



**UNIVERSITY SYSTEM
of MARYLAND**

Board of Regents
Committee on Finance

February 4, 2021

Zoom Details to be Provided to Committee

Public Listen-Only Access: 301 715 8592 ; Conference ID – 972 6848 3954
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AGENDA FOR PUBLIC SESSION

Call to Order

Chairman Attman

1. [University System of Maryland: FY 2022 Operating Budget Update \(information\)](#)
2. [FY 2020 Audited Financial Statements and USM Financial Planning \(information and presentation\)](#)
3. [FY 2020 Effectiveness and Efficiency Results \(information\)](#)
4. [University System of Maryland: Review of Capital Improvement Projects \(information\)](#)
5. [University System of Maryland: Report on FY 2020 Procurement Contracts \(information\)](#)



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: University System of Maryland: FY 2022 Operating Budget Update

COMMITTEE: Finance Committee

DATE OF COMMITTEE MEETING: February 4, 2021

SUMMARY: A brief update will be provided on the current status of the USM operating budget as presented in the FY 2022 Governor’s Allowance.

The USM budget includes revenues from state appropriations, tuition and fees, auxiliary services, federal and other contract and grants, and other revenues for a total budget of \$5.8 billion.

- Governor’s Proposal:
 - \$1.4 billion—combination of the General Fund and Higher Education Investment Fund
 - Represents a net decrease of \$7.4 million or 0.5 percent from the revised FY 2021 appropriation
 - An additional \$38 million for Cost of Living salary Adjustments (COLA) is included in the DBM Personnel Budget (until such time the state budget is finalized and approved by the Legislature)
- Projected Tuition Increase:
 - Tuition rate increase capped at 2 percent for in-state, undergraduate students
- Highlights of USM’s Budget:
 - \$16.1 million State Funding across the board reduction
 - \$4.4 million reinstatement of Unemployment Insurance funding eliminated via the July 1, 2020 Board of Public Works action
 - \$2.2 million increase to fund operating expenses for new USM facilities
 - \$2.4 million increase to honor commitment to SB 897 for MPower Joint Steering Council
 - \$663,000 decrease related to fringe benefit rate adjustments
 - \$350,000 increase for the Judge Alexander Williams Center at UMCP

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

FISCAL IMPACT: This item is presented for information purposes.

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

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923



UNIVERSITY SYSTEM
of MARYLAND

The Governor has proposed state support for the USM totaling \$1.4 billion, coming from the General Fund and the Higher Education Investment Fund. This represents a decrease of \$7.4 million—or 0.5%—from the revised FY 2021 appropriation.

Included in the DBM Personnel Budget are statewide Cost of Living salary Adjustments for all state employees of which USM is estimated to receive an additional \$38 million (if approved by the General Assembly).

USM institutions will limit tuition rate increases to 2% for in-state, undergraduate students. Non-resident undergraduates and graduate professional tuition rates are anticipated to increase by no more than 5%.

- **\$2.2 million to fund operating expenses for new USM facilities**
 - \$1 million to support UMCP’s School of Public Policy
 - \$718,000 to support the USM Southern Maryland Building 3
 - \$400,000 to support the UMES Pharmacy & Health Professions Building and Towson’s 401 Washington Ave. Building

- **\$2.4 million to support the MPower Joint Steering Council (SB 897)**
 - To create registered apprenticeship programs in nursing and other fields.
 - Oversees and promotes efficiencies in the twenty-five different shared or common university platforms. These include cross-institution research centers and institutes, multi-year research programs, educational collaborations including new degree programs, joint commercialization and technology transfer, and cross-institution service programs.
 - Support for UMBC.

- **\$663,000 decrease related to statewide fringe benefit rates and other adjustments**

During the course of the legislative session, adjustments are recommended to the Governor’s Allowance in order to fund other/additional legislative priorities. The USM community works together to minimize any recommended reductions or reallocations of the proposed USM budget in the Governor’s Allowance.

Following the legislative session, the final USM operating budget and recommended tuition rate action items will be submitted to the Board for its consideration in April/May.



TOPIC: FY 2020 Audited Financial Statements and USM Financial Planning

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: February 4, 2021

SUMMARY: This item is a brief review of the audited University System of Maryland basic financial statements for the year ended June 30, 2020, for which CliftonLarsonAllen LLP (CLA)—the USM’s independent accountants—provided an unqualified opinion.

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

The fifth page, titled “Financial Snapshot,” summarizes the System’s key financial health ratio used by rating agencies—available resources to debt outstanding—using the figures reflected in the financial statements to provide a comparison between June 30, 2019 and 2020. The lower part of the Financial Snapshot displays adjustments to the publicly reported balances for Board-approved claims and authorizations not yet expended or reflected in the financial statements to arrive at a “true” financial health ratio for internal management and decision-making purposes.

A discussion, aided by a set of presentation slides, about the System’s approach to financial planning will be used to complement the review of the audited financial statements.

NOTE: The University System of Maryland Financial Statements and Supplemental Schedules for FY2020 can be viewed online at <http://www.usmd.edu/usm/adminfinance/finafair/fsssch.html>

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

FISCAL IMPACT: This item is presented for information and discussion.

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

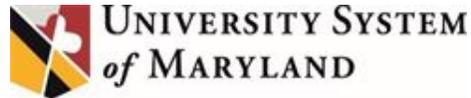
COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923



Audited Financial Statements
Years ended June 30, 2020 and 2019

Key Points Associated with FY 2020 Audited Financial Statements:

1. The total net position increase of \$128M (**A on Statements of Net Position**) is comprised of a decrease of \$78M in unrestricted net position (**B on Statements of Net Position**), \$208M increase in net invested in capital assets (**C on Statements of Net Position**) and \$2M decrease in restricted net position.
2. The change in unrestricted net position includes the following significant transactions outside normal operations:

Operating Margins (in millions)	FY19	FY20
Change in unrestricted net position	\$51.4	(\$77.7)
Cash funded capital projects	89.8	124.3
Allocated expense associated with State pension liability	115.5	96.2
COVID-19 refunds and revenue losses		239.0
CARES Act revenue recognized		(89.3)
Change in unrestricted balances attributable to operations	\$256.7	\$292.5

3. The financials reflect the impact of COVID-19 on the System with the return of a little more than \$115M in student fees and \$124M in forgone revenue related to other auxiliary activities (athletics, conferences, and other activities).
4. Institutions were awarded the \$182.5M in CARES Act Funds; of which \$106.7M is direct funding from the Department of Education and \$75.8M in pass-through funding from the State. \$89.3M in CARES Act funds are recognized as “other nonoperating grants” revenue in FY20 (**D on Statements of Revenues, Expenses and Changes in Net Position**).

CARES Act Funds (in millions)	Total	FY20	FY21
Student Aid	\$40.3	\$28.5	\$11.8
Institutional	40.3	28.0	12.3
HBCUs/Minority Serving Institutions/Other	26.1	6.4	19.7
COVID/Public Safety (State)	75.8	26.4	49.4
Total	\$182.5	\$89.3	\$93.2

5. The net pension liability and related deferred balances at June 30, 2020 and 2019 is \$995M and \$889M, respectively (**E on Statement of Net Position**). The net impact of pension related adjustments not including required contributions is an additional expense of \$96M in FY20, compared to \$115M in FY19.
6. The final complete set of financial reporting includes the basic financial statements of the University System of Maryland, but also affiliated, separately governed organizations that are recognized as affiliated entities. In the past, the System's financial statements have included 19 organizations based solely on the affiliation status and without consideration of the size of the organization or nature of its relationship with the System. Since the accounting requirement was first adopted in 2003, the System has granted affiliated foundation status to several additional, relatively smaller, organizations, mostly entities created to do economic development activities. Accounting guidance related to the subject indicates that the provisions need not be applied to immaterial amounts. As permitted by GASB reporting guidance, beginning with the FY20 financial statements the System will limit the affiliated entities included to those organizations that have a strong interdependent relationship and are material in size. Institution fundraising entities as well non-fundraising entities with assets of more than \$10M will be included in the System's reporting entity. A total of 8 affiliated entities, representing \$33.5M in total assets or 1.5% of total Component Unit assets, are no longer being included as part of the reporting entity.

These 8 affiliated foundations that are being removed from the System's financial statement reporting, along with the 11 entities that will continue to be included as part of the System's reporting entity are all subject to the Board of Regent's Policy on Affiliated Foundations. Their audited financial statements along with other compliance documents will continued to be reviewed and the status reported to the Audit Committee annually.

7. As shown on the "Financial Snapshot," the financial statements report the key Balance Sheet strength ratio used by the rating agencies. Balance Sheet strength, defined as the ratio of "available resources" (USM unrestricted net position + unfunded pension amounts **E** + accrued leave liability **F** + affiliated foundation unrestricted net assets) to debt outstanding **G**, is 197% at June 30, 2019 compared to 218% at June 30, 2020 (**H on Financial Snapshot**). This improvement is largely due to the System not issuing any new revenue bonds in FY20.

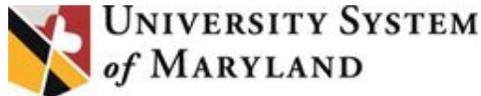
Adjusting for Board-approved commitments and authorizations to spend not yet reflected in the financial statements, FY20 resulted in a slight decrease in overall in "true" financial standing, with the ratio of available resources to debt outstanding on an adjusted basis, changing from 132% in FY19 to 127% in FY20 (**I on Financial Snapshot**).

UNIVERSITY SYSTEM OF MARYLAND
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,633,496,005	\$ 2,552,186,538	
Accounts receivable, net	343,251,636	295,439,263	
Notes receivable, current portion, net	3,874,699	5,345,066	
Inventories	9,954,651	9,464,301	
Prepaid expenses and other	<u>20,886,577</u>	<u>20,758,341</u>	
Total current assets	<u>3,011,463,568</u>	<u>2,883,193,509</u>	
Noncurrent assets:			
Restricted cash and cash equivalents	62,133,802	157,124,871	
Endowment investments	354,554,440	364,140,586	
Other investments	34,999,509	22,144,370	
Notes receivable, net	23,860,209	29,984,838	
Capital assets, net	<u>6,826,034,004</u>	<u>6,633,402,152</u>	
Total noncurrent assets	<u>7,301,581,964</u>	<u>7,206,796,817</u>	
Total assets	10,313,045,532	10,089,990,326	
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refundings of debt	12,109,985	14,196,040	
Asset retirement obligations	12,801,865	12,404,568	
Deferred changes, pension expense	<u>390,016,497</u>	<u>496,739,069</u>	E
Total assets and deferred outflows of resources	<u>\$ 10,727,973,879</u>	<u>\$ 10,613,330,003</u>	
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 348,633,745	\$ 315,630,844	
Accrued workers' compensation, current portion	4,885,800	4,309,950	
Accrued vacation costs, current portion	123,461,419	111,785,925	F
Revenue bonds and notes payable, current portion	99,295,675	100,892,731	G
Obligations under capital lease agreements, current portion	1,846,129	1,652,537	G
Unearned revenues	<u>351,060,005</u>	<u>318,662,589</u>	
Total current liabilities	<u>929,182,773</u>	<u>852,934,576</u>	
Noncurrent liabilities:			
Accrued workers' compensation	27,686,200	24,423,050	
Accrued vacation costs	151,666,808	115,722,833	F
Revenue bonds and notes payable	1,088,171,129	1,198,123,353	G
Obligations under capital lease agreements	12,336,835	2,844,822	G
Net pension liability	<u>1,275,563,402</u>	<u>1,309,998,345</u>	E
Total noncurrent liabilities	<u>2,555,424,374</u>	<u>2,651,112,403</u>	
Total liabilities	<u>3,484,607,147</u>	<u>3,504,046,979</u>	
DEFERRED INFLOWS OF RESOURCES			
Deferred service concession arrangement receipts	252,219,390	270,575,431	
Deferred changes, pension expense	<u>109,755,858</u>	<u>85,824,130</u>	E
Total deferred inflows of resources	<u>361,975,248</u>	<u>356,399,561</u>	
NET POSITION			
Unrestricted	1,212,195,784	1,289,908,203	B
Net investment in capital assets	5,430,985,410	5,222,375,942	C
Restricted:			
Nonexpendable:			
Scholarships and fellowships	17,585,035	16,764,483	
Research	7,210,176	5,461,934	
Other	16,923,030	16,922,872	
Expendable			
Scholarships and fellowships	36,878,144	38,527,037	
Research	80,563,068	78,706,352	
Loans	40,243,558	49,234,447	
Capital projects	9,023,201	6,799,771	
Other	<u>29,784,078</u>	<u>28,182,422</u>	
Total net position	<u>6,881,391,484</u>	<u>6,752,883,463</u>	A
Total liabilities, deferred inflows of resources and net position	<u>\$ 10,727,973,879</u>	<u>\$ 10,613,330,003</u>	

**UNIVERSITY OF SYSTEM OF MARYLAND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>		<u>2019</u>	
OPERATING REVENUES:				
Tuition and fees	\$ 1,764,678,052		\$ 1,747,607,871	
Less: scholarship allowances	<u>(356,385,268)</u>	\$ 1,408,292,784	<u>(338,154,602)</u>	\$ 1,409,453,269
Federal grants and contracts		783,778,541		785,626,017
State and local grants and contracts		218,485,078		210,651,934
Nongovernmental grants and contracts		243,414,129		255,572,552
Sales and services of educational departments		335,932,342		332,519,878
Auxiliary enterprises:				
Residential facilities	166,289,368		204,234,018	
Less: scholarship allowances	<u>(9,619,728)</u>	156,669,640	<u>(11,275,093)</u>	192,958,925
Dining facilities	105,895,827		137,630,194	
Less: scholarship allowances	<u>(4,905,838)</u>	100,989,989	<u>(6,327,041)</u>	131,303,153
Intercollegiate athletics	124,374,286		140,759,174	
Less: scholarship allowances	<u>(6,267,635)</u>	118,106,651	<u>(6,350,369)</u>	134,408,805
Bookstore	13,692,645		15,689,421	
Less: scholarship allowances	<u>(1,531,320)</u>	12,161,325	<u>(1,475,404)</u>	14,214,017
Parking facilities	36,825,497		44,278,604	
Less: scholarship allowances	<u>(136,669)</u>	36,688,828	<u>(141,414)</u>	44,137,190
Other auxiliary enterprises revenues	132,783,243		155,766,798	
Less: scholarship allowances	<u>(37,181)</u>	132,746,062	<u>(35,507)</u>	155,731,291
Other operating revenues		<u>69,486,420</u>		<u>82,031,729</u>
Total operating revenues		<u>3,616,751,789</u>		<u>3,748,608,760</u>
OPERATING EXPENSES:				
Instruction		1,402,071,908		1,364,312,495
Research		1,039,622,121		988,835,162
Public service		521,599,010		548,915,818
Academic support		527,330,418		486,707,624
Student services		321,421,560		314,289,585
Institutional support		543,979,557		537,015,238
Operation and maintenance of plant		402,000,372		402,662,215
Scholarships and fellowships		137,307,078		119,837,448
Auxiliary enterprises:				
Residential facilities		184,119,860		180,250,467
Dining facilities		115,170,982		123,133,350
Intercollegiate athletics		138,171,000		145,198,019
Bookstore		14,773,008		16,393,630
Parking facilities		34,280,720		35,699,965
Other auxiliary enterprises expenses		<u>138,835,403</u>		<u>140,094,560</u>
Total operating expenses		<u>5,520,682,997</u>		<u>5,403,345,576</u>
Operating loss		<u>(1,903,931,208)</u>		<u>(1,654,736,816)</u>
NONOPERATING REVENUES (EXPENSES)				
State appropriations		1,493,671,878		1,398,073,778
Pell grants		167,411,653		167,702,482
Other nonoperating grants		89,316,876	D	
Gifts		53,210,506		48,647,832
Investment Income	87,461,092		80,677,254	
Less: investment expense	<u>(1,323,876)</u>	86,137,216	<u>(1,263,921)</u>	79,413,333
Interest on indebtedness		(40,580,627)		(42,630,462)
Other revenues, (expenses), gains and (losses)		<u>(14,638,982)</u>		<u>14,027,435</u>
Total nonoperating revenues		<u>1,834,528,520</u>		<u>1,665,234,398</u>
Income (loss) before other revenues		<u>(69,402,688)</u>		<u>10,497,582</u>
OTHER REVENUES:				
Capital appropriations		172,302,652		244,478,467
Capital gifts and grants		23,039,106		28,307,336
Additions to permanent endowments		<u>2,568,951</u>		<u>711,073</u>
Total other revenues		<u>197,910,709</u>		<u>273,496,876</u>
Increase in net position		128,508,021		283,994,458
Net position - beginning of year		<u>6,752,883,463</u>		<u>6,468,889,005</u>
Net position - end of year		<u>\$ 6,881,391,484</u>		<u>\$ 6,752,883,463</u>



Financial Snapshot
As of June 30, 2020 Compared with 2019

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
From the June 30, 2020 and 2019 audited financial statements		
USM unrestricted net position	\$ 1,212,195,784	\$ 1,289,908,203 B
Net pension liability and deferred balances	995,302,563	899,083,406 E
USM accrued leave	275,128,227	227,508,758 F
Affiliated foundations unrestricted net assets	<u>139,171,213</u>	<u>157,682,929</u>
Available funds	<u>\$ 2,621,797,787</u>	<u>\$ 2,574,183,296</u>
Debt outstanding	\$ 1,201,649,768	\$ 1,303,513,443
Ratio of available resources to debt outstanding per financial statements	218%	197% H
Claims against the June 30 available resources not reflected in financial statements:		
Available funds per financial statements	\$ 2,621,797,787	\$ 2,574,183,296
Cash-funded capital projects not fully spent at June 30,	(242,236,277)	(342,575,955)
Future years cash-funded capital projects committed but not yet authorized	(358,621,000)	(212,361,000)
Noncapital cash-funded projects not yet authorized	<u>(44,474,515)</u>	<u>(73,909,631)</u>
Adjusted available funds	<u>\$ 1,976,465,995</u>	<u>\$ 1,945,336,710</u>
Debt outstanding per financial statements	\$ 1,201,649,768	\$ 1,303,513,443
Revenue bond-funded projects authorized but debt not yet issued	<u>352,751,640</u>	<u>167,679,138</u>
Adjusted total debt outstanding	<u>\$ 1,554,401,408</u>	<u>\$ 1,471,192,581</u>
Ratio of available resources to debt outstanding, adjusted	127%	132% I

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



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

For the Years Ended June 30, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

Board of Regents
University System of Maryland
Adelphi, Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the University System of Maryland (the System), a component unit of the State of Maryland, as of and for the year ended June 30, 2020, 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

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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the University System of Maryland Foundation, Inc., the University of Maryland College Park Foundation, Inc., the University of Maryland Baltimore Foundation, Inc. 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 University of Maryland Baltimore County Research Park Corporation, Inc. and UMUC Ventures, Inc. and Subsidiaries. Those financial statements, which reflect approximately 0.4%, 0.5% and 1.6% of the assets, net position and revenues of the System's business-type activities and 100.0%, 100.0% and 100.0% of assets, net assets and revenues of the aggregate discretely presented component units as of and for the year ended June 30, 2020, were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it related to the amounts included for those component units, is based solely 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. None of the component units listed above were audited in accordance with *Government Auditing Standards*.

Board of Regents
University System of Maryland

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 control 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 control. 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 audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the System as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior Period Financial Statements

The 2019 financial statements of the University System of Maryland were audited by other auditors whose report dated October 29, 2019, expressed an unmodified opinion on those statements.

Change in Reporting Entity

During 2020 the System determined the following component units were no longer significant for inclusion in the reporting entity: 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., Towson University Public Media, Inc., Maryland Hawk Corporation, The Ward Foundation, Inc., Maryland 4-H Foundation Inc., and The Maryland Center at Bowie State University, Inc. Our auditors' opinions are not affected by this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the various schedules of Proportionate Share of Net Pension Liability, Contributions to the Teachers Pension System and the Employees Retirement System, and Contributions for Other Postemployment Benefits as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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

Board of Regents
University System of Maryland

inquiries, the basic financial statements, and other knowledge we obtained during our audits 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 audit was 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 are 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, based on our audits and the reports of other auditors, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The supplementary information for the year ended June 30, 2019 was audited by other auditors whose report dated November 29, 2019 expressed an in relation to opinion on the supplementary information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2020, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Baltimore, Maryland
December 4, 2020

UNIVERSITY SYSTEM OF MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED JUNE 30, 2020 AND 2019

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, 2020 and 2019, with 2018 information for comparative purposes.

Financial Highlights

- Unrestricted net position decreased by \$77,712,419 for the year ended June 30, 2020, compared to an increase of \$51,410,821 for the year ended June 30, 2019.
- State appropriations for the System increased by 6.8% for the year ended June 30, 2020. For the year ended June 30, 2019, State appropriations increased by 5.2% from the amount received in the year ended June 30, 2018.
- Tuition and fees, after deducting scholarship allowances, decreased by \$1,160,485 or 0.1% for the year ended June 30, 2020. During the year ended June 30, 2019, net tuition and fees, increased by \$21,319,027 or 1.5%.
- For the year ended June 30, 2020, investment income on Endowment assets was \$3,143,991, representing an investment return of 1%. Investment income on Endowment assets amounted to \$22,996,847, an investment return of 7%, for the year ended June 30, 2019.
- On March 27, 2020, the president signed into law the Coronavirus Aid, Relief, and Economic Security Act (CARES act), which provides financial support to individuals, governments and businesses experiencing financial hardship associated with the coronavirus pandemic. The System recognized \$89,316,876 of nonoperating grant revenues associated with amounts awarded directly, or through the state of Maryland, of CARES act funding for the year ended June 30, 2020.

Overview of the Financial Statements

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

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

UNIVERSITY SYSTEM OF MARYLAND**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2020 AND 2019**

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

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

The System's financial statements include all accounts and balances of the System (considered the primary government, in accounting terms), as well as 11 legally-separate and distinct entities for which the System is financially accountable, which are considered component units. Of the 11 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, 2020, the System's financial health remains strong, with assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by \$6,881,391,484, shown on the Statement of Net Position as total net position. This compares with total net position of \$6,752,883,463 as of June 30, 2019 and \$6,468,889,005 as of June 30, 2018. As suggested earlier, when viewed over time, net position may be useful as an indicator of financial health.

For the year ended June 30, 2020, total net position increased by \$128,508,021. While net investment in capital assets increased by \$208,609,468, unrestricted net position decreased by \$77,712,419 and restricted net position categories decreased by \$2,389,028.

For the year ended June 30, 2019, total net position increased by \$283,994,458. 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.

UNIVERSITY SYSTEM OF MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2020 AND 2019

The table below presents summary-level information of the System's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30, 2020, 2019 and 2018.

