294,700		388,958
Endowment investments	24,463,479	18,023,551	23,633,051	16,898,666
Other investments	1,421,251	116,592,434	396,250	117,641,078
Other assets		141,849		467,000
Capital assets, net	<u>226,457,913</u>	<u>4,337,632</u>	<u>177,920,785</u>	<u>4,385,682</u>
Total noncurrent assets	<u>407,889,563</u>	<u>139,390,166</u>	<u>295,311,995</u>	<u>139,781,384</u>
Total assets	<u>703,834,943</u>	<u>139,799,524</u>	<u>546,170,054</u>	<u>140,226,456</u>
DEFERRED OUTFLOWS OF RESOURCES				
	<u>5,775,427</u>		<u>5,529,259</u>	
Total assets and deferred outflows of resources	<u>\$ 709,610,370</u>	<u>\$ 139,799,524</u>	<u>\$ 551,699,313</u>	<u>\$ 140,226,456</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 12,166,133	\$ 4,250,871	\$ 5,031,783	\$ 4,026,125
Accrued workers' compensation, current portion	10,800		10,650	
Accrued vacation costs, current portion	756,564		780,132	
Revenue bonds and notes payable, current portion	7,364,304		5,573,218	
Unearned revenues		649,450		516,882
Total current liabilities	<u>20,297,801</u>	<u>4,900,321</u>	<u>11,395,783</u>	<u>4,543,007</u>
Noncurrent liabilities				
Accrued workers' compensation	61,200		60,350	
Accrued vacation costs	918,782		863,844	
Endowments invested on behalf of primary government		24,463,479		23,633,051
Other payables		76,527,498		80,385,927
Revenue bonds and notes payable	157,911,176		104,384,275	
Net pension liability	<u>10,392,417</u>		<u>9,175,567</u>	
Total noncurrent liabilities	<u>169,283,575</u>	<u>100,990,977</u>	<u>114,484,036</u>	<u>104,018,978</u>
Total liabilities	<u>189,581,376</u>	<u>105,891,298</u>	<u>125,879,819</u>	<u>108,561,985</u>
DEFERRED INFLOWS OF RESOURCES				
	<u>843,480</u>		<u>824,522</u>	
NET POSITION				
Unrestricted	300,760,565	4,394,979	261,913,329	4,173,037
Net investment in capital assets	210,865,979		160,078,587	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	347,604		347,604	
Other	471,330		471,330	
Expendable:				
Capital projects	6,740,036		2,184,122	
Net assets with donor restrictions		<u>29,513,247</u>		<u>27,491,434</u>
Total net position	<u>519,185,514</u>	<u>33,908,226</u>	<u>424,994,972</u>	<u>31,664,471</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 709,610,370</u>	<u>\$ 139,799,524</u>	<u>\$ 551,699,313</u>	<u>\$ 140,226,456</u>

**UNIVERSITY SYSTEM OF MARYLAND OFFICE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2019 AND 2018**

	2019		2018	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES				
Federal grants and contracts	\$ 980,370		\$ 1,340,764	
Nongovernmental grants and contracts	110,331		88,673	
Other operating revenues	<u>1,379,124</u>		<u>825,627</u>	
Total operating revenues	<u>2,469,825</u>		<u>2,255,064</u>	
OPERATING EXPENSES				
Academic support	4,837,415		4,443,960	
Institutional support	<u>22,560,895</u>		<u>18,925,660</u>	
Total operating expenses	<u>27,398,310</u>		<u>23,369,620</u>	
Operating loss	<u>(24,928,485)</u>		<u>(21,114,556)</u>	
NONOPERATING REVENUES (EXPENSES)				
State appropriations	37,961,075		26,497,357	
Gifts		\$ 2,491,859		\$ 1,212,703
Investment income	\$ 8,470,271	1,142,592	\$ 5,561,231	3,789,804
Less: investment expense	<u>(55,242)</u>	8,415,029	<u>(49,261)</u>	5,511,970
Interest on indebtedness	(7,981,645)		(5,293,035)	
Other revenues, (expenses), gains and (losses)	2,330,965		293,196	
Other affiliated foundation revenues		4,382,220		4,356,753
Other affiliated foundation expenses		(5,772,916)		(6,793,891)
Transfers from other University System of Maryland institutions	<u>28,708,711</u>		<u>30,611,538</u>	
Total nonoperating revenues	<u>69,434,135</u>	<u>2,243,755</u>	<u>57,621,026</u>	<u>2,565,369</u>
Income before other revenues	<u>44,505,650</u>	<u>2,243,755</u>	<u>36,506,470</u>	<u>2,565,369</u>
OTHER REVENUES				
Capital appropriations	49,019,708		53,247,239	
Capital gifts and grants	<u>665,184</u>		<u>1,439,568</u>	
Total other revenues	<u>49,684,892</u>		<u>54,686,807</u>	
Increase in net position	94,190,542	2,243,755	91,193,277	2,565,369
Net position - beginning of year	<u>424,994,972</u>	<u>31,664,471</u>	<u>333,801,695</u>	<u>29,099,102</u>
Net position - end of year	<u>\$ 519,185,514</u>	<u>\$ 33,908,226</u>	<u>\$ 424,994,972</u>	<u>\$ 31,664,471</u>

**UNIVERSITY SYSTEM OF MARYLAND OFFICE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Research contracts and grants	\$ 1,178,550	\$ 1,613,201
Payments to employees	(15,719,314)	(15,858,352)
Payments to suppliers and contractors	(1,124,760)	(5,426,430)
Other receipts	<u>2,512,076</u>	<u>3,337,401</u>
Net cash provided (used) by operating activities	<u>(13,153,448)</u>	<u>(16,334,180)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	<u>37,961,075</u>	<u>26,497,357</u>
Net cash provided by noncapital financing activities	<u>37,961,075</u>	<u>26,497,357</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	126,646,729	93,525,015
Capital appropriations	49,019,708	53,247,239
Purchases of capital assets	(49,784,890)	(56,616,434)
Principal paid on debt and capital leases	(4,428,550)	(18,882,447)
Interest paid on debt and capital leases	(7,287,689)	(5,663,099)
Transfers (to) other University System of Maryland institutions	<u>(34,874,334)</u>	<u>(66,014,477)</u>
Net cash provided (used) by capital and related financing activities	<u>79,290,974</u>	<u>(404,203)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	736,546	339,512
Interest on investments	6,914,385	4,325,739
Investment expense	(55,242)	(49,261)
Purchases of investments	<u>(1,025,001)</u>	<u>(2,915,341)</u>
Net cash provided by investing activities	<u>6,570,688</u>	<u>1,700,649</u>
Net increase in cash and cash equivalents	110,669,289	11,459,623
Cash and cash equivalents - beginning of year	<u>312,691,144</u>	<u>301,231,521</u>
Cash and cash equivalents - end of year	<u>\$ 423,360,433</u>	<u>\$ 312,691,144</u>