	2020	2019	2018
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current and other assets	\$ 3,487,011,528	\$ 3,456,588,174	\$ 3,137,784,825
Capital assets, net	6,826,034,004	6,633,402,152	6,465,263,867
Total assets	10,313,045,532	10,089,990,326	9,603,048,692
Deferred outflows of resources	414,928,347	523,339,677	486,760,958
Total assets and deferred outflows of resources	<u>\$10,727,973,879</u>	<u>\$10,613,330,003</u>	<u>\$10,089,809,650</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Debt and capital lease obligations	\$ 1,201,649,768	\$ 1,303,513,443	\$ 1,286,257,221
Other liabilities	1,007,393,977	890,535,191	792,360,653
Net pension liability	1,275,563,402	1,309,998,345	1,130,058,957
Total liabilities	3,484,607,147	3,504,046,979	3,208,676,831
Deferred inflows of resources	361,975,248	356,399,561	412,243,814
Total liabilities and deferred inflows of resources	<u>3,846,582,395</u>	<u>3,860,446,540</u>	<u>3,620,920,645</u>
NET POSITION			
Net investment in capital assets	5,430,985,410	5,222,375,942	4,998,212,194
Restricted	238,210,290	240,599,318	232,179,429
Unrestricted	1,212,195,784	1,289,908,203	1,238,497,382
Total net position	<u>6,881,391,484</u>	<u>6,752,883,463</u>	<u>6,468,889,005</u>
Total liabilities, deferred inflows of resources and net position	<u>\$10,727,973,879</u>	<u>\$10,613,330,003</u>	<u>\$10,089,809,650</u>

UNIVERSITY SYSTEM OF MARYLAND**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2020 AND 2019**

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, 2020, 2019 and 2018.

	2020	2019	2018
Operating revenues	\$ 3,616,751,789	\$ 3,748,608,760	\$ 3,601,883,828
Operating expenses	5,520,682,997	5,403,345,576	5,118,945,734
Operating loss	(1,903,931,208)	(1,654,736,816)	(1,517,061,906)
State appropriations	1,493,671,878	1,398,073,778	1,328,645,088
Other nonoperating revenues, net	340,856,642	267,160,620	262,153,113
Total nonoperating revenues	1,834,528,520	1,665,234,398	1,590,798,201
Income (loss) before other revenues	(69,402,688)	10,497,582	73,736,295
Other revenues	197,910,709	273,496,876	264,661,809
Increase in net position	128,508,021	283,994,458	338,398,104
Net position, beginning of year	6,752,883,463	6,468,889,005	6,130,490,901
Net position, end of year	<u>\$ 6,881,391,484</u>	<u>\$ 6,752,883,463</u>	<u>\$ 6,468,889,005</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, 2020, 2019 and 2018, operating revenues, which under the definitions used by the Governmental Accounting Standards Board (GASB), excludes state appropriations, are detailed below:

	2020		2019		2018	
	\$	%	\$	%	\$	%
Tuition and fees, net	\$ 1,408,292,784	39.0 %	\$ 1,409,453,269	37.6 %	\$ 1,388,134,242	38.6 %
Contracts and grants	1,245,677,748	34.4	1,251,850,503	33.4	1,157,068,340	32.1
Sales and services of educational departments	335,932,342	9.3	332,519,878	8.9	328,787,009	9.1
Auxiliary enterprises, net	557,362,495	15.4	672,753,381	17.9	652,228,180	18.1
Other operating	69,486,420	1.9	82,031,729	2.2	75,666,057	2.1
Total	<u>\$ 3,616,751,789</u>	<u>100.0 %</u>	<u>\$ 3,748,608,760</u>	<u>100.0 %</u>	<u>\$ 3,601,883,828</u>	<u>100.0 %</u>

UNIVERSITY SYSTEM OF MARYLAND**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2020 AND 2019**

For the years ended June 30, 2020, 2019 and 2018, operating expenses are detailed below:

	2020		2019		2018	
	\$	%	\$	%	\$	%
Instruction	\$ 1,402,071,908	25.4 %	\$ 1,364,312,495	25.2 %	\$ 1,341,989,472	26.2 %
Research	1,039,622,121	18.8	988,835,162	18.3	1,048,328,939	20.5
Public service	521,599,010	9.4	548,915,818	10.2	162,474,866	3.2
Academic support	527,330,418	9.6	486,707,624	9.0	467,594,558	9.1
Student services	321,421,560	5.8	314,289,585	5.8	268,680,489	5.2
Institutional support	543,979,557	9.9	537,015,238	9.9	531,306,794	10.4
Operation and maintenance of plant	402,000,372	7.3	402,662,215	7.5	373,714,746	7.3
Scholarships and fellowships	137,307,078	2.5	119,837,448	2.2	120,668,204	2.4
Auxiliary enterprises	625,350,973	11.3	640,769,991	11.9	592,972,508	11.6
Hospital					211,215,158	4.1
Total	\$ 5,520,682,997	100.0 %	\$ 5,403,345,576	100.0 %	\$ 5,118,945,734	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. Beginning with the year ended June 30, 2019, expenses associated with providing services to hospital and critical care facilities under contractual arrangements are classified as Public service expense instead of Hospital.

For the years ended June 30, 2020 and 2019, increases in total employee payments of \$178,332,102 and \$131,818,363, respectively, represent the largest component of the overall increase in operating expenses over the prior year. For 2020 and 2019, the largest increases associated with employee payments were for research and institutional support, 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, 2020 AND 2019**

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

	2020	2019	2018
State of Maryland debt proceeds	\$172,302,652	\$244,478,467	\$228,607,790
System debt proceeds	129,669,702	172,711,919	129,433,987
System cash balances and donations	242,331,590	101,522,580	179,634,557
Total	\$544,303,944	\$518,712,966	\$537,676,334

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, 2020		
Biomedical Science & Engineering Education Building	Universities at Shady Grove	\$158,400,000
Interdisciplinary Life Sciences Building	University of Maryland Baltimore County	123,050,000
Year ended June 30, 2019		
Brendan Iribe Center for Computer Science & Innovation	University of Maryland, College Park	\$152,250,000
Dorchester Hall Renovation	University of Maryland, College Park	13,180,000
Residence Tower Renovation	Towson University	33,860,000
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

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, 2020, 2019 and 2018, as follows:

Debt issuance	Date of issue	Purpose	Total Par Value Issued	Present Value of Future Debt Service Savings
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
2019 Series C	9/18/2019	Refinancing	107,965,000	13,416,590

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

UNIVERSITY SYSTEM OF MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED JUNE 30, 2020 AND 2019

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 4.5% more full-time equivalent students anticipated by the fall 2029. While, preliminary fall 2020 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 effects of the coronavirus pandemic are still not fully known, but several impacts have already begun to impact Maryland public higher education, and the System in particular. In June 2020, the Maryland government reduced state appropriations for the year ended June 30, 2021 by more than \$110 million in anticipation of falling state tax collections. Institution plans for the 2020-2021 academic year have incorporated numerous measures and practices to ensure student, faculty, staff and community safety. These institution specific plans include a mix of online and in-person education and contingency plans for different possible trajectories in virus spread, but also social distancing on campus, resulting in greatly reduced utilization of student housing, dining and parking facilities, each with significant revenue reduction impacts. Testing materials, facilities enhancements, and other safety measures adopted by System institutions will result in higher spending levels beyond that anticipated in the operating budget before the pandemic. System institutions will accommodate these fiscal challenges through a balanced approach including permanent spending cuts, one-time spending cuts and deferrals, and the use of net position to ensure the ongoing financial health of each USM institution.

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 the institution's administrative costs.

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.

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**UNIVERSITY SYSTEM OF MARYLAND
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,633,496,005	\$ 2,552,186,538
Accounts receivable, net	343,251,636	295,439,263
Notes receivable, current portion, net	3,874,699	5,345,066
Inventories	9,954,651	9,464,301
Prepaid expenses and other	<u>20,886,577</u>	<u>20,758,341</u>
Total current assets	<u>3,011,463,568</u>	<u>2,883,193,509</u>
Noncurrent assets		
Restricted cash and cash equivalents	62,133,802	157,124,871
Endowment investments	354,554,440	364,140,586
Other investments	34,999,509	22,144,370
Notes receivable, net	23,860,209	29,984,838
Capital assets, net	<u>6,826,034,004</u>	<u>6,633,402,152</u>
Total noncurrent assets	<u>7,301,581,964</u>	<u>7,206,796,817</u>
Total assets	10,313,045,532	10,089,990,326
DEFERRED OUTFLOWS OF RESOURCES	<u>414,928,347</u>	<u>523,339,677</u>
Total assets and deferred outflows of resources	<u>\$ 10,727,973,879</u>	<u>\$ 10,613,330,003</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 348,633,745	\$ 315,630,844
Accrued workers' compensation, current portion	4,885,800	4,309,950
Accrued vacation costs, current portion	123,461,419	111,785,925
Revenue bonds and notes payable, current portion	99,295,675	100,892,731
Obligations under capital lease agreements, current portion	1,846,129	1,652,537
Unearned revenues	<u>351,060,005</u>	<u>318,662,589</u>
Total current liabilities	<u>929,182,773</u>	<u>852,934,576</u>
Noncurrent liabilities		
Accrued workers' compensation	27,686,200	24,423,050
Accrued vacation costs	151,666,808	115,722,833
Revenue bonds and notes payable	1,088,171,129	1,198,123,353
Obligations under capital lease agreements	12,336,835	2,844,822
Net pension liability	<u>1,275,563,402</u>	<u>1,309,998,345</u>
Total noncurrent liabilities	<u>2,555,424,374</u>	<u>2,651,112,403</u>
Total liabilities	<u>3,484,607,147</u>	<u>3,504,046,979</u>
DEFERRED INFLOWS OF RESOURCES	<u>361,975,248</u>	<u>356,399,561</u>
NET POSITION		
Unrestricted	1,212,195,784	1,289,908,203
Net investment in capital assets	5,430,985,410	5,222,375,942
Restricted:		
Nonexpendable	41,718,241	39,149,289
Expendable	<u>196,492,049</u>	<u>201,450,029</u>
Total net position	<u>6,881,391,484</u>	<u>6,752,883,463</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 10,727,973,879</u>	<u>\$ 10,613,330,003</u>

See accompanying notes.

UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF FINANCIAL POSITION, COMPONENT UNITS
JUNE 30, 2020

	Major Component Units			Nonmajor Component Units	Total
	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.		
ASSETS					
Current assets					
Cash	\$ 147,000	\$ 55,126,116	\$ 2,952,269	\$ 22,277,057	\$ 80,502,442
Accounts receivable, net	2,243,000	97,412,300	24,397,171	5,377,280	129,429,751
Other assets	108,000	118,131	32,803	599,527	858,461
Total current assets	2,498,000	152,656,547	27,382,243	28,253,864	210,790,654
Investments					
Endowment investments	306,343,000	444,003,287	230,525,296	242,488,499	1,223,360,082
Other investments	492,139,000	72,276,040	77,589,321	25,257,180	667,261,541
Total investments	798,482,000	516,279,327	308,114,617	267,745,679	1,890,621,623
Noncurrent assets					
Accounts receivable, net	6,784,000	48,779,671	11,080,039	10,791,457	77,435,167
Capital assets, net	15,436,000	30,385,963		3,435,449	49,257,412
Other assets	468,000	528,571	5,000,737	2,570,369	8,567,677
Total noncurrent assets	22,688,000	79,694,205	16,080,776	16,797,275	135,260,256
Total assets	\$ 823,668,000	\$ 748,630,079	\$ 351,577,636	\$ 312,796,818	\$ 2,236,672,533
LIABILITIES					
Current liabilities					
Accounts payable & accrued expenses	\$ 5,375,000	\$ 627,644	\$ 1,872,018	\$ 1,794,989	\$ 9,669,651
Long-term debt, current				1,857,286	1,857,286
Unearned revenues	1,240,000	926,816		5,938,991	8,105,807
Total current liabilities	6,615,000	1,554,460	1,872,018	9,591,266	19,632,744
Noncurrent liabilities					
Other payables	77,760,568	16,566,402	2,202,594	1,889,300	98,418,864
Due to primary government	354,476,432				354,476,432
Total noncurrent liabilities	432,237,000	16,566,402	2,202,594	1,889,300	452,895,296
Total liabilities	438,852,000	18,120,862	4,074,612	11,480,566	472,528,040
NET ASSETS					
Without donor restrictions	58,896,000	4,800,674	44,324,298	31,150,241	139,171,213
With donor restrictions	325,920,000	725,708,543	303,178,726	270,166,011	1,624,973,280
Total net assets	384,816,000	730,509,217	347,503,024	301,316,252	1,764,144,493
Total liabilities and net assets	\$ 823,668,000	\$ 748,630,079	\$ 351,577,636	\$ 312,796,818	\$ 2,236,672,533

See accompanying notes.

UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF FINANCIAL POSITION, COMPONENT UNITS
JUNE 30, 2019

	Major Component Units			Nonmajor Component Units	Total
	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.		
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	6,578,008	137,431,740
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	34,069,874	216,259,645
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	11,716,142	122,510,224
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	34,271,634	196,319,597
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
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Tuition and fees	\$ 1,764,678,052	\$ 1,747,607,871
Less: scholarship allowances	<u>(356,385,268)</u>	<u>(338,154,602)</u>
Federal grants and contracts	783,778,541	785,626,017
State and local grants and contracts	218,485,078	210,651,934
Nongovernmental grants and contracts	243,414,129	255,572,552
Sales and services of educational departments	335,932,342	332,519,878
Auxiliary enterprises	579,860,866	698,358,209
Less: scholarship allowances	<u>(22,498,371)</u>	<u>(25,604,828)</u>
Other operating revenues	<u>69,486,420</u>	<u>82,031,729</u>
Total operating revenues	<u>3,616,751,789</u>	<u>3,748,608,760</u>
OPERATING EXPENSES		
Instruction	1,402,071,908	1,364,312,495
Research	1,039,622,121	988,835,162
Public service	521,599,010	548,915,818
Academic support	527,330,418	486,707,624
Student services	321,421,560	314,289,585
Institutional support	543,979,557	537,015,238
Operation and maintenance of plant	402,000,372	402,662,215
Scholarships and fellowships	137,307,078	119,837,448
Auxiliary enterprises	<u>625,350,973</u>	<u>640,769,991</u>
Total operating expenses	<u>5,520,682,997</u>	<u>5,403,345,576</u>
Operating (loss)	<u>(1,903,931,208)</u>	<u>(1,654,736,816)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	1,493,671,878	1,398,073,778
Pell grants	167,411,653	167,702,482
Other nonoperating grants	89,316,876	
Gifts	53,210,506	48,647,832
Investment income	87,461,092	80,677,254
Less: investment expense	<u>(1,323,876)</u>	<u>(1,263,921)</u>
Interest on indebtedness	(40,580,627)	(42,630,462)
Other revenues and gains (losses), net	<u>(14,638,982)</u>	<u>14,027,435</u>
Total nonoperating revenues	<u>1,834,528,520</u>	<u>1,665,234,398</u>
Income (loss) before other revenues	<u>(69,402,688)</u>	<u>10,497,582</u>
OTHER REVENUES		
Capital appropriations	172,302,652	244,478,467
Capital gifts and grants	23,039,106	28,307,336
Additions to endowments	<u>2,568,951</u>	<u>711,073</u>
Total other revenues	<u>197,910,709</u>	<u>273,496,876</u>
Increase in net position	128,508,021	283,994,458
Net position - beginning of year	<u>6,752,883,463</u>	<u>6,468,889,005</u>
Net position - end of year	<u>\$ 6,881,391,484</u>	<u>\$ 6,752,883,463</u>

See accompanying notes.

UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF ACTIVITIES, COMPONENT UNITS
YEAR ENDED JUNE 30, 2020

	<u>Major Component Units</u>			Nonmajor Component Units	Total
	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.		
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS					
Revenues					
Contributions & grants	\$ 3,446,000		\$ 5,020,011	\$ 1,089,950	\$ 9,555,961
Investment income, net	(1,210,000)	\$ 7,436,163	1,872,268	1,245,741	9,344,172
Other income	6,236,000	1,821,915	454,964	3,216,894	11,729,773
Assets released from restrictions	17,822,000	56,531,304	20,073,129	17,515,248	111,941,681
Total revenues	26,294,000	65,789,382	27,420,372	23,067,833	142,571,587
Expenses					
Program	23,479,000	62,170,514	22,441,881	16,551,720	124,643,115
General & administrative	5,435,000	3,611,788	2,251,399	4,131,543	15,429,730
Fundraising	2,325,000	225,472	1,153,586	1,233,982	4,938,040
Other expense				1,168,535	1,168,535
Total expenses	31,239,000	66,007,774	25,846,866	23,085,780	146,179,420
Change in net assets without donor restrictions	(4,945,000)	(218,392)	1,573,506	(17,947)	(3,607,833)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS					
Contributions & grants	30,398,000	75,941,815	21,431,422	16,561,622	144,332,859
Investment income	2,654,000	(2,278,520)	1,196,383	1,363,721	2,935,584
Other income (loss)		(960,782)		1,679,834	719,052
Assets released from restrictions	(17,822,000)	(56,531,304)	(20,073,129)	(17,515,248)	(111,941,681)
Change in net assets with donor restrictions	15,230,000	16,171,209	2,554,676	2,089,929	36,045,814
Total changes in net assets	10,285,000	15,952,817	4,128,182	2,071,982	32,437,981
Net assets - beginning of year	374,531,000	714,556,400	343,374,842	317,453,772	1,749,916,014
Change in reporting entity				(18,209,502)	(18,209,502)
Net assets - end of year	\$ 384,816,000	\$ 730,509,217	\$ 347,503,024	\$ 301,316,252	\$ 1,764,144,493

See accompanying notes.

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

	Major Component Units			Nonmajor Component Units	Total
	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.		
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
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 1,416,648,091	\$ 1,392,927,775
Research contracts and grants	1,201,623,652	1,270,059,303
Payments to employees	(3,523,887,253)	(3,416,015,578)
Payments to suppliers and contractors	(1,485,492,364)	(1,490,589,860)
Loans issued to students	(2,376,781)	(1,447,696)
Collection of loans from students	10,109,155	8,928,368
Auxiliary enterprises	555,054,258	684,584,338
Other receipts	<u>478,218,825</u>	<u>486,888,703</u>
Net cash used by operating activities	<u>(1,350,102,417)</u>	<u>(1,064,664,647)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	1,493,671,878	1,398,073,778
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes	868,951	711,073
Pell grants	167,411,653	167,702,482
Student direct lending payments	(801,252,857)	(827,939,763)
Student direct lending receipts	801,252,857	827,939,763
Other nonoperating grants	<u>78,823,612</u>	<u></u>
Net cash provided by noncapital financing activities	<u>1,740,776,094</u>	<u>1,566,487,333</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	129,669,702	172,711,919
Capital appropriations	172,302,652	244,478,467
Capital grants and gifts received	22,449,099	25,739,013
Proceeds from sales of capital assets	4,424,041	1,909,456
Purchases of capital assets	(533,192,077)	(513,533,350)
Principal paid on debt and capital leases	(229,752,885)	(143,886,460)
Interest paid on debt and capital leases	<u>(52,978,006)</u>	<u>(51,086,793)</u>
Net cash used by capital and related financing activities	<u>(487,077,474)</u>	<u>(263,667,748)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	49,722,887	13,400,373
Interest on investments	47,054,086	62,918,856
Investment expense	(1,338,618)	(1,263,921)
Purchases of investments	<u>(12,716,160)</u>	<u>(32,923,036)</u>
Net cash provided (used) by investing activities	<u>82,722,195</u>	<u>42,132,272</u>
Net increase (decrease) in cash and cash equivalents	(13,681,602)	280,287,210
Cash and cash equivalents - beginning of year	<u>2,709,311,409</u>	<u>2,429,024,199</u>
Cash and cash equivalents - end of year	<u>\$ 2,695,629,807</u>	<u>\$ 2,709,311,409</u>
<hr/>		
SUPPLEMENTARY SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Gifts and contributions of capital assets	\$ 889,131	\$ 1,920,663
Assets acquired through capital lease arrangements	11,540,774	
Changes in unrealized appreciation on investments	<u>(21,689,817)</u>	<u>7,287,192</u>
<hr/>		
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	\$ (1,903,931,208)	\$ (1,654,736,816)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	346,910,397	348,013,437
Loss on disposals of capital assets	337,654	651,788
Amortization of deferred service concession arrangement receipts	(18,356,042)	(18,356,042)
Gifts and other revenues, (expenses), gains, and (losses)	38,571,524	62,675,267
Effect of changes in assets and liabilities:		
Accounts receivable, net	(33,131,118)	(3,128,072)
Inventories	(490,350)	(247,362)
Prepaid expenses and other deferred charges	(128,236)	(2,317,762)
Notes receivable	7,594,996	7,878,535
Accounts payable and accrued liabilities	34,957,366	28,322,039
Unearned revenues	29,884,774	39,765,807
Accrued vacation	47,619,469	11,968,399
Accrued workers' compensation	3,839,000	(639,000)
Net pension liability and related deferred outflows and inflows of resources	96,219,357	115,485,135
Net cash used by operating activities	<u>\$ (1,350,102,417)</u>	<u>\$ (1,064,664,647)</u>

See accompanying notes.

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UNIVERSITY SYSTEM OF MARYLAND**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019****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.

Effective for the financial statements for the year ended June 30, 2020, the System evaluates component units to be included in the System's financial statements taking into account the significance of the financial statement amounts of the potential affiliated entity to the System, as well as the nature of the relationship between the System and the entity. As a result, 9 separately organized entities previously reported as component units no longer will be reported as component units. A total of \$18,209,502 of net assets associated with those separately organized entities no longer reported as component units is reported as an adjustment to beginning net assets for nonmajor component units on the Combining Statement of Activities, Component Units for the year ended June 30, 2020.

The System has recognized, as affiliated foundations, ten 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 ten 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, 2020 AND 2019**

The following affiliated foundations are considered nonmajor component units:

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

During the years ended June 30, 2020 and 2019, affiliated foundations distributed approximately \$99,305,993 and \$121,393,548, 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 accounting standards promulgated by the Financial Accounting Standards Board (FASB). As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the foundations' financial information in the System's financial reporting entity for these differences.