UNIVERSITY SYSTEM OF MARYLAND
COMBINING BALANCE SHEETS, NONMAJOR COMPONENT UNITS
JUNE 30, 2019

	Medical Alumni Association of the University of Maryland, Inc.	M Club Foundation University of Maryland, Inc.	The Robert H. Smith School of Business Foundation, Inc.	Harry R. Hughes Center for Agro-Ecology, Inc.	Bowie State University Foundation, Inc.	Towson University Foundation, Inc.	Towson University Public Media, Inc.	Maryland Hawk Corporation	Frostburg State University Foundation, Inc.	Coppin State University Development Foundation, Inc.	University of Baltimore Foundation, Inc. and University Properties, Inc.	Salisbury University Foundation, Inc.	The Ward Foundation, Inc.	Maryland 4-H Foundation, Inc.	The Maryland Center at Bowie State University, Inc.	University of Maryland Baltimore County Research Park, Inc.	Total Nonmajor Component Units
ASSETS																	
Current Assets																	
Cash	\$ 3,003,176	\$ 42,207	\$ 1,950,783	\$ 33,978	\$ 1,113,875	\$ 3,799,308	\$ 185,750	\$ 235,938	\$ 362,376	\$ 3,138,127	\$ 9,853,058	\$ 1,508,712	\$ 122,806	\$ 409,644	\$ 106,824	\$ 749,457	\$ 26,616,019
Accounts receivable, net			272,815		904,672	122,672	306,216		99,751	563,482	3,739,426	4,415,785	274,840	28,797	376,681	78,250	11,183,387
Other assets	207,496	25,000	5,975			346,888	18,738		25,935	14,730		28,421	38,554	31,090	133,020		875,847
Total current assets	3,210,672	67,207	2,229,573	33,978	2,018,547	4,268,868	510,704	235,938	488,062	3,716,339	13,592,484	5,952,918	436,200	469,531	483,505	960,727	38,675,253
Investments																	
Endowment investments	658	2,856,861			9,075,401	79,132,031			24,257,729	9,072,047	49,877,557	69,152,798	46,292	5,442,815			248,914,189
Other investments			7,268,757				23,215		3,952,429		7,813,848	4,303,595			10,617,109		33,978,953
Total investments	658	2,856,861	7,268,757		9,075,401	79,132,031	23,215		28,210,158	9,072,047	57,691,405	73,456,393	46,292	5,442,815		10,617,109	282,893,142
Noncurrent assets																	
Accounts receivable, net						3,148,504			1,072,123			2,890,136					7,110,763
Capital assets, net						2,341		10,503,898	33,023	30,100	615,176	5,968,834	99,666	49,778		2,606,341	19,909,157
Other assets								38,191	366,474		52,911	2,132,764	55,995				2,646,335
Total noncurrent assets						3,150,845		10,542,089	1,471,620	30,100	668,087	10,991,734	155,661	49,778		2,606,341	29,666,255
Total assets	\$ 3,211,330	\$ 2,924,068	\$ 9,498,330	\$ 33,978	\$ 11,093,948	\$ 86,551,744	\$ 533,919	\$ 10,778,027	\$ 30,169,840	\$ 12,818,486	\$ 71,951,976	\$ 90,401,045	\$ 638,153	\$ 5,962,124	\$ 483,505	\$ 14,184,177	\$ 351,234,650
LIABILITIES																	
Current liabilities																	
Accounts payable & accrued expenses	\$ 12,982	\$ 24,857	\$ 861,624		\$ 565,620	\$ 1,443,669	\$ 168,649	\$ 565,617	\$ 30,708	\$ 63,999	\$ 448,597	\$ 845	\$ 331,869	\$ 193,639	\$ 220,594	\$ 11,752	\$ 4,945,021
Long-term debt, current								185,687				2,152,482	311,012			45,900	2,695,081
Unearned revenues								99,288	55,690		913,808	125,531	11,348		156,850	5,281,221	6,643,736
Total current liabilities	12,982	24,857	861,624		565,620	1,443,669	168,649	850,592	86,398	63,999	1,362,405	2,278,858	654,229	193,639	377,444	5,338,873	14,283,838
Noncurrent liabilities																	
Other payables										4,904		1,948,875	62,906				2,016,685
Long-term debt, noncurrent								12,380,967				4,833,345	266,043				17,480,355
Total noncurrent liabilities								12,380,967		4,904		6,782,220	328,949				19,497,040
Total liabilities	12,982	24,857	861,624		565,620	1,443,669	168,649	13,231,559	86,398	68,903	1,362,405	9,061,078	983,178	193,639	377,444	5,338,873	33,780,878
NET ASSETS																	
Without donor restrictions	2,697,188	2,899,211	8,636,706	\$ 8,978	617,975	3,352,669	340,270	(2,453,532)	2,454,425	232,153	7,216,201	8,449,461	(373,667)	3,042,668	106,061	8,845,304	46,072,071
With donor restrictions:																	
Scholarships & fellowships						27,843,729			18,566,175		37,715,526	28,690,080					112,815,510
Research									59,609			1,890,636					1,950,245
Other	501,160			25,000	9,910,353	53,911,677	25,000		9,003,233	12,517,430	25,657,844	42,309,790	28,642	2,725,817			156,615,946
Total net assets	3,198,348	2,899,211	8,636,706	33,978	10,528,328	85,108,075	365,270	(2,453,532)	30,083,442	12,749,583	70,589,571	81,339,967	(345,025)	5,768,485	106,061	8,845,304	317,453,772
Total liabilities and net assets	\$ 3,211,330	\$ 2,924,068	\$ 9,498,330	\$ 33,978	\$ 11,093,948	\$ 86,551,744	\$ 533,919	\$ 10,778,027	\$ 30,169,840	\$ 12,818,486	\$ 71,951,976	\$ 90,401,045	\$ 638,153	\$ 5,962,124	\$ 483,505	\$ 14,184,177	\$ 351,234,650