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, 2020 AND 2019

The condensed financial statements for UMUC Ventures are as follows:

	<u>2020</u>	<u>2019</u>
Condensed statements of net assets		
Current assets	\$ 31,769,459	\$ 26,578,409
Capital assets	61,805	108,568
Other assets	8,802,474	771,576
Total assets	<u>\$ 40,633,738</u>	<u>\$ 27,458,553</u>
Current liabilities	\$ 4,291,231	\$ 9,582,841
Long term liabilities		1,243,942
Total liabilities	<u>4,291,231</u>	<u>10,826,783</u>
Invested in capital assets, net of related debt	61,805	108,568
Unrestricted net assets	<u>36,280,702</u>	<u>16,523,202</u>
Total net assets	<u>36,342,507</u>	<u>16,631,770</u>
Total liabilities & net assets	<u>\$ 40,633,738</u>	<u>\$ 27,458,553</u>
Condensed statements of revenues, expenses and changes in net assets		
Operating revenues	<u>\$ 52,391,613</u>	<u>\$ 44,275,804</u>
Operating expenses:		
Depreciation	26,209	30,785
Other expenses	<u>68,868,905</u>	<u>44,382,310</u>
Total operating expenses	<u>68,895,114</u>	<u>44,413,095</u>
Operating loss	(16,503,501)	(137,291)
Nonoperating revenues	35,425,155	957,425
Capital contributions	<u>789,083</u>	<u>5,066,788</u>
Net income	<u>19,710,737</u>	<u>5,886,922</u>
Beginning net assets	<u>16,631,770</u>	<u>10,744,848</u>
Ending net assets	<u>\$ 36,342,507</u>	<u>\$ 16,631,770</u>
Condensed statements of cash flows		
Net cash (used) provided by:		
Operating activities	\$ (15,270,214)	\$ (3,687,708)
Noncapital financing activities	144,570	5,009,222
Investing activities	<u>18,888,636</u>	<u>(3,660,996)</u>
Beginning cash and cash equivalents	<u>14,774,491</u>	<u>17,113,973</u>
Ending cash and cash equivalents	<u>\$ 18,537,483</u>	<u>\$ 14,774,491</u>

UNIVERSITY SYSTEM OF MARYLAND**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

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.

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 estimated acquisition value at the date of donation in the case of gifts. Personal property with an original cost of more than \$5,000 and outlays for real property in excess of \$250,000 are considered capital assets.

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

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

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

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

Deferred Outflows/Inflows of Resources

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

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

Accrued Vacation Costs

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

Unearned Revenues

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

Pensions

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

Net Position

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

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

Scholarship Allowances

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

Reclassifications

Certain amounts for the year ended June 30, 2019, have been reclassified to conform with the presentation for the year ended June 30, 2020. These reclassifications had no impact on net position or changes in net position.

Use of Estimates

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

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*; GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 92, *Omnibus2020*; GASB Statement No. 93, *Replacement of Interbank Offered Rates*; GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payments*; GASB Statement No. 95, *Postponement of Effective Dates of Certain Authorative Guidance*; GASB Statement No. 96, *Subscription-based Information Technology Arrangements*; and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The System will be analyzing the effects of these pronouncements and intends to adopt each, as applicable, by their respective effective dates.

UNIVERSITY SYSTEM OF MARYLAND**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019****3. CASH AND INVESTMENTS****Cash and cash equivalents**

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

	<u>2020</u>	<u>2019</u>
Cash and short-term investments on deposit with the State Treasurer	\$2,566,176,772	\$2,510,912,995
Demand and time deposits	67,319,233	41,273,543
Total	<u>\$2,633,496,005</u>	<u>\$2,552,186,538</u>

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

As of June 30, 2020 and 2019, the carrying amount of the System's demand and time deposits was \$67,319,233 and \$41,273,543, respectively, as compared to bank balances of \$69,315,775 and \$42,142,227, respectively. The difference is primarily due to items in-transit. Of the bank balances, \$28,886,369 and \$13,486,951 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 \$40,429,406 and \$28,655,276 was uninsured and uncollateralized as of June 30, 2020 and 2019, 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.

UNIVERSITY SYSTEM OF MARYLAND**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

- Corporate obligations rated AAA by Standard & Poor's and Aaa by Moody's.

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

	<u>2020</u>	<u>2019</u>
Money market accounts – endowment fund uninvested cash	\$ 47,280	\$ 47,280
Money market accounts – unspent proceeds of debt	<u>62,086,522</u>	<u>157,077,591</u>
Total	<u>\$ 62,133,802</u>	<u>\$ 157,124,871</u>

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

Investments

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

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

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

The System discloses investment risks 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, 2020 AND 2019**Custodial credit risk**

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

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

Credit risk

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

Foreign currency risk

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

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

Endowment investments

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

	<u>2020</u>	<u>2019</u>
Corporate debt	\$ 7,200	\$ 7,200
Corporate equities	70,808	106,884
Assets invested with USMF	354,476,432	364,026,502
Total	<u>\$354,554,440</u>	<u>\$364,140,586</u>

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

	<u>2020</u>	<u>2019</u>
Pure endowments	\$135,000,918	\$142,730,730
Funds functioning as endowments	215,047,372	216,882,613
Term endowments	4,506,150	4,527,243
Total	<u>\$354,554,440</u>	<u>\$364,140,586</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, 2020 AND 2019**

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 \$93,282,678 and \$99,054,199 as of June 30, 2020 and 2019, respectively. Reinvestments of net appreciation are considered to be subject to donor spending restrictions if applicable, and accordingly, are reflected as a component of restricted, expendable net assets.

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

Other investments

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

Allocation of investment income

Investment income is assigned to the accounting funds, including endowments, in proportions associated with investments held by the various accounting funds. For the year ended June 30, 2020, investment income includes a gain of \$35,883,121 on the sale of a majority ownership interest in a for-profit, data analytics stock corporation previously wholly-owned by UMUC Ventures. For the years ended June 30, 2020 and 2019 income attributed to unrestricted funds and restricted funds was:

	<u>2020</u>	<u>2019</u>
Unrestricted funds	\$ 81,333,996	\$ 68,236,840
Restricted funds	6,127,096	12,440,414
Total	<u>\$ 87,461,092</u>	<u>\$ 80,677,254</u>

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

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, 2020 and 2019, respectively, the System also holds corporate debt investments of \$7,200 and \$7,200 that are classified as level 3 investments, and corporate equity investments of \$70,808 and \$106,884 that are classified as level 1 investments.

As of June 30, 2020 and 2019, respectively, System other investments include partnership interests of \$14,542,100 and \$14,214,630 that are classified as level 3 investments. As of June 30, 2020 and 2019, respectively, other investments include mutual funds and short-term securities of \$20,457,409 and \$7,929,740 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, 2020 AND 2019

The following table shows the USMF's investments using the three-level fair value hierarchy as of June 30, 2020:

Investments by fair value level	June 30, 2020	Fair Value Measurements		
		Level 1	Level 2	Level 3
Money market funds and short-term investments	\$ 94,251,000	\$ 94,251,000		
ETF's and mutual funds	263,363,000	263,363,000		
Common stock	13,365,000	13,365,000		
Separately managed accounts	342,874,000		\$ 253,808,000	\$ 89,066,000
Total investments by fair value level	713,853,000	\$ 370,979,000	\$ 253,808,000	\$ 89,066,000
Investments measured at net asset value (NAV)				
Intermediate assets	138,340,000			
Public equity	176,458,000			
Liquid credit	60,400,000			
Diversifying strategies	66,309,000			
Private risk assets	468,441,000			
Total investments measured at NAV	909,948,000			
Total investments	1,623,801,000			
Due to other System component units	(825,319,000)			
Total USMF investments reported	798,482,000			
Due to the System	(354,476,432)			
Total USMF investments	\$ 444,005,568			

System component unit investments managed by the USMF of \$825,319,000 were eliminated from the USMF financial statements as of June 30, 2020.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019

The following table shows the USMF's investments using the three-level 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	\$ 54,474,000	\$ 54,474,000		
ETF's and mutual funds	210,649,000	210,649,000		
Common stock	15,917,000	15,917,000		
Separately managed accounts	351,881,000		\$ 254,490,000	\$ 97,391,000
Total investments by fair value level	632,921,000	\$ 281,040,000	\$ 254,490,000	\$ 97,391,000
Investments measured at net asset value (NAV)				
Intermediate assets	114,148,000			
Public equity	183,303,000			
Liquid credit	84,088,000			
Diversifying strategies	81,247,000			
Private risk assets	471,444,000			
Total investments measured at NAV	934,230,000			
Total investments	1,567,151,000			
Due to other System component units	(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, 2020 AND 2019

Investments measured at net asset value

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

Due to the limited availability of valuation data as of the Foundation's year-end, management utilizes the most recent NAV or ownership percentage which may be on a month to quarter lag. Management adjusts the net asset value or ownership percentage to be more representative of the year-end fair value by including capital contributions, and redemptions or returns of capital during the gap period. Net capital activity during the gap periods increased management's estimates \$8.1 million and \$6.7 million for the years ended June 30, 2020 and 2019, respectively. Management will also adjust for known performance adjustments for private investments that hold publicly traded securities. Performance adjustments ranged from 1.2% to 1.6% for those investments on a one-month lag. No performance adjustments are made to investments on a quarter lag given the unobservability of investment performance at the time of report issuance.

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

As of June 30, 2020 and 2019, unfunded commitments within the private investments measured at NAV equaled approximately \$328 million and \$363 million, respectively.



Route 1 Development, UMCP

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**5. ACCOUNTS RECEIVABLE, NOTES RECEIVABLE, AND ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts receivable as of June 30, 2020 and 2019, were comprised of:

	<u>2020</u>	<u>2019</u>
Tuition and fees	\$ 93,693,220	\$ 93,302,233
Contracts and grants	266,201,266	187,304,070
Other	5,886,058	32,506,041
Subtotal	365,780,544	313,112,344
Less: allowance for doubtful accounts receivable	(22,528,908)	(17,673,081)
Accounts receivable, net	<u>\$343,251,636</u>	<u>\$295,439,263</u>

Notes receivable as of June 30, 2020 and 2019, were comprised of:

	<u>2020</u>	<u>2019</u>
Student loans	\$ 39,951,686	\$ 47,882,529
Business development loans	5,695,161	6,176,722
Subtotal	45,646,847	54,059,251
Less: allowance for doubtful accounts receivable	(17,911,939)	(18,729,347)
Notes receivable, net	<u>\$ 27,734,908</u>	<u>\$ 35,329,904</u>

Accounts payable and accrued liabilities as of June 30, 2020 and 2019, were comprised of:

	<u>2020</u>	<u>2019</u>
Payroll and benefits	\$131,660,719	\$116,099,968
Suppliers and contractors	138,858,319	128,851,604
Accrued interest payable	10,998,782	12,132,794
Asset retirement obligations	16,165,952	15,057,440
Other	50,949,973	43,489,038
Accounts payable and accrued liabilities	<u>\$348,633,745</u>	<u>\$315,630,844</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, 2020 AND 2019**

As of June 30, 2020 and 2019, contributions receivable were due as follows:

University System of Maryland Foundation, Inc.

Due	Discount Rates	2020	2019
Within one year	Not applicable	\$ 1,466,000	\$ 330,000
One to five years	4.25% - 6.50%	6,544,000	10,493,000
Subtotal		8,010,000	10,823,000
Less: pledge discount		(665,000)	(978,000)
Net contributions receivable		<u>\$ 7,345,000</u>	<u>\$ 9,845,000</u>

University of Maryland, College Park Foundation, Inc.

Due	Discount Rates	2020	2019
Within one year	Not applicable	\$103,746,930	\$114,460,633
Two to five years	2.18% - 4.40%	51,579,925	81,860,242
More than five years	3.25% - 5.50%	5,591,403	7,996,348
Subtotal		160,918,258	204,317,223
Less: allowance for doubtful accounts		(10,673,109)	(8,245,672)
Less: pledge discount		(4,526,497)	(7,041,585)
Net contributions receivable		<u>\$145,718,652</u>	<u>\$189,029,966</u>

University of Maryland, Baltimore Foundation, Inc.

Due	Discount Rates	2020	2019
Within one year	Not applicable	\$ 26,327,798	\$ 21,047,209
One to five years	0.18% -1.71%	11,206,723	22,850,375
More than five years	0.18% -1.71%	468,176	148,666
Subtotal		38,002,697	44,046,250
Less: allowance for doubtful accounts		(2,089,826)	(1,351,434)
Less: pledge discount		(453,865)	(1,875,074)
Net contributions receivable		<u>\$ 35,459,006</u>	<u>\$ 40,819,742</u>

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019

6. CHANGES IN NET CAPITAL ASSETS

Changes in net capital assets for the years ended June 30, 2020 and 2019:

	June 30, 2018	Additions	Decreases	June 30, 2019	Additions	Decreases	June 30, 2020
Capital assets being depreciated:							
Infrastructure & land improvements	\$ 470,147,338	\$ 6,355,810		\$ 476,503,148	\$ 42,576,443	\$ 868,697	\$ 518,210,894
Buildings & improvements	8,287,684,753	269,857,977	\$ 4,075,937	8,553,466,793	271,840,251	3,861,618	8,821,445,426
Contents	1,505,189,438	81,251,951	41,167,278	1,545,274,111	104,293,151	31,769,739	1,617,797,523
Buildings recorded under capital lease agreements	14,629,140			14,629,140	4,068,624		18,697,764
Total capital assets being depreciated	10,277,650,669	357,465,738	45,243,215	10,589,873,192	422,778,469	36,500,054	10,976,151,607
Less accumulated depreciation for:							
Infrastructure & land improvements	261,516,466	18,621,239		280,137,705	20,368,390	868,697	299,637,398
Buildings & improvements	3,100,800,655	236,326,210	4,731,602	3,332,395,263	238,858,922	2,057,583	3,569,196,602
Contents	1,136,855,914	91,878,809	37,981,869	1,190,752,854	86,333,162	29,092,329	1,247,993,687
Buildings recorded under capital lease agreements	10,156,324	1,187,179		11,343,503	1,349,923		12,693,426
Total accumulated depreciation	4,509,329,359	348,013,437	42,713,471	4,814,629,325	346,910,397	32,018,609	5,129,521,113
Total capital assets being depreciated, net	5,768,321,310	9,452,301	2,529,744	5,775,243,867	75,868,072	4,481,445	5,846,630,494
Capital assets not being depreciated:							
Land	169,028,778	7,692,424		176,721,202	6,122,719		182,843,921
Contents	32,078,742	173,525	31,500	32,220,767	237,450	280,250	32,177,967
Construction in progress	495,835,037	336,346,758	182,965,479	649,216,316	411,031,852	295,866,546	764,381,622
Total capital assets not being depreciated	696,942,557	344,212,707	182,996,979	858,158,285	417,392,021	296,146,796	979,403,510
Capital assets, net	\$ 6,465,263,867	\$ 353,665,008	\$ 185,526,723	\$ 6,633,402,152	\$ 493,260,093	\$ 300,628,241	\$ 6,826,034,004

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UNIVERSITY SYSTEM OF MARYLAND**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019****7. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

The composition of deferred outflows of resources as of June 30, 2020 and 2019, was summarized as follows:

	<u>2020</u>	<u>2019</u>
Unamortized loss on refundings of debt	\$ 12,109,985	\$ 14,196,040
Deferred outflows related to asset retirement obligations	12,801,865	12,404,568
Deferred outflows related to the pension liability	390,016,497	496,739,069
Total deferred outflows of resources	<u>\$414,928,347</u>	<u>\$523,339,677</u>

The composition of deferred inflows of resources as of June 30, 2020 and 2019, was summarized as follows:

	<u>2020</u>	<u>2019</u>
Deferred service concession arrangement receipts	\$252,219,390	\$270,575,431
Deferred inflows related to the pension liability	109,755,858	85,824,130
Total deferred inflows of resources	<u>\$361,975,248</u>	<u>\$356,399,561</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.

During the period ended June 30, 2020, Bowie State University entered into an agreement with a quasi-governmental entity (project owner) to finance, construct and operate a student housing project on land leased to the project owner by the University. The estimated cost of the project is \$50,670,000. The project is expected to be completed by Fall 2021.

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, 2020 AND 2019**

As of June 30, 2020 and 2019, the following amounts associated with service concession arrangements were reflected on the Statement of Net Position:

	<u>2020</u>	<u>2019</u>
Capital assets, net – Buildings & improvements	\$292,405,102	\$306,296,064
Deferred service concession arrangement receipts	252,219,390	270,575,431

9. ASSET RETIREMENT OBLIGATIONS

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

A nonpower training nuclear reactor operated at the University of Maryland College Park is subject to statutory and regulatory requirements promulgated by the U.S. Nuclear Regulatory Commission (the NRC) under Title 10 of the Code of Federal Regulations (the CFR). Estimated asset retirement obligations for the reactor are \$14,165,952 and \$13,057,440 as of June 30, 2020 and 2019, respectively. The reactor had a remaining useful life of 19 years as of June 30, 2020.

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, 2020 and 2019.

The System also owns and operates various equipment assets, including gamma cell irradiators and underground oil tanks, that are also subject to statutory or regulatory asset retirement obligations of individually nominal dollar values. All such assets were fully depreciated as of June 30, 2020 and 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, using current personnel costs, and a contingency factor of 25%.

Total asset retirement obligations of \$16,165,952 and \$15,057,440, as of June 30, 2020 and 2019, are included in accounts payable and accrued liabilities. The System is financially prepared to fund and satisfy all asset retirement obligations when required.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**10. RESTRICTED NET POSITION**

Restricted net position as of June 30, 2020 and 2019, were as follows:

	2020	2019
Nonexpendable		
Scholarships and fellowships	\$ 17,585,035	\$ 16,764,483
Research	7,210,176	5,461,934
Other	16,923,030	16,922,872
Total restricted nonexpendable net position	<u>\$ 41,718,241</u>	<u>\$ 39,149,289</u>
Expendable		
Scholarships and fellowships	\$ 36,878,144	\$ 38,527,037
Research	80,563,068	78,706,352
Loans	40,243,558	49,234,447
Capital projects	9,023,201	6,799,771
Other	29,784,078	28,182,422
Total restricted expendable net position	<u>\$196,492,049</u>	<u>\$201,450,029</u>

Major component units

Net assets with donor restrictions as of June 30, 2020, were as follows:

	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.
Scholarships & fellowships	\$ 152,898,000	\$ 187,144,335	\$ 60,273,619
Research	21,788,000	20,432,270	12,945,003
Other	151,234,000	518,131,938	229,960,104
Total net assets with donor restrictions	<u>\$ 325,920,000</u>	<u>\$ 725,708,543</u>	<u>\$ 303,178,726</u>

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

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>

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, 2020 and 2019, revenue bonds and notes payable consisted of the following:

	<u>2020</u>	<u>2019</u>
Revenue Bonds, net	\$1,172,223,260	\$1,279,680,417
Other	15,243,544	19,335,667
Revenue bonds and notes payable, net	<u>\$1,187,466,804</u>	<u>\$1,299,016,084</u>



Brendan Iribe Center, UMCP

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**Auxiliary Facility and Tuition Revenue Bonds**

As of June 30, 2020, Auxiliary Facility and Tuition Revenue Bonds (Revenue Bonds) consisted of the following:

	Interest Rates	Maturity Dates	Principal Outstanding
2009 Refunding Series D	4.00%	2021-2022	\$ 4,040,000
2010 Series B	4.5%	2021	6,040,000
2010 Series C	2.50% - 4.00%	2021-2023	16,675,000
2010 Series E	4.2%	2021	6,000,000
2011 Series A	3.00% - 5.00%	2021-2031	28,025,000
2011 Refunding Series B	3.00% - 5.00%	2021-2024	22,450,000
2012 Refunding Series A & B	2.00% - 3.25%	2021-2024	15,490,000
2012 Series C & D	2.00% - 5.00%	2020-2032	123,610,000
2014 Series A	3.00% - 5.00%	2021-2034	110,305,000
2015 Series A	3.00% - 5.00%	2021-2028	51,065,000
2016 Series A	3.00% - 5.00%	2021-2036	121,920,000
2016 Refunding Series B	2.375% - 5.00%	2021-2030	57,355,000
2017 Series A	4.00% - 5.00%	2021-2037	104,380,000
2017 Refunding Series B	5.00%	2021-2023	25,100,000
2018 Series A	3.00% - 5.00%	2021-2038	108,020,000
2019 Series A	3.00% - 5.00%	2021-2039	110,950,000
2019 Refunding Series B	5.00%	2021-2029	38,080,000
2019 Refunding Series C	3.00-5.00%	2022-2030	107,965,000
Subtotal			1,057,470,000
Unamortized discounts and premiums			114,753,260
Revenue Bonds, net			<u>\$1,172,223,260</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, 2020 AND 2019**

Revenue Bonds issued during the years ended June 30, 2020 and 2019, including the results of any refinancing of outstanding debt, were as follows:

Debt issuance	Date of issue	Par value of debt issued	Premium on issuance	Par value of debt refunded	Reduction in future debt service	Deferred gain on refunding	Economic gain
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
2019 Refunding Series C	9/18/2019	107,965,000	22,021,246	127,000,000	14,852,333	189,389	13,416,590

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 5.9% and 6.2% in Federal fiscal year 2020 and 2019, 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, 2020, previously issued debt removed from the System's financial statements through advance refunding transactions still outstanding was \$47,510,000.

As of June 30, 2020 and 2019, cash and cash equivalents and investments restricted by the terms of the Indenture of Trust totaled \$62,086,522 and \$157,085,964, respectively.



USM at Hagerstown, Lease

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**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, 2020, 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	
2021	\$ 94,990,000	\$ 44,048,662	\$ 4,305,675	\$ 214,186	\$ 143,558,523
2022	84,415,000	39,660,757	4,268,528	158,835	128,503,120
2023	85,720,000	35,854,657	3,129,438	102,211	124,806,306
2024	82,760,000	32,008,257	2,914,517	44,278	117,727,052
2025	73,355,000	28,562,782	303,782		102,221,564
2026 - 2030	355,350,000	94,885,359	321,604		450,556,963
2031 - 2035	205,375,000	33,520,607			238,895,607
2036 - 2040	75,505,000	5,029,445			80,534,445
Total	<u>\$1,057,470,000</u>	<u>\$ 313,570,526</u>	<u>\$ 15,243,544</u>	<u>\$ 519,510</u>	<u>\$1,386,803,580</u>

12. LEASES**Obligations under capital lease agreements**

The System leases four facilities, two for the use of the University of Maryland College Park, one for the use of Towson University, and one for the use of the University System of Maryland Hagerstown Regional Higher Education Center, 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 leases, 3.2% for the Towson University lease, and 4% for the University System of Maryland Hagerstown Regional Higher Education Center lease, respectively.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019

Future minimum payments on obligations under capital lease agreements as of June 30, 2020, are as follows:

<u>Years ending June 30,</u>	<u>Total</u>
2021	\$ 2,287,189
2022	2,115,864
2023	736,158
2024	738,460
2025	740,786
2026 - 2030	3,739,641
2031 - 2035	3,801,374
2036 - 2040	3,486,844
2041 - 2045	<u>1,261,005</u>
Total future lease payments	18,907,321
Less: Interest component	<u>(4,724,357)</u>
Obligations under capital lease agreements	<u>\$ 14,182,964</u>

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, 2020, are as follows:

<u>Years ending June 30,</u>	<u>Minimum Annual Lease Payments</u>
2021	\$ 17,748,561
2022	14,560,268
2023	13,151,920
2024	12,589,673
2025	11,064,016
2026 - 2030	<u>2,417,104</u>
Total	<u>\$ 71,531,542</u>

Operating lease expenditures for the years ended June 30, 2020 and 2019, were \$18,722,991 and \$17,091,382, respectively.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**13. AUXILIARY ENTERPRISES**

Auxiliary enterprises revenues for the years ended June 30, 2020 and 2019, were as follows:

	<u>2020</u>		<u>2019</u>	
Residential facilities	\$166,289,368		\$204,234,018	
Less: scholarship allowances	<u>(9,619,728)</u>	\$156,669,640	<u>(11,275,093)</u>	\$192,958,925
Dining facilities	105,895,827		137,630,194	
Less: scholarship allowances	<u>(4,905,838)</u>	100,989,989	<u>(6,327,041)</u>	131,303,153
Intercollegiate athletics	124,374,286		140,759,174	
Less: scholarship allowances	<u>(6,267,635)</u>	118,106,651	<u>(6,350,369)</u>	134,408,805
Bookstore	13,692,645		15,689,421	
Less: scholarship allowances	<u>(1,531,320)</u>	12,161,325	<u>(1,475,404)</u>	14,214,017
Parking facilities	36,825,497		44,278,604	
Less: scholarship allowances	<u>(136,669)</u>	36,688,828	<u>(141,414)</u>	44,137,190
Other	132,783,243		155,766,798	
Less: scholarship allowances	<u>(37,181)</u>	132,746,062	<u>(35,507)</u>	155,731,291
Total auxiliary enterprises revenues		<u>\$557,362,495</u>		<u>\$672,753,381</u>

Auxiliary enterprises expenses for the years ended June 30, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Residential facilities	\$184,119,860	\$180,250,467
Dining facilities	115,170,982	123,133,350
Intercollegiate athletics	138,171,000	145,198,019
Bookstore	14,773,008	16,393,630
Parking facilities	34,280,720	35,699,965
Other	<u>138,835,403</u>	<u>140,094,560</u>
Total auxiliary enterprises expenses	<u>\$625,350,973</u>	<u>\$640,769,991</u>

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UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019

14. CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for the years ended June 30, 2020 and 2019, were as follows:

	June 30, 2018	Additions	Decreases	June 30, 2019	Additions	Decreases	June 30, 2020	Due Within One Year
Accrued vacation costs	\$ 215,540,359	\$ 132,322,401	\$ 120,354,002	\$ 227,508,758	\$ 135,425,575	\$ 87,806,106	\$ 275,128,227	\$ 123,461,419
Accrued workers' compensation	29,372,000	4,369,179	5,008,179	28,733,000	9,389,272	5,550,272	32,572,000	4,885,800
Revenue bonds and notes payable, net	1,280,211,094	172,711,919	153,906,929	1,299,016,084	129,975,301	241,524,581	1,187,466,804	99,295,675
Obligations under capital lease agreements	6,046,127		1,548,768	4,497,359	11,540,774	1,855,169	14,182,964	1,846,129
Net pension liability	1,130,058,957	179,939,388		1,309,998,345	34,434,943		1,275,563,402	
Total long-term liabilities	<u>\$2,661,228,537</u>	<u>\$ 489,342,887</u>	<u>\$ 280,817,878</u>	<u>\$2,869,753,546</u>	<u>\$ 251,895,979</u>	<u>\$ 336,736,128</u>	<u>\$2,784,913,397</u>	<u>\$ 229,489,023</u>

15. OPERATING EXPENSES BY OBJECT

The System reports operating expenses in the Statement of Revenues, Expenses and Changes in Net Position by program category. Operating expenses, grouped by object classification for the years ended June 30, 2020 and 2019, were as follows:

	2020				2019			
	Employee	Payments to Suppliers, Contractors and Others	Depreciation	Total	Employee	Payments to Suppliers, Contractors and Others	Depreciation	Total
Instruction	\$1,213,418,998	\$ 124,497,722	\$ 64,155,188	\$1,402,071,908	\$1,166,967,421	\$ 132,588,071	\$ 64,757,003	\$1,364,312,495
Research	652,999,712	357,551,264	29,071,145	1,039,622,121	530,408,634	427,741,212	30,685,316	988,835,162
Public service	401,023,089	114,443,863	6,132,058	521,599,010	482,942,000	60,743,438	5,230,380	548,915,818
Academic support	367,479,854	123,456,387	36,394,177	527,330,418	336,595,237	116,282,552	33,829,835	486,707,624
Student services	196,328,840	116,605,687	8,487,033	321,421,560	188,320,630	118,031,621	7,937,334	314,289,585
Institutional support	428,688,504	98,725,115	16,565,938	543,979,557	376,268,469	143,246,547	17,500,222	537,015,238
Operation and maintenance of plant	166,157,212	164,209,284	71,633,876	402,000,372	165,237,085	164,047,493	73,377,637	402,662,215
Scholarships and fellowships	8,314,241	128,992,837		137,307,078	6,842,742	112,994,706		119,837,448
Auxiliary enterprises:								
Residential facilities	52,888,628	71,601,837	59,629,395	184,119,860	54,419,968	65,817,220	60,013,279	180,250,467
Dining facilities	41,744,607	66,077,750	7,348,625	115,170,982	40,480,051	75,503,277	7,150,022	123,133,350
Intercollegiate athletics	71,126,264	56,567,280	10,477,456	138,171,000	75,783,288	59,374,839	10,039,892	145,198,019
Bookstore	4,073,747	10,673,926	25,335	14,773,008	4,244,614	12,112,694	36,322	16,393,630
Parking facilities	18,693,409	9,240,238	6,347,073	34,280,720	18,513,932	10,676,730	6,509,303	35,699,965
Other auxiliary enterprises	61,646,472	46,545,833	30,643,098	138,835,403	59,227,404	49,920,264	30,946,892	140,094,560
Total	<u>\$3,684,583,577</u>	<u>\$1,489,189,023</u>	<u>\$ 346,910,397</u>	<u>\$5,520,682,997</u>	<u>\$3,506,251,475</u>	<u>\$1,549,080,664</u>	<u>\$ 348,013,437</u>	<u>\$5,403,345,576</u>

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UNIVERSITY SYSTEM OF MARYLAND**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019****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 (ERS) of the State of Maryland. The TPS and ERS are part of the MSRPS which is considered a multiple employer cost-sharing plan. Some employees of the System may choose as an alternative to participate in the Optional Retirement Program (ORP), which is a defined contribution plan. The State Personnel and Pensions Article of the Annotated Code of Maryland (the Article) grants the authority to establish and amend the benefit terms of TPS and ERS to the MSRPS Board of Trustees. MSRPS issues a publicly available financial report that can be obtained at:

www.sra.state.md.us/agency/downloads/cafr/

Benefits provided

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

Disability and Death Benefits

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

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**Contributions**

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

The System's required contribution for the years ended June 30, 2020 and 2019, was \$140,862,090 and \$127,554,617, 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, 2020 and 2019, the System reported a liability of \$1,275,563,402 and \$1,309,998,345, respectively, as its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and 2018, 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, 2020 and 2019, the System's proportion for the net pension liability was 6.61% and 6.66%, respectively.

For the years ended June 30, 2020 and 2019, the System recognized pension expense of \$237,081,657 and \$243,039,951, respectively. As of June 30, 2020 and 2019, the System reported deferred outflows of resources and deferred inflows of resources related to the net pension liability of the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$ 17,614,082	\$ 34,714,953	\$ 30,204,737	
Net difference between projected and actual earnings on pension plan investments	28,437,385		41,337,748	
Contributions made subsequent to the measurement date	140,862,090		127,554,617	
Change in proportionate share	203,102,940		297,641,967	
Net difference between actual and expected experience		75,040,905		85,824,130
Total	<u>\$390,016,497</u>	<u>\$109,755,858</u>	<u>\$496,739,069</u>	<u>\$ 85,824,130</u>

UNIVERSITY SYSTEM OF MARYLAND**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

The System reported \$140,862,090 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, 2021.

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

Years ending June 30,	Deferred outflows	Deferred inflows
2021	\$127,359,394	\$ 33,228,538
2022	65,179,266	29,308,916
2023	48,844,133	24,854,838
2024	7,771,614	15,439,318
2025		6,924,248
Total	<u>\$249,154,407</u>	<u>\$109,755,858</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 7.40 percent is \$1,275,563,402. The System's proportionate share of the net pension liability, if it were calculated using a discount rate that is 1-percentage-point lower (6.40 percent) is \$1,846,250,350, or 1-percentage-point higher (8.40 percent) is \$800,253,122.

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, 2020 AND 2019**

Payroll for employees covered in the ORP for the years ended June 30, 2020 and 2019, was \$1,362,372,442 and \$1,303,322,870, respectively.

The amount contributed by the System for employees participating in the ORP for the years ended June 30, 2020 and 2019 was \$98,772,002 and \$94,490,908, 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, 2020 and 2019, was approximately \$237,000 and \$211,000, 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, 2020 AND 2019****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, 2020, 2019, and 2018. The amount contributed for the years ended June 30, 2020, 2019, and 2018 was \$86,698,017, \$87,680,958, and \$74,945,815 respectively.

18. CONSTRUCTION COMMITMENTS

The estimated costs to complete construction in progress as of June 30, 2020 is \$518,000,000 of which \$362,000,000 is to be funded from Revenue Bond proceeds, \$57,000,000 is to be derived from State capital appropriations and grants, and \$99,000,000 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, 2020, the System had entered into open contracts for the purchase of \$5,386,579 of natural gas to be delivered through June 2021. Future purchase commitments for electricity to be supplied through June 2021 totaled \$39,501,857 as of June 30, 2020. The System and its institutions generally take delivery of the natural gas and electricity purchased through future purchase contracts.

The System receives support from federal and state grant programs, primarily for student financial assistance and research activities. Entitlement to the resources requires compliance with terms of the grant agreements and applicable regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. As of June 30, 2020, the System estimates that adjustments, if any, as a result of such audits would not have a material adverse effect on the accompanying financial statements.

The System is involved in a number of legal actions that arise in the normal course of its operations. 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, 2020 AND 2019**

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, 2020 and 2019. Settlement amounts have not exceeded insurance coverage levels for the years ended June 30, 2020 and 2019. As of June 30, 2020 and 2019, the System has recorded \$32,572,000 and \$28,733,000, in liabilities associated with workers' compensation, respectively.



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WELCOMING
TALENTED STUDENTS
AND SCHOLARS FROM
ACROSS THE STATE,
NATION AND GLOBE.

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REQUIRED SUPPLEMENTARY INFORMATION

UNIVERSITY SYSTEM OF MARYLAND

REQUIRED SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2020 AND 2019

SCHEDULE OF PROPORTIONATE SHARE OF PENSION LIABILITY

	2020	2019	2018	2017	2016	2015
The System's proportion of the net pension liability	6.610%	6.660%	5.540%	5.580%	5.120%	4.049%
The System's proportionate share of the net pension liability	\$1,275,563,402	\$1,309,998,345	\$1,130,058,957	\$1,216,808,542	\$ 966,400,173	\$ 718,516,394
The System's covered-employee payroll	663,610,683	643,954,572	640,734,064	602,991,802	625,011,000	620,592,872
The System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	192%	203%	175%	190%	160%	115%
Plan fiduciary net position as a percentage of the total pension liability	72.34%	71.18%	69.38%	65.79%	68.78%	71.87%

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

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

	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 140,862,090	\$ 127,554,617	\$ 124,482,282	\$ 127,341,536	\$ 108,699,493	\$ 107,709,938
Contributions in relation to the contractually required contribution	(140,862,090)	(127,554,617)	(124,482,282)	(127,341,536)	(108,699,493)	(107,709,938)
Contribution deficiency (excess)	None	None	None	None	None	None
The System's covered-employee payroll	\$ 641,284,925	\$ 663,610,683	\$ 643,954,572	\$ 640,734,064	\$ 602,991,802	\$ 625,011,000
Contributions as a percentage of covered-employee payroll	21.97%	19.22%	19.33%	19.87%	18.03%	17.23%

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

SCHEDULE OF CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	2020	2019	2018	2017
Statutorily required contribution	\$ 86,698,017	\$ 87,680,958	\$ 74,945,815	\$ 96,216,009
Contributions in relation to the statutorily required contribution	(86,698,017)	(87,680,958)	(74,945,815)	(96,216,009)
Contribution deficiency (excess)	None	None	None	None
The System's covered-employee payroll	\$2,003,657,367	\$1,936,933,552	\$1,916,898,172	\$1,884,516,905
Contributions as a percentage of covered-employee payroll	4.33%	4.53%	3.91%	5.11%

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

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SUPPLEMENTARY DATA

UNIVERSITY OF MARYLAND, BALTIMORE
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019

	2020		2019	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 401,564,260	\$ 2,952,269	\$ 409,427,514	\$ 5,279,620
Accounts receivable, net	111,584,033	24,413,320	93,982,025	19,554,257
Notes receivable, current portion, net	1,182,381		1,359,707	
Inventories	88,613		260,540	
Prepaid expenses and other	531,582	32,803	339,240	222,208
Inter-institutional balances	(4,520,047)		(7,017,166)	
Total current assets	510,430,822	27,398,392	498,351,860	25,056,085
Noncurrent assets				
Accounts receivable, net		11,143,393		21,363,544
Endowment investments	111,540,588	247,168,684	115,633,652	243,525,619
Other investments	1,917,365	190,004,378	1,860,343	190,692,282
Notes receivable, net	10,262,161		12,092,369	
Other assets		5,000,737		4,738,686
Capital assets, net	866,456,399		868,471,280	
Total noncurrent assets	990,176,513	453,317,192	998,057,644	460,320,131
Total assets	1,500,607,335	480,715,584	1,496,409,504	485,376,216
DEFERRED OUTFLOWS OF RESOURCES				
	84,298,502		108,354,219	
Total assets and deferred outflows of resources	\$1,584,905,837	\$ 480,715,584	\$1,604,763,723	\$ 485,376,216
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 60,259,190	\$ 1,872,018	\$ 60,291,198	\$ 1,267,902
Accrued workers' compensation, current portion	1,460,100		1,104,300	
Accrued vacation costs, current portion	47,241,622		44,461,174	
Revenue bonds and notes payable, current portion	10,794,619		9,703,282	
Unearned revenues	61,687,225		69,057,689	
Total current liabilities	181,442,756	1,872,018	184,617,643	1,267,902
Noncurrent liabilities				
Accrued workers' compensation	8,273,900		6,257,700	
Accrued vacation costs	54,026,636		47,473,645	
Endowments invested on behalf of primary government		111,540,588		115,633,652
Other payables		2,202,594		1,696,555
Revenue bonds and notes payable	62,157,149		73,332,399	
Net pension liability	274,403,660		281,940,512	
Total noncurrent liabilities	398,861,345	113,743,182	409,004,256	117,330,207
Total liabilities	580,304,101	115,615,200	593,621,899	118,598,109
DEFERRED INFLOWS OF RESOURCES				
	45,281,397		43,626,462	
NET POSITION				
Unrestricted	100,245,408	48,187,710	115,578,821	50,204,053
Net investment in capital assets	772,405,108		762,994,155	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	9,556,077		9,376,926	
Research	3,614,391		1,881,391	
Other	10,297,251		10,297,251	
Expendable:				
Scholarships and fellowships	24,958,430		25,304,106	
Research	3,159,662		7,792,426	
Loans	16,458,728		17,991,739	
Other	18,625,284		16,298,547	
Net assets with donor restrictions		316,912,674		316,574,054
Total net position	959,320,339	365,100,384	967,515,362	366,778,107
Total liabilities, deferred inflows of resources and net position	\$1,584,905,837	\$ 480,715,584	\$1,604,763,723	\$ 485,376,216

UNIVERSITY OF MARYLAND, BALTIMORE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2020 AND 2019

	2020		2019	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES				
Tuition and fees	\$ 164,339,175		\$ 158,650,379	
Less: scholarship allowances	<u>(32,534,795)</u>	\$ 131,804,380	<u>(29,530,962)</u>	\$ 129,119,417
Federal grants and contracts		310,302,030		323,545,421
State and local grants and contracts		96,629,202		89,362,363
Nongovernmental grants and contracts		100,538,392		115,242,195
Sales and services of educational departments		293,043,185		282,141,621
Auxiliary enterprises:				
Residential facilities		2,471,821		2,521,863
Parking facilities		12,882,677		13,770,217
Other auxiliary enterprises revenues		<u>13,432,265</u>		<u>15,992,680</u>
Total operating revenues		<u>961,103,952</u>		<u>971,695,777</u>
OPERATING EXPENSES				
Instruction		198,839,982		197,956,348
Research		385,247,961		350,373,609
Public service		368,983,955		390,274,219
Academic support		68,426,020		65,359,015
Student services		13,609,800		12,613,150
Institutional support		99,749,483		84,074,118
Operation and maintenance of plant		96,761,290		111,808,860
Scholarships and fellowships		644,632		1,411,630
Auxiliary enterprises:				
Residential facilities		1,853,964		1,943,184
Parking facilities		9,521,969		10,214,773
Other auxiliary enterprises expenses		<u>14,214,986</u>		<u>14,750,703</u>
Total operating expenses		<u>1,257,854,042</u>		<u>1,240,779,609</u>
Operating loss		<u>(296,750,090)</u>		<u>(269,083,832)</u>
NONOPERATING REVENUES (EXPENSES)				
State appropriations		252,312,068		236,403,430
Pell grants		1,128,374		1,206,354
Other nonoperating grants		11,909,188		
Gifts		18,657,125	\$ 26,484,924	19,019,013
Investment income	8,861,544		3,325,283	16,341,176
Less: investment expense	<u>(468,566)</u>	8,392,978	<u>(472,509)</u>	15,868,667
Interest on indebtedness		(2,371,905)		(2,618,460)
Other revenues, (expenses), gains and (losses)		(2,115,009)		650,275
Other affiliated foundation revenues			454,964	1,554,569
Other affiliated foundation expenses			(28,744,546)	(29,157,426)
Transfers (to) other University System of Maryland institutions		<u>(4,918,179)</u>		<u>(5,098,792)</u>
Total nonoperating revenues		<u>282,994,640</u>	<u>1,520,625</u>	<u>265,430,487</u>
Income (loss) before other revenues		<u>(13,755,450)</u>	<u>1,520,625</u>	<u>(3,653,345)</u>
OTHER REVENUES				
Capital appropriations		3,648,277		11,281,090
Additions to endowments		<u>1,912,150</u>		<u>439,068</u>
Total other revenues		<u>5,560,427</u>		<u>11,720,158</u>
Increase (decrease) in net position		<u>(8,195,023)</u>	<u>1,520,625</u>	<u>8,066,813</u>
Net position - beginning of year		<u>967,515,362</u>	<u>366,778,107</u>	<u>959,448,549</u>
Change in reporting entity			<u>(3,198,348)</u>	
Net position - end of year		<u>\$ 959,320,339</u>	<u>\$ 365,100,384</u>	<u>\$ 967,515,362</u>
				<u>\$ 366,778,107</u>

UNIVERSITY OF MARYLAND, BALTIMORE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 126,543,412	\$ 125,762,768
Research contracts and grants	482,117,387	543,732,798
Payments to employees	(864,698,301)	(817,506,173)
Payments to suppliers and contractors	(301,575,315)	(326,520,231)
Loans issued to students	(1,106,250)	(929,000)
Collection of loans to students	2,752,068	2,943,546
Auxiliary enterprises:		
Residential facilities	719,854	769,897
Parking facilities	12,882,677	13,770,217
Other	13,494,154	16,043,968
Other receipts	<u>318,333,465</u>	<u>304,125,721</u>
Net cash provided (used) by operating activities	<u>(210,536,849)</u>	<u>(137,806,489)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	252,312,068	236,403,430
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes	212,150	439,068
Pell grants	1,128,374	1,206,354
Student direct lending payments	(142,957,417)	(140,233,241)
Student direct lending receipts	142,957,417	140,233,241
Other nonoperating grants	<u>11,433,018</u>	<u></u>
Net cash provided by noncapital financing activities	<u>265,085,610</u>	<u>238,048,852</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	3,415,341	3,645,542
Capital appropriations	3,648,277	11,281,090
Proceeds from sales of capital assets	2,598,414	11,610
Purchases of capital assets	(61,544,941)	(54,099,515)
Principal paid on debt and capital leases	(12,761,608)	(13,219,733)
Interest paid on debt and capital leases	(3,171,891)	(3,445,326)
Transfers (to) other University System of Maryland institutions	<u>(7,024,627)</u>	<u>(4,859,375)</u>
Net cash provided (used) by capital and related financing activities	<u>(74,841,035)</u>	<u>(60,685,707)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	5,589,759	4,825,065
Interest on investments	7,844,977	8,749,720
Investment expense	(468,566)	(472,509)
Purchases of investments	<u>(537,150)</u>	<u>(1,531,059)</u>
Net cash provided by investing activities	<u>12,429,020</u>	<u>11,571,217</u>
Net increase (decrease) in cash and cash equivalents	(7,863,254)	51,127,873
Cash and cash equivalents - beginning of year	<u>409,427,514</u>	<u>358,299,641</u>
Cash and cash equivalents - end of year	<u>\$ 401,564,260</u>	<u>\$ 409,427,514</u>