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**UNIVERSITY SYSTEM OF MARYLAND
COMBINING BALANCE SHEETS, NONMAJOR COMPONENT UNITS
JUNE 30, 2018**

	Medical Alumni Association of the University of Maryland, Inc.	M Club Foundation University of Maryland, Inc.	The Robert H. Smith School of Business Foundation, Inc.	Harry R. Hughes Center for Agro-Ecology, Inc.	Bowie State University Foundation, Inc.	Towson University Foundation, Inc.	Towson University Public Media, Inc.	Maryland Hawk Corporation	Frostburg State University Foundation, Inc.	Coppin State University Development Foundation, Inc.	University of Baltimore Foundation, Inc. and University Properties, Inc.	Salisbury University Foundation, Inc.	The Ward Foundation, Inc.	Maryland 4-H Foundation, Inc.	The Maryland Center at Bowie State University, Inc.	University of Maryland Baltimore County Research Park, Inc.	Total Nonmajor Component Units
ASSETS																	
Current Assets																	
Cash	\$ 2,629,742	\$ 19,446	\$ 1,337,325	\$ 190,484	\$ 710,391	\$ 2,791,108	\$ 264,875	\$ 90,242	\$ 402,626	\$ 2,834,881	\$ 9,081,729	\$ 1,456,294	\$ 126,297	\$ 355,326	\$ 172,634	\$ 594,760	\$ 23,058,160
Accounts receivable, net	4,000		106,382		289,354	97,245	384,563	11,586	128,187	894,540	4,579,863	2,212,747	382,842	96,371	77,085	103,505	9,368,270
Other assets	189,885	28,153	4,716			342,054	31,762		23,842	5,870		23,818	57,203	15,403		97,857	820,563
Total current assets	2,823,627	47,599	1,448,423	190,484	999,745	3,230,407	681,200	101,828	554,655	3,735,291	13,661,592	3,692,859	566,342	467,100	249,719	796,122	33,246,993
Investments																	
Endowment investments	658	2,776,126			8,329,087	74,963,982			23,148,833	8,228,199	49,001,471	68,083,674	45,739	5,366,810			239,944,579
Other investments			7,300,086				1,264		2,204,093		7,536,529	4,489,540				10,165,081	31,696,593
Total investments	658	2,776,126	7,300,086		8,329,087	74,963,982	1,264		25,352,926	8,228,199	56,538,000	72,573,214	45,739	5,366,810		10,165,081	271,641,172
Noncurrent assets																	
Accounts receivable, net						2,459,089			1,162,342			4,837,322					8,458,753
Capital assets, net						992		11,388,149	33,182	30,100	649,508	6,078,201	160,318	56,521	352	2,761,775	21,159,098
Other assets								39,718	347,673		61,593	2,163,802	57,015				2,669,801