**UNIVERSITY OF MARYLAND, COLLEGE PARK
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019**

	2020		2019	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 786,086,496	\$ 55,202,291	\$ 735,715,565	\$ 50,918,160
Accounts receivable, net	124,217,360	97,580,231	106,445,948	110,998,810
Notes receivable, current portion, net	419,304		1,292,936	
Inventories	2,833,043		2,884,540	
Prepaid expenses and other	2,714,420	122,631	2,284,257	285,737
Inter-institutional balances	(12,223,499)		(13,129,645)	
Total current assets	<u>904,047,124</u>	<u>152,905,153</u>	<u>835,493,601</u>	<u>162,202,707</u>
Noncurrent assets				
Restricted cash and cash equivalents	10,421,194		1,530,671	
Accounts receivable, net		49,262,244		79,626,301
Endowment investments	170,333,695	553,468,612	174,081,864	517,187,554
Other investments	12,105,984	259,548,867	10,933,036	271,608,078
Notes receivable, net	4,696,455		5,408,442	
Other assets		528,571		546,910
Capital assets, net	2,172,482,524	32,497,263	2,117,110,678	34,055,275
Total noncurrent assets	<u>2,370,039,852</u>	<u>895,305,557</u>	<u>2,309,064,691</u>	<u>903,024,118</u>
Total assets	<u>3,274,086,976</u>	<u>1,048,210,710</u>	<u>3,144,558,292</u>	<u>1,065,226,825</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>144,840,161</u>		<u>183,168,015</u>	
Total assets and deferred outflows of resources	<u>\$ 3,418,927,137</u>	<u>\$ 1,048,210,710</u>	<u>\$ 3,327,726,307</u>	<u>\$ 1,065,226,825</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 141,736,471	\$ 627,644	\$ 110,384,108	\$ 7,935,576
Accrued workers' compensation, current portion	2,000,850		1,613,850	
Accrued vacation costs, current portion	29,706,483		24,332,855	
Revenue bonds and notes payable, current portion	29,127,989		30,411,792	
Obligations under capital lease agreements, current portion	504,559		471,357	
Unearned revenues	191,250,979	926,816	156,047,651	1,539,987
Total current liabilities	<u>394,327,331</u>	<u>1,554,460</u>	<u>323,261,613</u>	<u>9,475,563</u>
Noncurrent liabilities				
Accrued workers' compensation	11,338,150		9,145,150	
Accrued vacation costs	65,336,106		41,432,670	
Endowments invested on behalf of primary government		170,326,495		174,074,664
Other payables		16,566,402		15,133,365
Revenue bonds and notes payable	282,133,890		278,052,141	
Obligations under capital lease agreements	7,012,607		247,649	
Net pension liability	425,254,917		436,964,022	
Total noncurrent liabilities	<u>791,075,670</u>	<u>186,892,897</u>	<u>765,841,632</u>	<u>189,208,029</u>
Total liabilities	<u>1,185,403,001</u>	<u>188,447,357</u>	<u>1,089,103,245</u>	<u>198,683,592</u>
DEFERRED INFLOWS OF RESOURCES	<u>148,101,383</u>		<u>150,518,601</u>	
NET POSITION				
Unrestricted	230,759,320	25,177,796	289,871,932	42,731,278
Net investment in capital assets	1,742,654,884		1,689,842,848	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	6,794,134		6,152,733	
Research	3,595,785		3,580,543	
Other	5,164,324		5,164,166	
Expendable:				
Scholarships and fellowships	8,815,945		10,212,380	
Research	73,934,445		66,720,555	
Loans	6,958,434		9,207,272	
Capital projects			51,431	
Other	6,745,482		7,300,601	
Net assets with donor restrictions		834,585,557		823,811,955
Total net position	<u>2,085,422,753</u>	<u>859,763,353</u>	<u>2,088,104,461</u>	<u>866,543,233</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,418,927,137</u>	<u>\$ 1,048,210,710</u>	<u>\$ 3,327,726,307</u>	<u>\$ 1,065,226,825</u>

**UNIVERSITY OF MARYLAND, COLLEGE PARK
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020		2019	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES				
Tuition and fees	\$ 662,527,116		\$ 650,515,959	
Less: scholarship allowances	<u>(116,349,482)</u>	\$ 546,177,634	<u>(109,394,701)</u>	\$ 541,121,258
Federal grants and contracts		372,108,570		362,654,892
State and local grants and contracts		53,377,366		54,379,262
Nongovernmental grants and contracts		114,410,271		112,386,867
Sales and services of educational departments		28,884,271		33,549,203
Auxiliary enterprises:				
Residential facilities	62,735,881		79,846,142	
Less: scholarship allowances	<u>(3,337,683)</u>	59,398,198	<u>(3,201,138)</u>	76,645,004
Dining facilities	46,934,338		61,611,320	
Less: scholarship allowances	<u>(1,293,787)</u>	45,640,551	<u>(1,502,743)</u>	60,108,577
Intercollegiate athletics		80,939,793		85,419,758
Parking facilities		12,841,923		16,135,380
Other auxiliary enterprises revenues		35,291,699		45,452,599
Other operating revenues		<u>33,163,575</u>		<u>38,852,029</u>
Total operating revenues		<u>1,382,233,851</u>		<u>1,426,704,829</u>
OPERATING EXPENSES				
Instruction		575,337,022		543,424,878
Research		502,837,913		487,037,326
Public service		92,956,597		97,655,842
Academic support		231,643,105		214,617,099
Student services		84,583,416		61,456,624
Institutional support		149,645,747		154,468,681
Operation and maintenance of plant		123,862,207		122,898,232
Scholarships and fellowships		34,752,364		30,824,029
Auxiliary enterprises:				
Residential facilities		90,660,078		90,985,695
Dining facilities		59,413,678		60,348,130
Intercollegiate athletics		83,250,668		89,414,467
Parking facilities		14,387,880		13,907,132
Other auxiliary enterprises expenses		<u>64,703,774</u>		<u>59,920,193</u>
Total operating expenses		<u>2,088,034,449</u>		<u>2,026,958,328</u>
Operating loss		<u>(705,800,598)</u>		<u>(600,253,499)</u>
NONOPERATING REVENUES (EXPENSES)				
State appropriations		567,662,254		532,483,695
Pell grants		26,557,634		27,356,496
Other nonoperating grants		26,006,991		
Gifts		29,931,312	\$ 80,438,406	27,486,152
Investment income	16,153,210		6,799,189	28,468,339
Less: investment expense	<u>(659,901)</u>	15,493,309	<u>(592,906)</u>	27,875,433
Interest on indebtedness		(9,507,203)		(8,854,804)
Other revenues, (expenses), gains and (losses)		(3,851,541)		(586,812)
Other affiliated foundation revenues			1,753,458	6,422,966
Other affiliated foundation expenses			(78,432,553)	(91,778,201)
Transfers (to) from other University System of Maryland institutions		<u>3,382,993</u>		<u>(6,354,539)</u>
Total nonoperating revenues		<u>655,675,749</u>	<u>10,558,500</u>	<u>599,405,621</u>
Income (loss) before other revenues		<u>(50,124,849)</u>	<u>10,558,500</u>	<u>(847,878)</u>
OTHER REVENUES				
Capital appropriations		24,993,137		56,093,413
Capital gifts and grants		21,793,203		25,228,965
Additions to endowments		<u>656,801</u>		<u>271,096</u>
Total other revenues		<u>47,443,141</u>		<u>81,593,474</u>
Increase (decrease) in net position		(2,681,708)	10,558,500	80,745,596
Net position - beginning of year		2,088,104,461	866,543,233	2,007,358,865
Change in reporting entity			<u>(17,338,380)</u>	
Net position - end of year		<u>\$ 2,085,422,753</u>	<u>\$ 859,763,353</u>	<u>\$ 2,088,104,461</u>
				<u>\$ 866,543,233</u>

UNIVERSITY OF MARYLAND, COLLEGE PARK
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 541,473,680	\$ 541,081,301
Research contracts and grants	533,982,322	529,949,470
Payments to employees	(1,343,297,407)	(1,353,263,949)
Payments to suppliers and contractors	(538,147,753)	(494,528,914)
Loans issued to students	(787,720)	(300,000)
Collection of loans to students	2,373,339	1,609,653
Auxiliary enterprises:		
Residential facilities	51,688,084	68,934,889
Dining facilities	45,640,551	60,108,577
Intercollegiate athletics	92,590,924	115,000,438
Parking facilities	12,841,923	16,135,380
Other	38,728,035	46,356,312
Other receipts	113,873,915	95,875,859
Net cash provided (used) by operating activities	<u>(449,040,107)</u>	<u>(373,040,984)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	567,662,254	532,483,695
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes	656,801	271,096
Pell grants	26,557,634	27,356,496
Student direct lending payments	(130,144,628)	(137,627,076)
Student direct lending receipts	130,144,628	137,627,076
Other nonoperating grants	25,637,073	
Net cash provided by noncapital financing activities	<u>620,513,762</u>	<u>560,111,287</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	15,318,335	10,437,228
Capital appropriations	24,993,137	56,093,413
Capital grants and gifts received	21,793,203	25,228,965
Proceeds from sales of capital assets	1,738,385	1,861,038
Purchases of capital assets	(174,855,878)	(183,732,750)
Principal paid on debt and capital leases	(46,527,966)	(41,505,417)
Interest paid on debt and capital leases	(11,629,681)	(11,407,318)
Transfers from other University System of Maryland institutions	38,889,733	24,713,287
Net cash provided (used) by capital and related financing activities	<u>(130,280,732)</u>	<u>(118,311,554)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	6,295,410	6,239,871
Interest on investments	13,500,470	23,126,533
Investment expense	(659,901)	(592,906)
Purchases of investments	(1,067,448)	(26,102,122)
Net cash provided by investing activities	<u>18,068,531</u>	<u>2,671,376</u>
Net increase in cash and cash equivalents	59,261,454	71,430,125
Cash and cash equivalents - beginning of year	<u>737,246,236</u>	<u>665,816,111</u>
Cash and cash equivalents - end year	<u>\$ 796,507,690</u>	<u>\$ 737,246,236</u>

**BOWIE STATE UNIVERSITY
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019**

	2020		2019	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 90,702,238	\$ 1,845,397	\$ 97,924,445	\$ 1,220,699
Accounts receivable, net	7,485,932		5,004,045	1,281,353
Notes receivable, current portion, net	63,658		66,443	
Inter-institutional balances	447,823		326,741	
Total current assets	98,699,651	1,845,397	103,321,674	2,502,052
Noncurrent assets				
Accounts receivable, net		450,176		
Endowment investments	2,310,418	8,872,726	2,392,429	9,075,401
Other investments		2,310,418		2,392,429
Notes receivable, net	444,480		149,975	
Capital assets, net	281,583,127		277,219,560	
Total noncurrent assets	284,338,025	11,633,320	279,761,964	11,467,830
Total assets	383,037,676	13,478,717	383,083,638	13,969,882
DEFERRED OUTFLOWS OF RESOURCES				
	11,967,634		15,441,959	
Total assets and deferred outflows of resources	\$ 395,005,310	\$ 13,478,717	\$ 398,525,597	\$ 13,969,882
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 10,855,745	\$ 347,534	\$ 10,528,557	\$ 786,214
Accrued workers' compensation, current portion	152,850		157,350	
Accrued vacation costs, current portion	1,804,181		1,776,604	
Revenue bonds and notes payable, current portion	2,774,688		2,939,107	
Unearned revenues	4,391,062		3,707,286	156,850
Total current liabilities	19,978,526	347,534	19,108,904	943,064
Noncurrent liabilities				
Accrued workers' compensation	866,150		891,650	
Accrued vacation costs	2,034,230		1,540,651	
Endowments invested on behalf of primary government		2,310,418		2,392,429
Revenue bonds and notes payable	34,917,052		37,635,151	
Net pension liability	36,068,985		37,089,940	
Total noncurrent liabilities	73,886,417	2,310,418	77,157,392	2,392,429
Total liabilities	93,864,943	2,657,952	96,266,296	3,335,493
DEFERRED INFLOWS OF RESOURCES				
	21,948,279		23,083,237	
NET POSITION				
Unrestricted	53,431,031	623,309	62,436,228	724,036
Net investment in capital assets	225,171,098		216,387,143	
Restricted:				
Expendable:				
Loans	589,959		352,693	
Net assets with donor restrictions		10,197,456		9,910,353
Total net position	279,192,088	10,820,765	279,176,064	10,634,389
Total liabilities, deferred inflows of resources and net position	\$ 395,005,310	\$ 13,478,717	\$ 398,525,597	\$ 13,969,882

BOWIE STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2020 AND 2019

	2020		2019	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES				
Tuition and fees	\$ 45,244,214		\$ 45,548,577	
Less: scholarship allowances	<u>(16,160,295)</u>	\$ 29,083,919	<u>(16,296,354)</u>	\$ 29,252,223
Federal grants and contracts		11,731,952		9,160,805
State and local grants and contracts		256,556		283,162
Nongovernmental grants and contracts		259,873		510,468
Sales and services of educational departments		23,218		35,446
Auxiliary enterprises:				
Residential facilities	5,505,008		6,804,860	
Less: scholarship allowances	<u>(65,347)</u>	5,439,661	<u>(58,361)</u>	6,746,499
Dining facilities	4,679,453		5,036,387	
Less: scholarship allowances	<u>(666,030)</u>	4,013,423	<u>(631,437)</u>	4,404,950
Intercollegiate athletics	4,329,412		4,242,688	
Less: scholarship allowances	<u>(450,794)</u>	3,878,618	<u>(486,222)</u>	3,756,466
Parking facilities		195,562		252,844
Other auxiliary enterprises revenues		<u>9,338,530</u>		<u>8,967,156</u>
Total operating revenues		<u>64,221,312</u>		<u>63,370,019</u>
OPERATING EXPENSES				
Instruction		42,014,391		43,207,361
Research		1,422,678		974,161
Public service		221,485		268,785
Academic support		17,772,118		15,960,817
Student services		11,453,702		9,529,638
Institutional support		20,634,413		19,236,054
Operation and maintenance of plant		13,303,863		11,493,756
Scholarships and fellowships		4,348,177		2,153,693
Auxiliary enterprises:				
Residential facilities		5,888,203		6,436,429
Dining facilities		5,122,535		4,964,928
Intercollegiate athletics		4,544,166		4,557,513
Other auxiliary enterprises expenses		<u>6,022,971</u>		<u>4,694,326</u>
Total operating expenses		<u>132,748,702</u>		<u>123,477,461</u>
Operating loss		<u>(68,527,390)</u>		<u>(60,107,442)</u>
NONOPERATING REVENUES (EXPENSES)				
State appropriations		48,077,890		46,013,664
Pell grants		12,690,372		12,951,274
Other nonoperating grants		6,819,189		
Gifts			\$ 1,276,430	\$ 1,991,157
Investment income	1,468,220		64,264	478,919
Less: investment expense	<u>(5,930)</u>	1,462,290	<u>(5,823)</u>	2,045,878
Interest on indebtedness		(1,079,009)		(1,149,459)
Other revenues, (expenses), gains and (losses)		536,444		660,598
Other affiliated foundation revenues			226,575	304,707
Other affiliated foundation expenses			(1,274,832)	(1,354,912)
Transfers (to) other University System of Maryland institutions		<u>(1,051,847)</u>		<u>(1,223,944)</u>
Total nonoperating revenues (expenses)		<u>67,455,329</u>	<u>292,437</u>	<u>59,298,011</u>
Income (loss) before other revenues		<u>(1,072,061)</u>	<u>292,437</u>	<u>(809,431)</u>
OTHER REVENUES				
Capital appropriations		1,088,085		1,210,399
Total other revenues		<u>1,088,085</u>		<u>1,210,399</u>
Increase (decrease) in net position		16,024	292,437	400,968
Net position - beginning of year		279,176,064	10,634,389	278,775,096
Change in reporting entity			<u>(106,061)</u>	
Net position - end of year		<u>\$ 279,192,088</u>	<u>\$ 10,820,765</u>	<u>\$ 279,176,064</u>
				<u>\$ 10,634,389</u>

**BOWIE STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 31,667,318	\$ 26,516,821
Research contracts and grants	10,406,406	10,211,551
Payments to employees	(74,458,012)	(70,443,356)
Payments to suppliers and contractors	(43,608,260)	(37,761,056)
Collection of loans to students	63,658	66,443
Auxiliary enterprises:		
Residential facilities	3,843,198	5,150,036
Dining facilities	4,013,423	4,404,950
Intercollegiate athletics	3,878,618	3,756,466
Parking facilities	195,562	252,844
Other	9,338,530	8,967,156
Other receipts (payments)	<u>(841,114)</u>	<u>1,271,415</u>
Net cash provided (used) by operating activities	<u>(55,500,673)</u>	<u>(47,606,730)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	48,077,890	46,013,664
Pell grants	12,690,372	12,951,274
Student direct lending payments	(39,789,511)	(40,980,067)
Student direct lending receipts	39,789,511	40,980,067
Other nonoperating grants	<u>4,880,519</u>	<u></u>
Net cash provided by noncapital financing activities	<u>65,648,781</u>	<u>58,964,938</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	2,065,312	3,718,794
Capital appropriations	1,088,085	1,210,399
Purchases of capital assets	(14,897,832)	(3,975,954)
Principal paid on debt and capital leases	(4,644,799)	(6,111,882)
Interest paid on debt and capital leases	(1,458,476)	(1,510,321)
Transfers (to) other University System of Maryland institutions	<u>(1,066,906)</u>	<u>(1,818,810)</u>
Net cash provided (used) by capital and related financing activities	<u>(18,914,616)</u>	<u>(8,487,774)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	102,840	
Interest on investments	1,447,391	2,016,146
Investment expense	<u>(5,930)</u>	<u>(5,823)</u>
Net cash provided by investing activities	<u>1,544,301</u>	<u>2,010,323</u>
Net increase (decrease) in cash and cash equivalents	<u>(7,222,207)</u>	<u>4,880,757</u>
Cash and cash equivalents - beginning of year	<u>97,924,445</u>	<u>93,043,688</u>
Cash and cash equivalents - end of year	<u>\$ 90,702,238</u>	<u>\$ 97,924,445</u>

**TOWSON UNIVERSITY
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019**

	2020		2019	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 283,058,760	\$ 1,745,618	\$ 281,823,654	\$ 3,985,058
Accounts receivable, net	10,744,802	94,139	10,756,601	428,888
Notes receivable, current portion, net	1,339,309		1,620,495	
Inventories	3,770,917		3,350,179	
Prepaid expenses and other	3,400,370	308,027	4,481,856	365,626
Inter-institutional balances	(428,328)		(166,855)	
Total current assets	301,885,830	2,147,784	301,865,930	4,779,572
Noncurrent assets				
Restricted cash and cash equivalents	47,280		47,280	
Accounts receivable, net		2,343,785		3,148,504
Endowment investments	8,318,005	81,955,775	8,668,452	79,132,031
Other investments		8,247,197		8,584,783
Notes receivable, net	5,454,062		7,142,375	
Capital assets, net	1,025,027,733	993	921,162,351	2,341
Total noncurrent assets	1,038,847,080	92,547,750	937,020,458	90,867,659
Total assets	1,340,732,910	94,695,534	1,238,886,388	95,647,231
DEFERRED OUTFLOWS OF RESOURCES				
	41,566,820		52,429,219	
Total assets and deferred outflows of resources	\$1,382,299,730	\$ 94,695,534	\$1,291,315,607	\$ 95,647,231
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 32,480,289	\$ 773,653	\$ 33,264,682	\$ 1,612,318
Accrued workers' compensation, current portion	289,650		314,100	
Accrued vacation costs, current portion	10,149,721		8,835,221	
Revenue bonds and notes payable, current portion	23,605,919		22,059,906	
Obligations under capital lease agreements, current portion	1,258,235		1,181,180	
Unearned revenues	10,287,997		10,014,251	
Total current liabilities	78,071,811	773,653	75,669,340	1,612,318
Noncurrent liabilities				
Accrued workers' compensation	1,641,350		1,779,900	
Accrued vacation costs	3,378,564		2,845,009	
Endowments invested on behalf of primary government		8,247,197		8,561,568
Revenue bonds and notes payable	334,008,982		331,814,956	
Obligations under capital lease agreements	1,338,939		2,597,173	
Net pension liability	128,112,411		131,360,521	
Total noncurrent liabilities	468,480,246	8,247,197	470,397,559	8,561,568
Total liabilities	546,552,057	9,020,850	546,066,899	10,173,886
DEFERRED INFLOWS OF RESOURCES				
	45,623,577		46,722,232	
NET POSITION				
Unrestricted	144,823,671	3,450,755	154,259,983	3,692,939
Net investment in capital assets	632,345,481		528,772,086	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	265,025		265,025	
Expendable:				
Scholarships and fellowships	29,753		136,144	
Research	2,584,985		2,053,121	
Loans	7,486,076		10,338,820	
Other	2,589,105		2,701,297	
Net assets with donor restrictions		82,223,929		81,780,406
Total net position	790,124,096	85,674,684	698,526,476	85,473,345
Total liabilities, deferred inflows of resources and net position	\$1,382,299,730	\$ 94,695,534	\$1,291,315,607	\$ 95,647,231

TOWSON UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2020 AND 2019

	2020		2019	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES				
Tuition and fees	\$ 196,801,674		\$ 197,189,997	
Less: scholarship allowances	(54,722,872)	\$ 142,078,802	(53,291,220)	\$ 143,898,777
Federal grants and contracts		1,747,119		2,968,224
State and local grants and contracts		2,320,674		1,781,354
Nongovernmental grants and contracts		271,385		312,006
Sales and services of educational departments		5,839,512		6,839,707
Auxiliary enterprises:				
Residential facilities	32,226,049		38,127,964	
Less: scholarship allowances	(1,125,633)	31,100,416	(1,073,388)	37,054,576
Dining facilities	19,150,816		25,046,338	
Less: scholarship allowances	(527,510)	18,623,306	(621,625)	24,424,713
Intercollegiate athletics	16,376,252		21,066,990	
Less: scholarship allowances	(4,528,764)	11,847,488	(4,624,659)	16,442,331
Bookstore	5,322,312		6,351,704	
Less: scholarship allowances	(1,514,804)	3,807,508	(1,469,892)	4,881,812
Parking facilities		6,481,646		9,292,126
Other auxiliary enterprises revenues		37,826,746		39,275,821
Total operating revenues	261,944,602		287,171,447	
OPERATING EXPENSES				
Instruction		141,018,875		135,174,289
Research		3,787,134		4,608,296
Public service		8,394,684		8,996,204
Academic support		42,992,211		44,380,038
Student services		27,467,862		26,803,666
Institutional support		58,100,989		54,042,888
Operation and maintenance of plant		34,464,745		33,782,507
Scholarships and fellowships		20,087,676		13,876,206
Auxiliary enterprises:				
Residential facilities		28,810,622		26,468,000
Dining facilities		16,311,789		19,896,999
Intercollegiate athletics		18,134,373		17,536,566
Bookstore		6,215,508		7,043,880
Parking facilities		7,044,153		7,819,680
Other auxiliary enterprises expenses		20,387,707		21,296,557
Total operating expenses		433,218,328		421,725,776
Operating loss		(171,273,726)		(134,554,329)
NONOPERATING REVENUES (EXPENSES)				
State appropriations		131,859,194		120,316,767
Pell grants		28,865,536		28,585,695
Other nonoperating grants		16,709,147		
Gifts		3,178,276	\$ 3,679,080	486,729
Investment income	4,946,619		2,539,820	\$ 8,054,462
Less: investment expense	(20,524)	4,926,095	6,861,615	4,494,686
Interest on indebtedness		(11,331,444)	(21,003)	6,840,612
Other revenues, (expenses), gains and (losses)		9,988,256		(11,372,757)
Other affiliated foundation revenues				12,726,185
Other affiliated foundation expenses			977,019	1,979,086
Transfers (to) other University System of Maryland institutions		(5,539,951)	(6,629,310)	(9,611,539)
Total nonoperating revenues		178,655,109	566,609	150,817,368
Income before other revenues		7,381,383	566,609	16,263,039
OTHER REVENUES				
Capital appropriations		83,872,169		56,587,838
Capital gifts and grants		344,068		10,540
Total other revenues		84,216,237		56,598,378
Increase in net position		91,597,620	566,609	72,861,417
Net position - beginning of year		698,526,476	85,473,345	625,665,059
Change in reporting entity			(365,270)	
Net position - end of year	\$ 790,124,096	\$ 85,674,684	\$ 698,526,476	\$ 85,473,345

**TOWSON UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 144,242,750	\$ 142,439,380
Research contracts and grants	1,596,392	6,865,814
Payments to employees	(264,248,373)	(252,449,148)
Payments to suppliers and contractors	(112,511,698)	(110,014,471)
Collection of loans to students	1,969,499	1,955,775
Auxiliary enterprises:		
Residential facilities	28,671,490	34,375,449
Dining facilities	18,952,927	24,349,037
Intercollegiate athletics	12,451,408	15,703,469
Bookstores	4,055,324	5,247,503
Parking facilities	6,575,652	9,265,057
Other	36,924,853	39,702,501
Other receipts	19,972,682	20,804,384
Net cash provided (used) by operating activities	<u>(101,347,094)</u>	<u>(61,755,250)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	131,859,194	120,316,767
Pell grants	28,865,536	28,585,695
Student direct lending payments	(115,557,264)	(115,785,086)
Student direct lending receipts	115,557,264	115,785,086
Other nonoperating grants	16,709,147	
Net cash provided by noncapital financing activities	<u>177,433,877</u>	<u>148,902,462</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	58,064,392	6,813,247
Capital appropriations	83,872,169	56,587,838
Purchases of capital assets	(150,383,169)	(97,765,503)
Principal paid on debt and capital leases	(79,549,067)	(28,270,151)
Interest paid on debt and capital leases	(14,951,532)	(13,741,012)
Transfers from other University System of Maryland institutions	22,818,988	10,345,044
Net cash provided (used) by capital and related financing activities	<u>(80,128,219)</u>	<u>(66,030,537)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	389,432	377,699
Interest on investments	4,907,634	6,299,199
Investment expense	(20,524)	(21,003)
Net cash provided by investing activities	<u>5,276,542</u>	<u>6,655,895</u>
Net increase in cash and cash equivalents	1,235,106	27,772,570
Cash and cash equivalents - beginning of year	<u>281,870,934</u>	<u>254,098,364</u>
Cash and cash equivalents - end of year	<u>\$ 283,106,040</u>	<u>\$ 281,870,934</u>

UNIVERSITY OF MARYLAND EASTERN SHORE
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019

	2020		2019	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 508,155		\$ 2,733,778	\$ 235,938
Accounts receivable, net	7,371,172	\$ 116,447	3,990,256	43,857
Notes receivable, current portion, net	148,336		186,505	
Prepaid expenses and other	184,939		153,624	
Inter-institutional balances	1,480,032		466,096	
Total current assets	9,692,634	116,447	7,530,259	279,795
Noncurrent assets				
Accounts receivable, net		338,791		500,221
Endowment investments	6,570,058	22,692,671	6,549,502	23,192,535
Other investments		8,318,768		7,764,383
Notes receivable, net	429,537		596,257	
Other assets				38,191
Capital assets, net	214,916,287	36,000	218,066,139	10,575,899
Total noncurrent assets	221,915,882	31,386,230	225,211,898	42,071,229
Total assets	231,608,516	31,502,677	232,742,157	42,351,024
DEFERRED OUTFLOWS OF RESOURCES				
	11,599,780		14,652,213	
Total assets and deferred outflows of resources	\$ 243,208,296	\$ 31,502,677	\$ 247,394,370	\$ 42,351,024
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 6,995,200	\$ 500	\$ 6,180,685	\$ 568,012
Accrued workers' compensation, current portion	149,100		195,150	
Accrued vacation costs, current portion	2,374,856		2,394,193	
Revenue bonds and notes payable, current portion	2,900,942		3,770,316	185,687
Unearned revenues	1,373,142		1,716,863	99,288
Total current liabilities	13,793,240	500	14,257,207	852,987
Noncurrent liabilities				
Accrued workers' compensation	844,900		1,105,850	
Accrued vacation costs	3,033,358		2,336,251	
Endowments invested on behalf of primary government		6,570,058		6,549,502
Revenue bonds and notes payable	13,934,515		17,784,939	12,380,967
Net pension liability	35,093,149		35,967,523	
Total noncurrent liabilities	52,905,922	6,570,058	57,194,563	18,930,469
Total liabilities	66,699,162	6,569,558	71,451,770	19,783,456
DEFERRED INFLOWS OF RESOURCES				
	2,622,221		2,226,975	
NET POSITION				
Unrestricted	(33,550,689)	3,863,199	(31,738,986)	1,442,648
Net investment in capital assets	198,293,219		196,801,883	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	28,009		28,009	
Expendable:				
Scholarships and fellowships	2,954,120		2,789,228	
Loans	4,610,473		4,281,298	
Other	1,551,781		1,554,193	
Net assets with donor restrictions		21,069,920		21,124,920
Total net position	173,886,913	24,933,119	173,715,625	22,567,568
Total liabilities, deferred inflows of resources and net position	\$ 243,208,296	\$ 31,502,677	\$ 247,394,370	\$ 42,351,024

**UNIVERSITY OF MARYLAND EASTERN SHORE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020		2019	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES				
Tuition and fees	\$ 25,261,528		\$ 24,460,644	
Less: scholarship allowances	<u>(10,603,392)</u>	\$ 14,658,136	<u>(11,591,131)</u>	\$ 12,869,513
Federal grants and contracts		7,937,227		9,994,660
State and local grants and contracts		9,459,519		7,626,428
Nongovernmental grants and contracts		1,191,220		1,160,137
Sales and services of educational departments		5,412		227,260
Auxiliary enterprises:				
Residential facilities	6,949,986		8,810,119	
Less: scholarship allowances	<u>(330,499)</u>	6,619,487	<u>(363,833)</u>	8,446,286
Dining facilities	3,962,309		5,064,949	
Less: scholarship allowances	<u>(523,431)</u>	3,438,878	<u>(510,132)</u>	4,554,817
Intercollegiate athletics		2,881,039		3,787,146
Parking facilities		74,130		101,235
Other auxiliary enterprises revenues		4,463,246		5,364,705
Other operating revenues		<u>1,483,042</u>		<u>1,695,424</u>
Total operating revenues		<u>52,211,336</u>		<u>55,827,611</u>
OPERATING EXPENSES				
Instruction		43,030,510		41,277,621
Research		10,404,186		11,144,256
Public service		3,235,566		2,814,599
Academic support		8,765,572		8,565,535
Student services		5,946,895		5,876,139
Institutional support		13,046,580		12,981,921
Operation and maintenance of plant		11,064,897		11,624,255
Scholarships and fellowships		3,309,222		924,499
Auxiliary enterprises:				
Residential facilities		7,653,169		7,560,667
Dining facilities		3,954,862		4,687,763
Intercollegiate athletics		4,706,238		4,936,866
Other auxiliary enterprises expenses		<u>4,577,285</u>		<u>4,863,851</u>
Total operating expenses		<u>119,694,982</u>		<u>117,257,972</u>
Operating loss		<u>(67,483,646)</u>		<u>(61,430,361)</u>
NONOPERATING REVENUES (EXPENSES)				
State appropriations		45,885,966		44,084,104
Pell grants		6,006,486		6,656,618
Other nonoperating grants		7,580,105		
Gifts		112,755	\$ 903,472	337,354
Investment income	175,061		319,849	632,539
Less: investment expense	<u>(24,344)</u>	150,717	<u>632,174</u>	1,261,006
Interest on indebtedness		(564,471)	<u>(24,296)</u>	607,878
Other revenues, (expenses), gains and (losses)		280,595		(632,213)
Other affiliated foundation revenues				(655,273)
Other affiliated foundation expenses			34,304	1,087,638
Transfers from other University System of Maryland institutions			(1,345,606)	(3,551,778)
		<u>1,735,152</u>		<u>614,862</u>
Total nonoperating revenues (expenses)		<u>61,187,305</u>		<u>51,013,330</u>
Income (loss) before other revenues		<u>(6,296,341)</u>		<u>(10,417,031)</u>
OTHER REVENUES				
Capital appropriations		<u>6,467,629</u>		<u>4,753,106</u>
Total other revenues		<u>6,467,629</u>		<u>4,753,106</u>
Increase (decrease) in net position		<u>171,288</u>	<u>(87,981)</u>	<u>(5,663,925)</u>
Net position - beginning of year		<u>173,715,625</u>	<u>22,567,568</u>	<u>179,379,550</u>
Change in reporting entity			<u>2,453,532</u>	
Net position - end of year		<u>\$ 173,886,913</u>	<u>\$ 24,933,119</u>	<u>\$ 173,715,625</u>

**UNIVERSITY OF MARYLAND EASTERN SHORE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 14,534,149	\$ 12,611,301
Research contracts and grants	18,842,094	19,743,173
Payments to employees	(70,130,826)	(68,320,976)
Payments to suppliers and contractors	(35,129,691)	(33,208,954)
Collection of loans to students	204,889	413,607
Auxiliary enterprises:		
Residential facilities	6,619,487	8,446,286
Dining facilities	3,438,878	4,554,817
Intercollegiate athletics	2,881,039	3,787,146
Parking facilities	74,130	101,235
Other	3,721,953	5,909,347
Other receipts	<u>2,646,549</u>	<u>1,833,788</u>
Net cash provided (used) by operating activities	<u>(52,297,349)</u>	<u>(44,129,230)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	45,885,966	44,084,104
Pell grants	6,006,486	6,656,618
Student direct lending payments	(20,378,219)	(26,971,605)
Student direct lending receipts	20,378,219	26,971,605
Other nonoperating grants	<u>4,466,619</u>	<u></u>
Net cash provided by noncapital financing activities	<u>56,359,071</u>	<u>50,740,722</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	910,079	609,435
Capital appropriations	6,467,629	4,753,106
Purchases of capital assets	(8,372,029)	(7,494,087)
Principal paid on debt and capital leases	(5,516,249)	(5,432,792)
Interest paid on debt and capital leases	(882,927)	(1,007,237)
Transfers (to) from other University System of Maryland institutions	<u>976,002</u>	<u>(1,158,593)</u>
Net cash provided (used) by capital and related financing activities	<u>(6,417,495)</u>	<u>(9,730,168)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	103,895	422,709
Interest on investments	117,599	191,216
Investment expense	(24,344)	(24,296)
Purchases of investments	<u>(67,000)</u>	<u>(4,315)</u>
Net cash provided by investing activities	<u>130,150</u>	<u>585,314</u>
Net increase (decrease) in cash and cash equivalents	(2,225,623)	(2,533,362)
Cash and cash equivalents - beginning of year	<u>2,733,778</u>	<u>5,267,140</u>
Cash and cash equivalents - end of year	<u>\$ 508,155</u>	<u>\$ 2,733,778</u>

FROSTBURG STATE UNIVERSITY
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019

	<u>2020</u>		<u>2019</u>	
	<u>Institution</u>	<u>Component Units</u>	<u>Institution</u>	<u>Component Units</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 33,405,166	\$ 377,423	\$ 37,336,687	\$ 362,376
Accounts receivable, net	2,765,658	82,630	1,976,524	99,751
Notes receivable, current portion, net	26,481		47,992	
Inventories	1,196,243		1,036,438	
Prepaid expenses and other	1,746,645	19,626	1,371,560	25,935
Inter-institutional balances	4,873		795,846	
Total current assets	<u>39,145,066</u>	<u>479,679</u>	<u>42,565,047</u>	<u>488,062</u>
Noncurrent assets				
Accounts receivable, net		1,148,075		1,072,123
Endowment investments	4,262,939	24,146,864	4,397,441	24,257,729
Other investments		8,062,873		8,349,870
Notes receivable, net	408,728		497,368	
Other assets		380,271		366,474
Capital assets, net	<u>202,007,168</u>	<u>33,000</u>	<u>174,201,605</u>	<u>33,023</u>
Total noncurrent assets	<u>206,678,835</u>	<u>33,771,083</u>	<u>179,096,414</u>	<u>34,079,219</u>
Total assets	245,823,901	34,250,762	221,661,461	34,567,281
DEFERRED OUTFLOWS OF RESOURCES	<u>15,545,363</u>		<u>19,289,326</u>	
Total assets and deferred outflows of resources	<u>\$ 261,369,264</u>	<u>\$ 34,250,762</u>	<u>\$ 240,950,787</u>	<u>\$ 34,567,281</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 8,468,632	\$ 22,249	\$ 7,323,270	\$ 30,708
Accrued workers' compensation, current portion	107,100		109,350	
Accrued vacation costs, current portion	3,754,942		3,281,448	
Revenue bonds and notes payable, current portion	2,934,084		2,074,267	
Unearned revenues	<u>1,973,715</u>	<u>220</u>	<u>2,038,855</u>	<u>55,690</u>
Total current liabilities	<u>17,238,473</u>	<u>22,469</u>	<u>14,827,190</u>	<u>86,398</u>
Noncurrent liabilities				
Accrued workers' compensation	606,900		619,650	
Accrued vacation costs	152,137		312,513	
Endowments invested on behalf of primary government		4,262,939		4,397,441
Other payables		44,923		
Revenue bonds and notes payable	50,179,583		26,701,601	
Net pension liability	<u>47,723,824</u>		<u>48,823,129</u>	
Total noncurrent liabilities	<u>98,662,444</u>	<u>4,307,862</u>	<u>76,456,893</u>	<u>4,397,441</u>
Total liabilities	<u>115,900,917</u>	<u>4,330,331</u>	<u>91,284,083</u>	<u>4,483,839</u>
DEFERRED INFLOWS OF RESOURCES	<u>18,779,176</u>		<u>19,454,772</u>	
NET POSITION				
Unrestricted	(9,637,930)	2,498,857	(3,124,957)	2,454,425
Net investment in capital assets	133,805,583		129,177,519	
Restricted:				
Nonexpendable:				
Other	750,000		750,000	
Expendable:				
Scholarships and fellowships	70,873		22,943	
Research	883,976		2,140,250	
Loans	544,243		918,393	
Other	272,426		327,784	
Net assets with donor restrictions		<u>27,421,574</u>		<u>27,629,017</u>
Total net position	<u>126,689,171</u>	<u>29,920,431</u>	<u>130,211,932</u>	<u>30,083,442</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 261,369,264</u>	<u>\$ 34,250,762</u>	<u>\$ 240,950,787</u>	<u>\$ 34,567,281</u>

FROSTBURG STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2020 AND 2019

	2020		2019	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES				
Tuition and fees	\$ 37,263,620		\$ 37,499,030	
Less: scholarship allowances	(8,353,602)	\$ 28,910,018	(8,648,036)	\$ 28,850,994
Federal grants and contracts		1,847,352		2,013,030
State and local grants and contracts		1,559,751		2,656,468
Nongovernmental grants and contracts		1,213,181		318,707
Sales and services of educational departments		1,141,692		1,344,839
Auxiliary enterprises:				
Residential facilities	5,954,283		6,986,448	
Less: scholarship allowances	(49,163)	5,905,120	(51,430)	6,935,018
Dining facilities	5,352,200		7,131,886	
Less: scholarship allowances	(11,125)	5,341,075	(22,685)	7,109,201
Intercollegiate athletics	2,630,538		3,757,217	
Less: scholarship allowances	(40,536)	2,590,002	(49,246)	3,707,971
Bookstore	1,097,404		1,422,908	
Less: scholarship allowances	(13,327)	1,084,077	(4,634)	1,418,274
Other auxiliary enterprises revenues	3,616,181		4,883,358	
Less: scholarship allowances	(29,245)	3,586,936	(31,466)	4,851,892
Other operating revenues		565,373		564,847
Total operating revenues		53,744,577		59,771,241
OPERATING EXPENSES				
Instruction		36,707,238		36,137,025
Research		138,440		149,060
Public service		4,767,281		4,858,149
Academic support		10,953,102		10,597,644
Student services		5,003,653		5,433,499
Institutional support		15,282,269		15,593,922
Operation and maintenance of plant		11,513,326		10,299,227
Scholarships and fellowships		9,492,700		8,305,032
Auxiliary enterprises:				
Residential facilities		6,440,921		5,584,223
Dining facilities		4,848,838		5,308,667
Intercollegiate athletics		4,879,219		4,715,516
Bookstore		1,226,044		1,379,917
Other auxiliary enterprises expenses		3,990,421		4,420,019
Total operating expenses		115,243,452		112,781,900
Operating loss		(61,498,875)		(53,010,659)
NONOPERATING REVENUES (EXPENSES)				
State appropriations		44,610,144		42,341,396
Pell grants		7,384,180		7,667,056
Other nonoperating grants		2,326,661		
Gifts		1,324,914	\$ 1,612,829	1,316,724
Investment income	627,719		1,064,846	\$ 3,249,935
Less: investment expense	(14,579)	613,140	(14,361)	1,583,400
Interest on indebtedness		(1,564,475)		(707,778)
Other revenues, (expenses), gains and (losses)		(381,197)		18,945
Other affiliated foundation revenues			353,690	392,887
Other affiliated foundation expenses			(2,404,114)	(2,514,518)
Transfers (to) from other University System of Maryland institutions		111,339		(824,295)
Total nonoperating revenues (expenses)		54,424,706	(163,011)	50,862,533
Income (loss) before other revenues		(7,074,169)	(163,011)	(2,148,126)
OTHER REVENUES				
Capital appropriations		3,405,515		2,451,994
Capital gifts and grants		145,893		74,104
Total other revenues		3,551,408		2,526,098
Increase (decrease) in net position		(3,522,761)	(163,011)	377,972
Net position - beginning of year		130,211,932	30,083,442	129,833,960
Net position - end of year		\$ 126,689,171	\$ 29,920,431	\$ 130,211,932

**FROSTBURG STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 28,445,876	\$ 29,121,730
Research contracts and grants	4,272,145	4,994,277
Payments to employees	(70,686,285)	(69,179,677)
Payments to suppliers and contractors	(32,520,590)	(31,420,250)
Collection of loans to students	110,151	117,194
Auxiliary enterprises:		
Residential facilities	4,732,652	5,762,500
Dining facilities	5,382,998	7,109,519
Intercollegiate athletics	2,611,018	3,685,856
Bookstores	1,175,030	1,405,033
Other	3,749,505	4,804,216
Other receipts	<u>2,336,134</u>	<u>3,168,131</u>
Net cash provided (used) by operating activities	<u>(50,391,366)</u>	<u>(40,431,471)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	44,610,144	42,341,396
Pell grants	7,384,180	7,667,056
Student direct lending payments	(24,878,195)	(24,878,508)
Student direct lending receipts	24,878,195	24,878,508
Other nonoperating grants	<u>2,120,104</u>	<u></u>
Net cash provided by noncapital financing activities	<u>54,114,428</u>	<u>50,008,452</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	6,797,293	2,369,645
Capital appropriations	3,405,515	2,451,994
Purchases of capital assets	(35,694,719)	(17,824,726)
Principal paid on debt and capital leases	(9,363,747)	(3,501,034)
Interest paid on debt and capital leases	(1,725,252)	(851,379)
Transfers from other University System of Maryland institutions	<u>28,178,685</u>	<u>10,086,145</u>
Net cash provided (used) by capital and related financing activities	<u>(8,402,225)</u>	<u>(7,269,355)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	172,986	135,069
Interest on investments	589,235	784,813
Investment expense	(14,579)	(14,361)
Purchases of investments	<u></u>	<u>(108,732)</u>
Net cash provided by investing activities	<u>747,642</u>	<u>796,789</u>
Net increase (decrease) in cash and cash equivalents	(3,931,521)	3,104,415
Cash and cash equivalents - beginning of year	<u>37,336,687</u>	<u>34,232,272</u>
Cash and cash equivalents - end of year	<u>\$ 33,405,166</u>	<u>\$ 37,336,687</u>

COPPIN STATE UNIVERSITY
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019

	2020		2019	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 19,431,927	\$ 3,825,682	\$ 18,618,678	\$ 3,138,127
Accounts receivable, net	4,362,273	674,448	2,359,348	563,482
Notes receivable, current portion, net	28,892		88,227	
Prepaid expenses and other	75,028	143,066	20,228	14,730
Inter-institutional balances	(1,005,392)		(1,838,898)	
Total current assets	22,892,728	4,643,196	19,247,583	3,716,339
Noncurrent assets				
Endowment investments	2,773,742	8,622,460	2,856,772	9,072,047
Other investments		2,773,742		2,856,772
Notes receivable, net	678,564		730,438	
Capital assets, net	306,482,586	169,700	313,351,304	30,100
Total noncurrent assets	309,934,892	11,565,902	316,938,514	11,958,919
Total assets	332,827,620	16,209,098	336,186,097	15,675,258
DEFERRED OUTFLOWS OF RESOURCES				
	11,381,533		14,741,940	
Total assets and deferred outflows of resources	\$ 344,209,153	\$ 16,209,098	\$ 350,928,037	\$ 15,675,258
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 7,018,924	\$ 115,491	\$ 6,762,626	\$ 63,999
Accrued workers' compensation, current portion	140,400		153,300	
Accrued vacation costs, current portion	1,759,418		1,476,533	
Revenue bonds and notes payable, current portion	2,291,496		2,671,490	
Unearned revenues	2,593,040		2,674,890	
Total current liabilities	13,803,278	115,491	13,738,839	63,999
Noncurrent liabilities				
Accrued workers' compensation	795,600		868,700	
Accrued vacation costs	1,461,851		1,797,510	
Endowments invested on behalf of primary government		2,773,742		2,856,772
Other payables		144,233		4,904
Revenue bonds and notes payable	31,300,840		34,188,949	
Net pension liability	42,030,222		42,956,209	
Total noncurrent liabilities	75,588,513	2,917,975	79,811,368	2,861,676
Total liabilities	89,391,791	3,033,466	93,550,207	2,925,675
DEFERRED INFLOWS OF RESOURCES				
	3,416,941		2,998,366	
NET POSITION				
Unrestricted	(23,224,830)	347,188	(24,087,071)	232,153
Net investment in capital assets	273,044,392		276,697,988	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	434,289		434,289	
Other	240,125		240,125	
Expendable:				
Scholarships and fellowships	13,952		20,815	
Loans	892,493		1,073,318	
Net assets with donor restrictions		12,828,444		12,517,430
Total net position	251,400,421	13,175,632	254,379,464	12,749,583
Total liabilities, deferred inflows of resources and net position	\$ 344,209,153	\$ 16,209,098	\$ 350,928,037	\$ 15,675,258