Total noncurrent assets						2,460,081		11,427,867	1,543,197	30,100	711,101	13,079,325	217,333	56,521	352	2,761,775	32,287,652
Total assets	\$ 2,824,285	\$ 2,823,725	\$ 8,748,509	\$ 190,484	\$ 9,328,832	\$ 80,654,470	\$ 682,464	\$ 11,529,695	\$ 27,450,778	\$ 11,993,590	\$ 70,910,693	\$ 89,345,398	\$ 829,414	\$ 5,890,431	\$ 250,071	\$ 13,722,978	\$ 337,175,817
LIABILITIES																	
Current liabilities																	
Accounts payable & accrued expenses	\$ 7,811		\$ 723,428		\$ 35,356	\$ 613,676	\$ 166,608	\$ 516,946	\$ 22,118	\$ 68,471	\$ 494,154	\$ 911	\$ 272,780	\$ 99,062		\$ 41,966	\$ 3,063,287
Long-term debt, current								178,103				2,152,482	389,806			58,935	2,779,326
Unearned revenues									56,922		1,437,574	131,644	56,795		\$ 329,029	5,410,556	7,422,520
Total current liabilities	7,811		723,428		35,356	613,676	166,608	695,049	79,040	68,471	1,931,728	2,285,037	719,381	99,062	329,029	5,511,457	13,265,133
Noncurrent liabilities																	
Other payables										6,178		2,122,065	98,599				2,226,842
Long-term debt, noncurrent								12,460,012				5,233,341	269,909			44,627	18,007,889
Total noncurrent liabilities								12,460,012		6,178		7,355,406	368,508			44,627	20,234,731
Total liabilities	7,811		723,428		35,356	613,676	166,608	13,155,061	79,040	74,649	1,931,728	9,640,443	1,087,889	99,062	329,029	5,556,084	33,499,864
NET ASSETS																	
Without donor restrictions	2,410,521	\$ 2,823,725	8,025,081	\$ 93,634	635,194	3,131,282	490,856	(1,625,366)	841,712	184,837	6,505,084	8,600,723	(160,703)	3,067,821	(78,958)	8,166,894	43,112,337
With donor restrictions:																	
Scholarships & fellowships					4,339,710	39,123,078			17,758,948		36,256,628	24,519,677					121,998,041
Research					156,756				52,137			1,892,035					2,100,928
Other	405,953			96,850	4,318,572	37,629,678	25,000		8,718,941	11,734,104	26,217,253	44,692,520	(97,772)	2,723,548			136,464,647
Total net assets	2,816,474	2,823,725	8,025,081	190,484	9,293,476	80,040,794	515,856	(1,625,366)	27,371,738	11,918,941	68,978,965	79,704,955	(258,475)	5,791,369	(78,958)	8,166,894	303,675,953
Total liabilities and net assets	\$ 2,824,285	\$ 2,823,725	\$ 8,748,509	\$ 190,484	\$ 9,328,832	\$ 80,654,470	\$ 682,464	\$ 11,529,695	\$ 27,450,778	\$ 11,993,590	\$ 70,910,693	\$ 89,345,398	\$ 829,414	\$ 5,890,431	\$ 250,071	\$ 13,722,978	\$ 337,175,817