COPPIN STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2020 AND 2019

	2020		2019	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES				
Tuition and fees	\$ 14,777,588		\$ 14,539,497	
Less: scholarship allowances	<u>(9,930,641)</u>	\$ 4,846,947	<u>(9,839,149)</u>	\$ 4,700,348
Federal grants and contracts		5,489,280		5,062,988
State and local grants and contracts		596,600		883,895
Nongovernmental grants and contracts		749,881		967,192
Sales and services of educational departments		361,740		402,136
Auxiliary enterprises:				
Residential facilities	3,615,679		3,625,298	
Less: scholarship allowances	<u>(193,374)</u>	3,422,305	<u>(288,000)</u>	3,337,298
Dining facilities		2,860,294		2,764,179
Intercollegiate athletics	2,602,856		2,705,330	
Less: scholarship allowances	<u>(1,247,541)</u>	1,355,315	<u>(1,190,242)</u>	1,515,088
Parking facilities	1,288,905		1,396,531	
Less: scholarship allowances	<u>(136,669)</u>	1,152,236	<u>(141,414)</u>	1,255,117
Other auxiliary enterprises revenues		2,470,603		4,211,101
Total operating revenues		<u>23,305,201</u>		<u>25,099,342</u>
OPERATING EXPENSES				
Instruction		25,301,069		24,728,870
Research		535,717		646,179
Public service		26,226		26,806
Academic support		8,493,908		8,354,073
Student services		6,678,492		6,551,588
Institutional support		22,169,504		20,725,873
Operation and maintenance of plant		10,670,902		12,242,066
Scholarships and fellowships		1,803,952		440,811
Auxiliary enterprises:				
Residential facilities		3,236,712		2,630,865
Dining facilities		3,203,897		2,739,604
Intercollegiate athletics		4,468,340		4,917,662
Parking facilities		666,051		1,010,267
Other auxiliary enterprises expenses		<u>2,532,008</u>		<u>2,968,945</u>
Total operating expenses		<u>89,786,778</u>		<u>87,983,609</u>
Operating loss		<u>(66,481,577)</u>		<u>(62,884,267)</u>
NONOPERATING REVENUES (EXPENSES)				
State appropriations		48,812,311		47,293,536
Pell grants		6,735,990		6,552,959
Other nonoperating grants		4,798,801		
Gifts			\$ 1,246,078	\$ 1,158,464
Investment income	349,388		115,364	606,412
Less: investment expense	<u>(8,925)</u>	340,463	<u>(14,276)</u>	543,958
Interest on indebtedness		(1,073,431)		(1,141,960)
Other revenues, (expenses), gains and (losses)		(196,296)		(213,538)
Other affiliated foundation revenues			257,322	299,305
Other affiliated foundation expenses			(1,192,715)	(1,233,539)
Transfers from other University System of Maryland institutions		<u>1,998,124</u>		<u>2,375,274</u>
Total nonoperating revenues		<u>61,415,962</u>	<u>426,049</u>	<u>55,410,229</u>
Income (loss) before other revenues		<u>(5,065,615)</u>	<u>426,049</u>	<u>(7,474,038)</u>
OTHER REVENUES				
Capital appropriations		2,086,572		10,247
Additions to endowments				<u>909</u>
Total other revenues		<u>2,086,572</u>		<u>11,156</u>
Increase (decrease) in net position		<u>(2,979,043)</u>	<u>426,049</u>	<u>(7,462,882)</u>
Net position - beginning of year		<u>254,379,464</u>	<u>12,749,583</u>	<u>261,842,346</u>
Net position - end of year		<u>\$ 251,400,421</u>	<u>\$ 13,175,632</u>	<u>\$ 254,379,464</u>

**COPPIN STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 5,532,194	\$ 4,377,108
Research contracts and grants	6,753,910	6,693,629
Payments to employees	(50,644,279)	(50,394,958)
Payments to suppliers and contractors	(25,636,127)	(25,935,538)
Loans issued to students		(24,388)
Collection of loans to students	111,209	32,695
Auxiliary enterprises:		
Residential facilities	3,422,305	3,337,298
Dining facilities	2,860,294	2,764,179
Intercollegiate athletics	1,355,315	1,515,088
Parking facilities	1,152,235	1,255,117
Other	486,778	4,211,101
Other receipts	<u>3,042,925</u>	<u>4,501,729</u>
Net cash provided (used) by operating activities	<u>(51,563,241)</u>	<u>(47,666,940)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	48,812,311	47,293,536
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes		909
Pell grants	6,735,990	6,552,959
Student direct lending payments	(15,276,233)	(16,090,002)
Student direct lending receipts	15,276,233	16,090,002
Other nonoperating grants	<u>2,110,630</u>	
Net cash provided by noncapital financing activities	<u>57,658,931</u>	<u>53,847,404</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	2,517,631	5,391,170
Capital appropriations	2,086,572	10,247
Proceeds from sales of capital assets	18,425	29,863
Purchases of capital assets	(4,672,254)	(569,176)
Principal paid on debt and capital leases	(5,633,748)	(8,258,487)
Interest paid on debt and capital leases	(1,490,197)	(1,577,124)
Transfers from other University System of Maryland institutions	<u>1,482,379</u>	<u>1,286,542</u>
Net cash provided (used) by capital and related financing activities	<u>(5,691,192)</u>	<u>(3,686,965)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	108,002	97,988
Interest on investments	324,416	371,160
Investment expense	(23,667)	(14,276)
Purchases of investments		<u>(909)</u>
Net cash provided by investing activities	<u>408,751</u>	<u>453,963</u>
Net increase in cash and cash equivalents	813,249	2,947,462
Cash and cash equivalents - beginning of year	<u>18,618,678</u>	<u>15,671,216</u>
Cash and cash equivalents - end of year	<u>\$ 19,431,927</u>	<u>\$ 18,618,678</u>

UNIVERSITY OF BALTIMORE
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019

	2020		2019	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 45,744,998	\$ 11,965,124	\$ 39,558,311	\$ 9,853,058
Accounts receivable, net	5,426,339	24,683	5,058,025	38,719
Notes receivable, current portion, net	58,334		90,873	
Prepaid expenses and other	565,569		1,093,567	
Inter-institutional balances	(5,145,840)		(6,017,609)	
Total current assets	46,649,400	11,989,807	39,783,167	9,891,777
Noncurrent assets				
Accounts receivable, net		4,845,744		3,700,707
Endowment investments	1,173,377	50,278,865	1,163,405	49,877,557
Other investments		7,561,940		8,977,253
Notes receivable, net	410,572		590,395	
Other assets		61,084		52,911
Capital assets, net	194,939,664	593,344	199,699,383	615,176
Total noncurrent assets	196,523,613	63,340,977	201,453,183	63,223,604
Total assets	243,173,013	75,330,784	241,236,350	73,115,381
DEFERRED OUTFLOWS OF RESOURCES	11,109,332		14,299,149	
Total assets and deferred outflows of resources	\$ 254,282,345	\$ 75,330,784	\$ 255,535,499	\$ 73,115,381
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 8,050,043	\$ 407,936	\$ 7,596,207	\$ 448,597
Accrued workers' compensation, current portion	82,650		73,500	
Accrued vacation costs, current portion	3,041,538		2,678,838	
Revenue bonds and notes payable, current portion	2,982,745		2,541,123	
Unearned revenues	6,795,497	707,099	6,957,840	913,808
Total current liabilities	20,952,473	1,115,035	19,847,508	1,362,405
Noncurrent liabilities				
Accrued workers' compensation	468,350		416,500	
Accrued vacation costs	1,765,532		1,612,577	
Endowments invested on behalf of primary government		1,173,377		1,163,405
Revenue bonds and notes payable	10,066,812		12,337,359	
Net pension liability	41,905,139		42,835,270	
Total noncurrent liabilities	54,205,833	1,173,377	57,201,706	1,163,405
Total liabilities	75,158,306	2,288,412	77,049,214	2,525,810
DEFERRED INFLOWS OF RESOURCES	3,512,268		3,091,818	
NET POSITION				
Unrestricted	(7,314,606)	7,260,218	(10,888,573)	7,216,201
Net investment in capital assets	182,111,432		185,109,647	
Restricted:				
Expendable:				
Loans	814,945		1,173,393	
Net assets with donor restrictions		65,782,154		63,373,370
Total net position	175,611,771	73,042,372	175,394,467	70,589,571
Total liabilities, deferred inflows of resources and net position	\$ 254,282,345	\$ 75,330,784	\$ 255,535,499	\$ 73,115,381

UNIVERSITY OF BALTIMORE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2020 AND 2019

	2020		2019	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES				
Tuition and fees	\$ 54,319,239		\$ 58,728,149	
Less: scholarship allowances	<u>(13,637,212)</u>	\$ 40,682,027	<u>(14,108,470)</u>	\$ 44,619,679
Federal grants and contracts	9,118,684		8,529,720	
State and local grants and contracts	7,232,491		7,411,171	
Nongovernmental grants and contracts	4,929,262		4,494,093	
Sales and services of educational departments	125,199		251,742	
Auxiliary enterprises:				
Parking facilities	795,256		1,456,660	
Other auxiliary enterprises revenues	5,372,563		5,113,561	
Other operating revenues	<u>196,285</u>		<u>251,921</u>	
Total operating revenues	<u>68,451,767</u>		<u>72,128,547</u>	
OPERATING EXPENSES				
Instruction	40,938,807		40,944,828	
Research	15,879,028		14,045,935	
Academic support	13,689,107		13,463,766	
Student services	10,375,494		10,213,435	
Institutional support	16,604,417		17,317,822	
Operation and maintenance of plant	8,782,891		8,998,122	
Scholarships and fellowships	3,250,291		2,506,366	
Auxiliary enterprises:				
Parking facilities	399,096		455,469	
Other auxiliary enterprises expenses	<u>2,467,782</u>		<u>2,875,287</u>	
Total operating expenses	<u>112,386,913</u>		<u>110,821,030</u>	
Operating loss	<u>(43,935,146)</u>		<u>(38,692,483)</u>	
NONOPERATING REVENUES (EXPENSES)				
State appropriations	40,742,183		37,952,340	
Pell grants	3,829,584		4,604,482	
Other nonoperating grants	1,499,677			
Gifts		\$ 5,382,186		\$ 2,445,460
Investment income	946,864	1,067,916	1,203,219	3,392,198
Interest on indebtedness	(365,995)		(425,129)	
Other revenues, (expenses), gains and (losses)	(387,288)			
Other affiliated foundation revenues		62,762		182,009
Other affiliated foundation expenses		(4,060,063)		(4,409,061)
Transfers (to) other University System of Maryland institutions	<u>(2,945,588)</u>		<u>(3,807,399)</u>	
Total nonoperating revenues	<u>43,319,437</u>	<u>2,452,801</u>	<u>39,527,513</u>	<u>1,610,606</u>
Income (loss) before other revenues	<u>(615,709)</u>	<u>2,452,801</u>	<u>835,030</u>	<u>1,610,606</u>
OTHER REVENUES				
Capital appropriations	177,117		2,928,184	
Capital gifts and grants	<u>655,896</u>		<u>510,048</u>	
Total other revenues	<u>833,013</u>		<u>3,438,232</u>	
Increase in net position	217,304	2,452,801	4,273,262	1,610,606
Net position - beginning of year	<u>175,394,467</u>	<u>70,589,571</u>	<u>171,121,205</u>	<u>68,978,965</u>
Net position - end of year	<u>\$ 175,611,771</u>	<u>\$ 73,042,372</u>	<u>\$ 175,394,467</u>	<u>\$ 70,589,571</u>

**UNIVERSITY OF BALTIMORE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 40,652,649	\$ 44,470,940
Research contracts and grants	20,988,380	20,907,266
Payments to employees	(78,923,808)	(77,356,269)
Payments to suppliers and contractors	(22,026,101)	(25,380,317)
Collection of loans to students	356,078	531,187
Auxiliary enterprises:		
Parking facilities	795,255	1,456,660
Other	5,370,622	5,108,574
Other receipts	235,354	956,101
Net cash provided (used) by operating activities	<u>(32,551,571)</u>	<u>(29,305,858)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	40,742,183	37,952,340
Pell grants	3,829,584	4,604,482
Student direct lending payments	(43,682,919)	(46,795,639)
Student direct lending receipts	43,682,919	46,795,639
Other nonoperating grants	1,069,413	
Net cash provided by noncapital financing activities	<u>45,641,180</u>	<u>42,556,822</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	501,428	88,092
Capital appropriations	177,117	2,928,184
Capital grants and gifts received	655,896	510,048
Purchases of capital assets	(2,595,503)	(8,870,119)
Principal paid on debt and capital leases	(2,631,913)	(2,294,688)
Interest paid on debt and capital leases	(463,667)	(518,643)
Transfers (to) other University System of Maryland institutions	(3,361,119)	(4,519,904)
Net cash provided (used) by capital and related financing activities	<u>(7,717,761)</u>	<u>(12,677,030)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	814,839	1,007,249
Net cash provided by investing activities	<u>814,839</u>	<u>1,007,249</u>
Net increase in cash and cash equivalents	6,186,687	1,581,183
Cash and cash equivalents - beginning of year	<u>39,558,311</u>	<u>37,977,128</u>
Cash and cash equivalents - end of year	<u>\$ 45,744,998</u>	<u>\$ 39,558,311</u>

**SALISBURY UNIVERSITY
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019**

	<u>2020</u>		<u>2019</u>	
	<u>Institution</u>	<u>Component Units</u>	<u>Institution</u>	<u>Component Units</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 123,813,326	\$ 1,832,380	\$ 126,394,007	\$ 1,631,518
Accounts receivable, net	3,324,217	4,241,959	2,641,323	4,690,625
Notes receivable, current portion, net	171,681		103,133	
Inventories	1,500,528		1,102,378	
Prepaid expenses and other	61,560	28,784	76,179	66,975
Inter-institutional balances	2,336,888		393,909	
Total current assets	<u>131,208,200</u>	<u>6,103,123</u>	<u>130,710,929</u>	<u>6,389,118</u>
Noncurrent assets				
Accounts receivable, net		2,003,677		2,890,136
Endowment investments	3,559,576	68,611,809	3,687,246	69,199,090
Other investments		7,530,107		7,990,841
Notes receivable, net	209,948		449,047	
Other assets		2,129,014		2,188,759
Capital assets, net	456,744,054	164,566	460,466,985	6,068,500
Total noncurrent assets	<u>460,513,578</u>	<u>80,439,173</u>	<u>464,603,278</u>	<u>88,337,326</u>
Total assets	591,721,778	86,542,296	595,314,207	94,726,444
DEFERRED OUTFLOWS OF RESOURCES	<u>15,776,342</u>		<u>21,385,464</u>	
Total assets and deferred outflows of resources	<u>\$ 607,498,120</u>	<u>\$ 86,542,296</u>	<u>\$ 616,699,671</u>	<u>\$ 94,726,444</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 12,706,675		\$ 13,161,423	\$ 332,714
Accrued workers' compensation, current portion	188,400		186,900	
Accrued vacation costs, current portion	2,810,583		2,756,240	
Revenue bonds and notes payable, current portion	6,241,594	1,857,286	6,700,036	2,463,494
Unearned revenues	4,966,102	\$ 22,788	5,498,471	136,879
Total current liabilities	<u>26,913,354</u>	<u>1,880,074</u>	<u>28,303,070</u>	<u>2,933,087</u>
Noncurrent liabilities				
Accrued workers' compensation	1,067,600		1,059,100	
Accrued vacation costs	3,069,258		2,707,844	
Endowments invested on behalf of primary government		3,559,576		3,687,246
Other payables		1,700,144		2,011,781
Revenue bonds and notes payable	79,445,253		86,267,841	5,099,388
Net pension liability	52,763,819		54,410,050	
Total noncurrent liabilities	<u>136,345,930</u>	<u>5,259,720</u>	<u>144,444,835</u>	<u>10,798,415</u>
Total liabilities	<u>163,259,284</u>	<u>7,139,794</u>	<u>172,747,905</u>	<u>13,731,502</u>
DEFERRED INFLOWS OF RESOURCES	<u>22,315,118</u>		<u>23,331,856</u>	
NET POSITION				
Unrestricted	67,465,261	7,690,048	71,357,019	8,075,794
Net investment in capital assets	353,913,568		348,666,331	
Restricted:				
Expendable:				
Loans	544,889		596,560	
Net assets with donor restrictions		71,712,454		72,919,148
Total net position	<u>421,923,718</u>	<u>79,402,502</u>	<u>420,619,910</u>	<u>80,994,942</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 607,498,120</u>	<u>\$ 86,542,296</u>	<u>\$ 616,699,671</u>	<u>\$ 94,726,444</u>

SALISBURY UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2020 AND 2019

	2020		Component Units	2019		Component Units
	Institution			Institution		
OPERATING REVENUES						
Tuition and fees	\$ 79,098,011			\$ 76,949,976		
Less: scholarship allowances	(21,245,455)	\$ 57,852,556		(19,416,858)	\$ 57,533,118	
Federal grants and contracts		1,676,021			1,722,359	
State and local grants and contracts		4,470,380			3,779,156	
Nongovernmental grants and contracts		431,168			511,157	
Sales and services of educational departments		218,930			286,094	
Auxiliary enterprises:						
Residential facilities	24,943,307			29,482,900		
Less: scholarship allowances	(916,872)	24,026,435		(856,993)	28,625,907	
Dining facilities	12,411,816			16,343,934		
Less: scholarship allowances	(26,446)	12,385,370		(12,403)	16,331,531	
Intercollegiate athletics		5,097,812			6,711,161	
Bookstore		3,589,334			3,976,631	
Parking facilities		715,430			805,392	
Other auxiliary enterprises revenues	3,213,974			3,063,863		
Less: scholarship allowances	(7,936)	3,206,038		(4,041)	3,059,822	
Total operating revenues		113,669,474			123,342,328	
OPERATING EXPENSES						
Instruction		62,788,272			62,007,744	
Research		1,519,878			1,722,416	
Public service		7,680,177			6,727,920	
Academic support		18,235,109			18,135,112	
Student services		8,441,365			9,144,375	
Institutional support		19,355,110			19,192,153	
Operation and maintenance of plant		23,697,181			23,752,952	
Scholarships and fellowships		2,365,136			185,503	
Auxiliary enterprises:						
Residential facilities		13,637,090			14,734,915	
Dining facilities		12,017,824			13,337,211	
Intercollegiate athletics		6,797,671			7,066,000	
Bookstore		3,527,695			3,956,246	
Parking facilities		840,390			932,427	
Other auxiliary enterprises expenses		2,242,965			2,017,794	
Total operating expenses		183,145,863			182,912,768	
Operating loss		(69,476,389)			(59,570,440)	
NONOPERATING REVENUES (EXPENSES)						
State appropriations		58,280,356			55,094,664	
Pell grants		8,775,599			8,614,043	
Other nonoperating grants		6,146,915				
Gifts			\$ 4,261,996			\$ 6,691,806
Investment income	2,104,058		1,747,457	2,721,723		1,800,890
Less: investment expense	(9,302)	2,094,756		(9,134)	2,712,589	
Interest on indebtedness		(2,539,153)			(2,807,265)	
Other revenues, (expenses), gains and (losses)		(63,540)			(325,001)	
Other affiliated foundation revenues			1,217,116			1,433,702
Other affiliated foundation expenses			(5,669,120)			(8,377,936)
Transfers (to) other University System of Maryland institutions		(2,014,782)			(2,715,747)	
Total nonoperating revenues (expenses)		70,680,151		(1,937,465)	60,573,283	1,548,462
Income (loss) before other revenues		1,203,762		(1,937,465)	1,002,843	1,548,462
OTHER REVENUES						
Capital gifts and grants		100,046			1,818,495	
Total other revenues		100,046			1,818,495	
Increase (decrease) in net position		1,303,808		(1,937,465)	2,821,338	1,548,462
Net position - beginning of year		420,619,910		80,994,942	417,798,572	79,446,480
Change in reporting entity				345,025		
Net position - end of year		\$ 421,923,718		\$ 79,402,502	\$ 420,619,910	\$ 80,994,942

**SALISBURY UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 57,414,364	\$ 57,767,766
Research contracts and grants	5,167,647	5,744,141
Payments to employees	(123,135,844)	(120,336,034)
Payments to suppliers and contractors	(40,917,634)	(37,432,429)
Collection of loans to students	170,551	179,619
Auxiliary enterprises:		
Residential facilities	23,774,701	26,871,839
Dining facilities	13,415,930	16,307,237
Intercollegiate athletics	5,555,137	6,710,764
Bookstores	3,589,334	3,976,631
Parking facilities	736,868	805,392
Other	3,223,205	3,065,616
Other receipts (payments)	498,908	(153,610)
Net cash provided (used) by operating activities	<u>(50,506,833)</u>	<u>(36,493,068)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	58,280,356	55,094,664
Pell grants	8,775,599	8,614,043
Student direct lending payments	(50,750,734)	(53,848,601)
Student direct lending receipts	50,750,734	53,848,601
Other nonoperating grants	6,715,980	
Net cash provided by noncapital financing activities	<u>73,771,935</u>	<u>63,708,707</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	28,418,458	11,837,999
Purchases of capital assets	(14,333,369)	(15,705,882)
Principal paid on debt and capital leases	(34,196,972)	(17,624,118)
Interest paid on debt and capital leases	(3,990,864)	(3,610,962)
Transfers (to) other University System of Maryland institutions	(3,965,462)	(167,142)
Net cash provided (used) by capital and related financing activities	<u>(28,068,209)</u>	<u>(25,270,105)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	159,782	100,918
Interest on investments	2,071,946	2,481,701
Investment expense	(9,302)	(9,134)
Net cash provided by investing activities	<u>2,222,426</u>	<u>2,573,485</u>
Net increase (decrease) in cash and cash equivalents	(2,580,681)	4,519,019
Cash and cash equivalents - beginning of year	<u>126,394,007</u>	<u>121,874,988</u>
Cash and cash equivalents - end of year	<u>\$ 123,813,326</u>	<u>\$ 126,394,007</u>

UNIVERSITY OF MARYLAND GLOBAL CAMPUS
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019

	2020		2019	
	Institution	Component Units	Institution	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 350,513,025		\$ 349,941,854	
Accounts receivable, net	43,524,651	\$ 74,462	43,177,730	\$ 62,150
Notes receivable, current portion, net	3,070		65,542	
Inventories	37,363		43,177	
Prepaid expenses and other	8,035,249	750	10,601,143	750
Inter-institutional balances	776,634		337,533	
Total current assets	402,889,992	75,212	404,166,979	62,900
Noncurrent assets				
Accounts receivable, net		758,752		931,670
Endowment investments	10,111,035	34,551,131	10,213,655	18,630,397
Other investments	20,457,409	12,347,167	7,929,740	12,896,634
Notes receivable, net			1,193,316	
Capital assets, net	122,020,326	8,950,502	129,962,947	7,402,758
Total noncurrent assets	152,588,770	56,607,552	149,299,658	39,861,459
Total assets	555,478,762	56,682,764	553,466,637	39,924,359
DEFERRED OUTFLOWS OF RESOURCES				
	11,116,058		17,630,602	
Total assets and deferred outflows of resources	\$ 566,594,820	\$ 56,682,764	\$ 571,097,239	\$ 39,924,359
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 25,960,905	\$ 120	\$ 25,601,822	\$ 120
Accrued workers' compensation, current portion	117,150		193,200	
Accrued vacation costs, current portion	9,152,423		8,405,212	
Unearned revenues	52,109,222		50,796,888	
Total current liabilities	87,339,700	120	84,997,122	120
Noncurrent liabilities				
Accrued workers' compensation	663,850		1,094,800	
Accrued vacation costs	6,405,691		6,001,998	
Endowments invested on behalf of primary government		10,111,035		10,213,655
Net pension liability	45,001,137		46,440,325	
Total noncurrent liabilities	52,070,678	10,111,035	53,537,123	10,213,655
Total liabilities	139,410,378	10,111,155	138,534,245	10,213,775
DEFERRED INFLOWS OF RESOURCES				
	2,102,326		3,038,259	
NET POSITION				
Unrestricted	302,952,934	6,250,112	298,087,340	5,241,032
Net investment in capital assets	122,020,326		129,962,947	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	29,423		29,423	
Expendable:				
Scholarships and fellowships	35,071		41,421	
Loans	44,362		1,403,604	
Net assets with donor restrictions		40,321,497		24,469,552
Total net position	425,082,116	46,571,609	429,524,735	29,710,584
Total liabilities, deferred inflows of resources and net position	\$ 566,594,820	\$ 56,682,764	\$ 571,097,239	\$ 39,924,359