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**UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF ACTIVITIES, NONMAJOR COMPONENT UNITS
YEAR ENDED JUNE 30, 2019**

	Medical Alumni Association of the University of Maryland, Inc.	M Club Foundation of the University of Maryland, Inc.	The Robert H. Smith School of Business Foundation, Inc.	Harry R. Hughes Center for Agro-Ecology, Inc.	Bowie State University Foundation, Inc.	Towson University Foundation, Inc.	Towson University Public Media, Inc.	Maryland Hawk Corporation	Frostburg State University Foundation, Inc.	Coppin State University Development Foundation, Inc.	University of Baltimore Foundation, Inc. and University Properties, Inc.	Salisbury University Foundation, Inc.	The Ward Foundation, Inc.	Maryland 4-H Foundation, Inc.	The Maryland Center at Bowie State University, Inc.	University of Maryland Baltimore County Research Park, Inc.	Total Nonmajor Component Units
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS																	
Revenues																	
Contributions & grants	\$ 1,035,295	\$ 34,413		\$ 22,192		\$ 364,529	\$ 1,788,117		\$ 1,685,123	\$ 56,855	\$ 181,191	\$ 683,257	\$ 1,031,221	\$ 41,174	\$ 815,852	\$ 255,741	\$ 7,994,960
Investment income	45,072	191,704	\$ 470,104	286	\$ 50,013	610,388	2,226		117,951	1,734	426,851	123,090	110,704	2,929		499,946	2,652,998
Other income (loss)	283,007	(15,776)	2,586,052		108,862	23	969,778	\$ 1,076,628	26,798	151,592	3,924	987,142	336,700	383,543	1,089	1,811,933	8,711,295
Assets released from restrictions	619,901			124,600	546,896	5,922,279	25,000		2,297,359	1,070,674	4,508,212	4,741,596		552,886			20,409,403
Total revenues	1,983,275	210,341	3,056,156	147,078	705,771	6,897,219	2,785,121	1,076,628	4,127,231	1,280,855	5,120,178	6,535,085	1,478,625	980,532	816,941	2,567,620	39,768,656
Expenses																	
Program	1,197,342	67,472	1,224,659	228,928	418,345	5,344,486	1,320,482	1,401,799	2,113,488	1,052,407	3,643,488	5,179,596	1,183,007	747,540	631,570	660,142	26,414,751
General & administrative	224,871	67,383	966,455	2,806	132,930	644,112	444,444	137,461	401,030	160,528	540,443	1,286,224	245,639	211,640	352	109,669	5,575,987
Fundraising	274,395				171,715	687,234	1,170,781			20,604	225,130	220,527	94,463	46,505			2,911,354
Other expense			253,417					365,534					168,480			1,119,399	1,906,830
Total expenses	1,696,608	134,855	2,444,531	231,734	722,990	6,675,832	2,935,707	1,904,794	2,514,518	1,233,539	4,409,061	6,686,347	1,691,589	1,005,685	631,922	1,889,210	36,808,922
Change in net assets without donor restrictions	286,667	75,486	611,625	(84,656)	(17,219)	221,387	(150,586)	(828,166)	1,612,713	47,316	711,117	(151,262)	(212,964)	(25,153)	185,019	678,410	2,959,734
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS																	
Contributions & grants	715,108			52,750	1,175,305	5,876,816	25,000		1,564,812	1,101,609	2,264,269	4,850,914	126,414	289,669			18,042,666
Investment income					428,906	3,882,072			1,465,449	604,678	2,965,347	1,567,096		265,486			11,179,034
Other income					194,756	1,009,285			366,089	147,713	178,085	109,860					2,005,788
Assets released from restrictions	(619,901)			(124,600)	(546,896)	(5,922,279)	(25,000)		(2,297,359)	(1,070,674)	(4,508,212)	(4,741,596)		(552,886)			(20,409,403)
Change in net assets with donor restrictions	95,207			(71,850)	1,252,071	4,845,894			1,098,991	783,326	899,489	1,786,274	126,414	2,269			10,818,085
Total change in net assets	381,874	75,486	611,625	(156,506)	1,234,852	5,067,281	(150,586)	(828,166)	2,711,704	830,642	1,610,606	1,635,012	(86,550)	(22,884)	185,019	678,410	13,777,819
Net assets - beginning of year	2,816,474	2,823,725	8,025,081	190,484	9,293,476	80,040,794	515,856	(1,625,366)	27,371,738	11,918,941	68,978,965	79,704,955	(258,475)	5,791,369	(78,958)	8,166,894	303,675,953
Net assets - end of year	\$ 3,198,348	\$ 2,899,211	\$ 8,636,706	\$ 33,978	\$ 10,528,328	\$ 85,108,075	\$ 365,270	\$ (2,453,532)	\$ 30,083,442	\$ 12,749,583	\$ 70,589,571	\$ 81,339,967	\$ (345,025)	\$ 5,768,485	\$ 106,061	\$ 8,845,304	\$ 317,453,772

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**UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF ACTIVITIES, NONMAJOR COMPONENT UNITS
YEAR ENDED JUNE 30, 2018**

	Medical Alumni Association of the University of Maryland, Inc.	M Club Foundation of the University of Maryland, Inc.	The Robert H. Smith School of Business Foundation, Inc.	Harry R. Hughes Center for Agro-Ecology, Inc.	Bowie State University Foundation, Inc.	Towson University Foundation, Inc.	Towson University Public Media, Inc.	Maryland Hawk Corporation	Frostburg State University Foundation, Inc.	Coppin State University Development Foundation, Inc.	University of Baltimore Foundation, Inc. and University Properties, Inc.	Salisbury University Foundation, Inc.	The Ward Foundation, Inc.	Maryland 4-H Foundation Inc.	The Maryland Center at Bowie State University, Inc.	University of Maryland Baltimore County Research Park, Inc.	Total Nonmajor Component Units
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS																	
Revenues																	
Contributions & grants	\$ 2,964,190	\$ 8,073		\$ 10,735		\$ 325,754	\$ 1,776,561		\$ 189,148	\$ 59,628	\$ 246,385	\$ 630,888	\$ 966,674	\$ 60,112	\$ 305,258	\$ 259,776	\$ 7,803,182
Investment income	24,983	247,654	\$ 548,376	10	\$ 65,769	285,483	12,940		122,559	2,547	405,575	506,258	135,697	309,069		563,040	3,229,960
Other income	267,947	(16,563)	2,502,202		97,040	15	1,032,467	\$ 1,035,051	15,683	113,784	3,919	1,472,092	336,858	561,207	89	1,790,388	9,212,179
Assets released from restrictions	215,736			150,650	1,791,023	5,193,384	20,000	10,103	2,288,537	1,320,072	3,945,806	7,846,664	1,683,079	314,315			24,779,369
Total revenues	3,472,856	239,164	3,050,578	161,395	1,953,832	5,804,636	2,841,968	1,045,154	2,615,927	1,496,031	4,601,685	10,455,902	3,122,308	1,244,703	305,347	2,613,204	45,024,690
Expenses																	
Program	2,513,968	39,678	1,533,878	105,319	1,665,613	4,650,999	1,320,968	1,316,616	2,010,385	1,297,947	3,577,112	8,240,582	976,065	944,600	460,907	772,878	31,427,515
General & administrative	236,495	78,471	1,126,142	24,666	64,373	689,913	377,876	111,360	473,204	145,271	563,441	442,733	451,499	249,121	380	106,797	5,141,742
Fundraising	256,711				161,074	624,008	1,045,462			28,149	277,715	158,336	56,516	40,826			2,648,797
Other expense			215,664										1,763,808			1,078,180	3,057,652
Total expenses	3,007,174	118,149	2,875,684	129,985	1,891,060	5,964,920	2,744,306	1,427,976	2,483,589	1,471,367	4,418,268	8,841,651	3,247,888	1,234,547	461,287	1,957,855	42,275,706
Change in net assets without donor restrictions	465,682	121,015	174,894	31,410	62,772	(160,284)	97,662	(382,822)	132,338	24,664	183,417	1,614,251	(125,580)	10,156	(155,940)	655,349	2,748,984
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS																	
Contributions & grants	248,862			222,000	1,134,030	5,484,395	25,000		2,016,424	1,160,138	2,996,250	4,964,284	143,346	492,881			18,887,610
Investment income					527,798	5,230,901			1,883,926	788,818	3,734,420	6,190,206		14,428			18,370,497
Other income					185,625	859,726			361,979	114,393	174,150	101,533					1,797,406
Assets released from restrictions	(215,736)			(150,650)	(1,791,023)	(5,193,384)	(20,000)	(10,103)	(2,288,537)	(1,320,072)	(3,945,806)	(7,846,664)	(1,683,079)	(314,315)			(24,779,369)
Change in net assets with donor restrictions	33,126			71,350	56,430	6,381,638	5,000	(10,103)	1,973,792	743,277	2,959,014	3,409,359	(1,539,733)	192,994			14,276,144
Total change in net assets	498,808	121,015	174,894	102,760	119,202	6,221,354	102,662	(392,925)	2,106,130	767,941	3,142,431	5,023,610	(1,665,313)	203,150	(155,940)	655,349	17,025,128
Net assets - beginning of year	2,317,666	2,702,710	7,850,187	87,724	9,174,274	73,819,440	413,194	(1,232,441)	25,265,608	11,151,000	65,836,534	74,681,345	1,406,838	5,588,219	76,982	7,511,545	286,650,825
Net assets - end of year	\$ 2,816,474	\$ 2,823,725	\$ 8,025,081	\$ 190,484	\$ 9,293,476	\$ 80,040,794	\$ 515,856	\$ (1,625,366)	\$ 27,371,738	\$ 11,918,941	\$ 68,978,965	\$ 79,704,955	\$ (258,475)	\$ 5,791,369	\$ (78,958)	\$ 8,166,894	\$ 303,675,953

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UNIVERSITY SYSTEM OF MARYLAND

NOTES TO SUPPLEMENTARY INFORMATION YEARS ENDED JUNE 30, 2019 AND 2018

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.

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

To the Board of Regents
University System of Maryland

We have audited in accordance with 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 University System of Maryland (the System) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated October 29, 2019.

Internal Controls over Financial Reporting

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

A *deficiency in internal controls* 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 controls, 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 controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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 determination of financial statement amounts. 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*.



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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal controls 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 controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Owings Mills, Maryland
October 29, 2019

SB & Company, LLC