UNIVERSITY OF MARYLAND GLOBAL CAMPUS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2020 AND 2019

	2020		2019	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES				
Tuition and fees	\$ 346,603,273		\$ 347,614,295	
Less: scholarship allowances	<u>(46,756,990)</u>	\$ 299,846,283	<u>(43,562,115)</u>	\$ 304,052,180
Federal grants and contracts	2,144,771		1,507,110	
State and local grants and contracts	3,771,580		3,225,925	
Nongovernmental grants and contracts	1,974,240		1,706,911	
Sales and services of educational departments	426,246		380,860	
Auxiliary enterprises:				
Bookstore	4,607		7,325	
Parking facilities	780		2,987	
Other operating revenues	<u>15,340,577</u>		<u>22,040,063</u>	
Total operating revenues	<u>323,509,084</u>		<u>332,923,361</u>	
OPERATING EXPENSES				
Instruction	102,211,830		109,743,395	
Public service	14,078,366		16,730,000	
Academic support	71,693,583		58,442,676	
Student services	143,101,314		142,829,549	
Institutional support	64,907,007		72,284,472	
Operation and maintenance of plant	19,904,558		19,868,340	
Scholarships and fellowships	29,402,173		31,592,094	
Auxiliary enterprises:				
Bookstore	12,644		8,039	
Parking facilities	<u>116,411</u>		<u>113,205</u>	
Total operating expenses	<u>445,427,886</u>		<u>451,611,770</u>	
Operating loss	<u>(121,918,802)</u>		<u>(118,688,409)</u>	
NONOPERATING REVENUES (EXPENSES)				
State appropriations	44,322,848		43,838,036	
Pell grants	49,721,856		47,146,757	
Other nonoperating grants	74,323			
Gifts	5,324	\$ 18,171,700		\$ 1,399,497
Investment income	40,600,449	361,172	7,990,330	735,251
Less: investment expense	<u>(26,251)</u>		<u>(24,229)</u>	
Other revenues, (expenses), gains and (losses)	(16,839,471)		(253,475)	
Other affiliated foundation revenues		48,981		91,523
Other affiliated foundation expenses		(1,720,828)		(1,934,483)
Transfers (to) other University System of Maryland institutions	<u>(382,895)</u>		<u>(105,899)</u>	
Total nonoperating revenues	<u>117,476,183</u>	<u>16,861,025</u>	<u>98,591,520</u>	<u>291,788</u>
Increase (decrease) in net position	<u>(4,442,619)</u>	<u>16,861,025</u>	<u>(20,096,889)</u>	<u>291,788</u>
Net position - beginning of year	<u>429,524,735</u>	<u>29,710,584</u>	<u>449,621,624</u>	<u>29,418,796</u>
Net position - end of year	<u>\$ 425,082,116</u>	<u>\$ 46,571,609</u>	<u>\$ 429,524,735</u>	<u>\$ 29,710,584</u>

**UNIVERSITY OF MARYLAND GLOBAL CAMPUS
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 308,069,617	\$ 294,203,129
Research contracts and grants	4,306,410	4,876,293
Payments to employees	(259,815,596)	(229,410,454)
Payments to suppliers and contractors	(167,397,901)	(205,089,271)
Collection of loans to students	1,255,788	379,725
Auxiliary enterprises:		
Bookstores	4,607	7,325
Parking facilities	780	2,987
Other receipts (payments)	<u>(4,734,691)</u>	<u>27,856,392</u>
Net cash provided (used) by operating activities	<u>(118,310,986)</u>	<u>(107,173,874)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	44,322,848	43,838,036
Pell grants	49,721,856	47,146,757
Student direct lending payments	(171,283,169)	(177,462,507)
Student direct lending receipts	171,283,169	177,462,507
Other nonoperating grants	<u>74,323</u>	<u></u>
Net cash provided by noncapital financing activities	<u>94,119,027</u>	<u>90,984,793</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sales of capital assets	68,817	6,945
Purchases of capital assets	(2,638,163)	(2,046,699)
Transfers (to) other University System of Maryland institutions	<u>(821,996)</u>	<u>(399,380)</u>
Net cash provided (used) by capital and related financing activities	<u>(3,391,342)</u>	<u>(2,439,134)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	35,622,066	190,144
Interest on investments	4,505,719	7,331,067
Investment expense	(26,251)	(24,229)
Purchases of investments	<u>(11,947,062)</u>	<u>(4,150,898)</u>
Net cash provided by investing activities	<u>28,154,472</u>	<u>3,346,084</u>
Net increase (decrease) in cash and cash equivalents	571,171	(15,282,131)
Cash and cash equivalents - beginning of year	<u>349,941,854</u>	<u>365,223,985</u>
Cash and cash equivalents - end of year	<u>\$ 350,513,025</u>	<u>\$ 349,941,854</u>

UNIVERSITY OF MARYLAND, BALTIMORE COUNTY
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019

	<u>2020</u>		<u>2019</u>	
	<u>Institution</u>	<u>Component Units</u>	<u>Institution</u>	<u>Component Units</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 173,506,017	\$ 685,433	\$ 166,840,854	\$ 749,457
Accounts receivable, net	18,612,700	1,632,216	13,795,772	479,300
Notes receivable, current portion, net	433,253		423,213	
Inventories	527,944		787,049	
Prepaid expenses and other	3,571,215	118,072	336,687	150,068
Inter-institutional balances	(752,953)		(894,645)	
Total current assets	<u>195,898,176</u>	<u>2,435,721</u>	<u>181,288,930</u>	<u>1,378,825</u>
Noncurrent assets				
Accounts receivable, net		5,058,798		8,077,646
Endowment investments	9,332,940	102,354,652	9,625,534	102,018,848
Other investments		36,598,516		35,620,910
Notes receivable, net	865,702		1,134,856	
Capital assets, net	647,035,618	2,473,846	651,123,910	2,606,341
Total noncurrent assets	<u>657,234,260</u>	<u>146,485,812</u>	<u>661,884,300</u>	<u>148,323,745</u>
Total assets	<u>853,132,436</u>	<u>148,921,533</u>	<u>843,173,230</u>	<u>149,702,570</u>
DEFERRED OUTFLOWS OF RESOURCES				
	<u>41,790,863</u>		<u>51,510,791</u>	
Total assets and deferred outflows of resources	<u>\$ 894,923,299</u>	<u>\$ 148,921,533</u>	<u>\$ 894,684,021</u>	<u>\$ 149,702,570</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 24,857,552	\$ 127,626	\$ 20,856,467	\$ 25,212
Accrued workers' compensation, current portion	178,050		187,050	
Accrued vacation costs, current portion	9,778,550		9,006,447	
Revenue bonds and notes payable, current portion	9,902,453		9,967,753	45,900
Unearned revenues	13,276,026	5,208,884	9,991,962	5,378,520
Total current liabilities	<u>57,992,631</u>	<u>5,336,510</u>	<u>50,009,679</u>	<u>5,449,632</u>
Noncurrent liabilities				
Accrued workers' compensation	1,008,950		1,059,950	
Accrued vacation costs	7,265,951		5,282,095	
Endowments invested on behalf of primary government		9,332,940		9,625,534
Revenue bonds and notes payable	130,576,667		136,974,691	
Net pension liability	125,605,831		129,132,818	
Total noncurrent liabilities	<u>264,457,399</u>	<u>9,332,940</u>	<u>272,449,554</u>	<u>9,625,534</u>
Total liabilities	<u>322,450,030</u>	<u>14,669,450</u>	<u>322,459,233</u>	<u>15,075,166</u>
DEFERRED INFLOWS OF RESOURCES				
	<u>38,457,839</u>		<u>37,074,220</u>	
NET POSITION				
Unrestricted	51,885,185	29,265,725	56,388,792	30,236,105
Net investment in capital assets	480,700,815		476,733,945	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	130,474		130,474	
Expendable:				
Loans	1,298,956		1,897,357	
Net assets with donor restrictions		104,986,358		104,391,299
Total net position	<u>534,015,430</u>	<u>134,252,083</u>	<u>535,150,568</u>	<u>134,627,404</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 894,923,299</u>	<u>\$ 148,921,533</u>	<u>\$ 894,684,021</u>	<u>\$ 149,702,570</u>

**UNIVERSITY OF MARYLAND, BALTIMORE COUNTY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020		2019	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES				
Tuition and fees	\$ 138,442,614		\$ 135,911,368	
Less: scholarship allowances	<u>(26,090,532)</u>	\$ 112,352,082	<u>(22,475,606)</u>	\$ 113,435,762
Federal grants and contracts		43,112,944		40,441,787
State and local grants and contracts		36,198,453		36,885,094
Nongovernmental grants and contracts		13,468,526		13,686,897
Sales and services of educational departments		3,197,993		3,180,534
Auxiliary enterprises:				
Residential facilities	21,887,354		28,028,424	
Less: scholarship allowances	<u>(3,601,157)</u>	18,286,197	<u>(5,381,950)</u>	22,646,474
Dining facilities	10,544,601		14,631,201	
Less: scholarship allowances	<u>(1,857,509)</u>	8,687,092	<u>(3,026,016)</u>	11,605,185
Intercollegiate athletics		9,516,584		13,068,884
Bookstore	3,678,988		3,930,853	
Less: scholarship allowances	<u>(3,189)</u>	3,675,799	<u>(878)</u>	3,929,975
Parking facilities		1,549,188		1,065,232
Other auxiliary enterprises revenues		17,757,436		23,441,954
Other operating revenues		<u>17,158,978</u>		<u>17,248,321</u>
Total operating revenues		<u>284,961,272</u>		<u>300,636,099</u>
OPERATING EXPENSES				
Instruction		133,883,912		129,710,136
Research		68,118,895		65,860,412
Public service		21,254,673		20,563,294
Academic support		25,263,177		23,994,434
Student services		24,759,567		23,837,922
Institutional support		42,879,114		44,536,439
Operation and maintenance of plant		47,569,044		35,486,862
Scholarships and fellowships		27,850,755		27,617,585
Auxiliary enterprises:				
Residential facilities		25,939,101		23,906,489
Dining facilities		10,297,559		11,850,048
Intercollegiate athletics		11,390,325		12,053,429
Bookstore		3,791,117		4,005,548
Parking facilities		1,304,770		1,247,012
Other auxiliary enterprises expenses		<u>17,695,504</u>		<u>22,286,885</u>
Total operating expenses		<u>461,997,513</u>		<u>446,956,495</u>
Operating loss		<u>(177,036,241)</u>		<u>(146,320,396)</u>
NONOPERATING REVENUES (EXPENSES)				
State appropriations		146,608,173		131,479,316
Pell grants		15,716,042		16,360,748
Other nonoperating grants		5,349,169		
Gifts		800	\$ 6,723,614	1,860
Investment income	2,952,756		1,716,155	7,716,400
Less: investment expense	<u>(27,014)</u>	2,925,742	<u>(30,142)</u>	3,897,913
Interest on indebtedness		(4,550,700)		(4,790,266)
Other revenues, (expenses), gains and (losses)		(182,340)		(325,434)
Other affiliated foundation revenues			2,266,944	3,030,673
Other affiliated foundation expenses			(11,082,034)	(11,980,297)
Transfers (to) other University System of Maryland institutions		<u>(4,823,358)</u>		<u>(5,261,779)</u>
Total nonoperating revenues (expenses)		<u>161,043,528</u>	<u>(375,321)</u>	<u>141,362,358</u>
Income (loss) before other revenues		<u>(15,992,713)</u>	<u>(375,321)</u>	<u>(4,958,038)</u>
OTHER REVENUES				
Capital appropriations		<u>14,857,575</u>		<u>60,142,488</u>
Total other revenues		<u>14,857,575</u>		<u>60,142,488</u>
Increase (decrease) in net position		<u>(1,135,138)</u>	<u>(375,321)</u>	<u>55,184,450</u>
Net position - beginning of year		<u>535,150,568</u>	<u>134,627,404</u>	<u>479,966,118</u>
Net position - end of year		<u>\$ 534,015,430</u>	<u>\$ 134,252,083</u>	<u>\$ 535,150,568</u>

UNIVERSITY MARYLAND, BALTIMORE COUNTY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 118,072,082	\$ 114,575,531
Research contracts and grants	88,075,479	91,948,050
Payments to employees	(275,417,605)	(260,498,019)
Payments to suppliers and contractors	(147,625,991)	(146,125,394)
Loans issued to students	(482,811)	(194,308)
Collection of loans to students	741,925	698,924
Auxiliary enterprises:		
Residential facilities	16,415,803	20,660,336
Dining facilities	8,652,314	11,508,356
Intercollegiate athletics	9,478,484	12,959,843
Bookstores	3,661,083	3,897,185
Parking facilities	1,542,986	1,056,344
Other	17,686,345	23,246,365
Other receipts	<u>20,388,376</u>	<u>20,226,576</u>
Net cash provided (used) by operating activities	<u>(138,811,530)</u>	<u>(106,040,211)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	146,608,173	131,479,316
Pell grants	15,716,042	16,360,748
Student direct lending payments	(46,554,568)	(47,267,431)
Student direct lending receipts	46,554,568	47,267,431
Other nonoperating grants	<u>3,203,983</u>	
Net cash provided by noncapital financing activities	<u>165,528,198</u>	<u>147,840,064</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	10,806,027	1,003,137
Capital appropriations	14,857,575	60,142,488
Purchases of capital assets	(22,353,690)	(70,782,857)
Principal paid on debt and capital leases	(21,832,285)	(12,398,297)
Interest paid on debt and capital leases	(5,835,229)	(5,940,155)
Transfers from other University System of Maryland institutions	<u>1,087,761</u>	<u>864,653</u>
Net cash provided (used) by capital and related financing activities	<u>(23,269,841)</u>	<u>(27,111,031)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	376,566	274,364
Interest on investments	2,868,784	3,271,129
Investment expense	<u>(27,014)</u>	<u>(30,142)</u>
Net cash provided by investing activities	<u>3,218,336</u>	<u>3,515,351</u>
Net increase in cash and cash equivalents	6,665,163	18,204,173
Cash and cash equivalents - beginning of year	<u>166,840,854</u>	<u>148,636,681</u>
Cash and cash equivalents - end of year	<u>\$ 173,506,017</u>	<u>\$ 166,840,854</u>

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019**

	<u>2020</u>		<u>2019</u>	
	<u>Institution</u>	<u>Component Units</u>	<u>Institution</u>	<u>Component Units</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 21,603,922		\$ 18,057,678	
Accounts receivable, net	3,067,192	\$ 3,308	4,864,492	\$ 7,727
Inter-institutional balances	3,058			
Total current assets	<u>24,674,172</u>	<u>3,308</u>	<u>22,922,170</u>	<u>7,727</u>
Noncurrent assets				
Endowment investments	394,426	3,409,376	407,155	3,465,854
Other investments	50,000	3,149,900		2,856,942
Capital assets, net	75,716,054	5,049	76,108,097	8,548
Total noncurrent assets	<u>76,160,480</u>	<u>6,564,325</u>	<u>76,515,252</u>	<u>6,331,344</u>
Total assets	<u>100,834,652</u>	<u>6,567,633</u>	<u>99,437,422</u>	<u>6,339,071</u>
DEFERRED OUTFLOWS OF RESOURCES				
	<u>4,054,783</u>		<u>4,952,086</u>	
Total assets and deferred outflows of resources	<u>\$ 104,889,435</u>	<u>\$ 6,567,633</u>	<u>\$ 104,389,508</u>	<u>\$ 6,339,071</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 1,116,230		\$ 1,513,666	
Accrued workers' compensation, current portion	12,300		11,100	
Accrued vacation costs, current portion	1,783,661		1,624,596	
Revenue bonds and notes payable, current portion	814,044		689,355	
Unearned revenues	355,998		159,943	\$ 676,296
Total current liabilities	<u>4,082,233</u>		<u>3,998,660</u>	<u>676,296</u>
Noncurrent liabilities				
Accrued workers' compensation	69,700		62,900	
Accrued vacation costs	1,711,290		1,461,288	
Endowments invested on behalf of primary government		\$ 394,426		407,155
Revenue bonds and notes payable	5,887,951		5,122,150	
Net pension liability	11,424,765		11,685,609	
Total noncurrent liabilities	<u>19,093,706</u>	<u>394,426</u>	<u>18,331,947</u>	<u>407,155</u>
Total liabilities	<u>23,175,939</u>	<u>394,426</u>	<u>22,330,607</u>	<u>1,083,451</u>
DEFERRED INFLOWS OF RESOURCES				
	<u>797,926</u>		<u>680,016</u>	
NET POSITION				
Unrestricted	11,847,170	973,018	11,007,110	1,037,286
Net investment in capital assets	69,068,400		70,363,471	
Restricted:				
Expendable:				
Capital projects			8,304	
Net assets with donor restrictions		5,200,189		4,218,334
Total net position	<u>80,915,570</u>	<u>6,173,207</u>	<u>81,378,885</u>	<u>5,255,620</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 104,889,435</u>	<u>\$ 6,567,633</u>	<u>\$ 104,389,508</u>	<u>\$ 6,339,071</u>

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020		2019	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES				
Federal grants and contracts	\$ 15,871,205		\$ 17,044,651	
State and local grants and contracts	2,612,506		2,377,656	
Nongovernmental grants and contracts	3,949,422		4,165,591	
Sales and services of educational departments	<u>2,664,944</u>		<u>3,880,436</u>	
Total operating revenues	<u>25,098,077</u>		<u>27,468,334</u>	
OPERATING EXPENSES				
Research	49,730,291		52,273,512	
Operation and maintenance of plant	<u>405,468</u>		<u>407,036</u>	
Total operating expenses	<u>50,135,759</u>		<u>52,680,548</u>	
Operating loss	<u>(25,037,682)</u>		<u>(25,212,214)</u>	
NONOPERATING REVENUES (EXPENSES)				
State appropriations	23,615,565		22,811,755	
Other nonoperating grants	59,274			
Gifts		\$ 1,472,215		\$ 1,047,906
Investment income	323,310	47,154	385,571	416,196
Interest on indebtedness	(145,561)		(148,726)	
Other affiliated foundation revenues		1,635		17,108
Other affiliated foundation expenses		(603,417)		(1,259,859)
Transfers from other University System of Maryland institutions	<u>535,308</u>		<u>459,410</u>	
Total nonoperating revenues	<u>24,387,896</u>	<u>917,587</u>	<u>23,508,010</u>	<u>221,351</u>
Income (loss) before other revenues	<u>(649,786)</u>	<u>917,587</u>	<u>(1,704,204)</u>	<u>221,351</u>
OTHER REVENUES				
Capital appropriations	<u>186,471</u>			
Total other revenues	<u>186,471</u>			
Increase (decrease) in net position	<u>(463,315)</u>	<u>917,587</u>	<u>(1,704,204)</u>	<u>221,351</u>
Net position - beginning of year	<u>81,378,885</u>	<u>5,255,620</u>	<u>83,083,089</u>	<u>5,034,269</u>
Net position - end of year	<u>\$ 80,915,570</u>	<u>\$ 6,173,207</u>	<u>\$ 81,378,885</u>	<u>\$ 5,255,620</u>

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Research contracts and grants	\$ 24,405,525	\$ 23,214,291
Payments to employees	(31,783,582)	(31,137,251)
Payments to suppliers and contractors	(14,686,196)	(16,048,275)
Other receipts	<u>2,852,493</u>	<u>3,910,141</u>
Net cash provided (used) by operating activities	<u>(19,211,760)</u>	<u>(20,061,094)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	23,615,565	22,811,755
Other nonoperating grants	<u>80,237</u>	<u> </u>
Net cash provided by noncapital financing activities	<u>23,695,802</u>	<u>22,811,755</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	108,615	150,901
Capital appropriations	186,471	
Purchases of capital assets	(2,683,315)	(881,192)
Principal paid on debt and capital leases	(815,077)	(841,311)
Interest paid on debt and capital leases	(197,245)	(189,627)
Transfers from other University System of Maryland institutions	<u>2,192,932</u>	<u>501,867</u>
Net cash provided (used) by capital and related financing activities	<u>(1,207,619)</u>	<u>(1,259,362)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	319,821	374,538
Purchases of investments	<u>(50,000)</u>	<u> </u>
Net cash provided by investing activities	<u>269,821</u>	<u>374,538</u>
Net increase in cash and cash equivalents	3,546,244	1,865,837
Cash and cash equivalents - beginning of year	<u>18,057,678</u>	<u>16,191,841</u>
Cash and cash equivalents - end of year	<u>\$ 21,603,922</u>	<u>\$ 18,057,678</u>

UNIVERSITY SYSTEM OF MARYLAND OFFICE
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019

	<u>2020</u>		<u>2019</u>	
	<u>Institution</u>	<u>Component Units</u>	<u>Institution</u>	<u>Component Units</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 303,557,715	\$ 70,825	\$ 267,813,513	\$ 71,163
Accounts receivable, net	765,307	491,908	1,387,174	87,493
Prepaid expenses and other		84,702		250,702
Inter-institutional balances	<u>19,026,751</u>		<u>26,744,693</u>	
Total current assets	<u>323,349,773</u>	<u>647,435</u>	<u>295,945,380</u>	<u>409,358</u>
Noncurrent assets				
Restricted cash and cash equivalents	51,665,328		155,546,920	
Accounts receivable, net		81,732		294,700
Endowment investments	23,873,641	17,226,457	24,463,479	18,023,551
Other investments	468,751	120,807,668	1,421,251	116,592,434
Other assets		468,000		141,849
Capital assets, net	<u>260,622,464</u>	<u>4,333,149</u>	<u>226,457,913</u>	<u>4,337,632</u>
Total noncurrent assets	<u>336,630,184</u>	<u>142,917,006</u>	<u>407,889,563</u>	<u>139,390,166</u>
Total assets	<u>659,979,957</u>	<u>143,564,441</u>	<u>703,834,943</u>	<u>139,799,524</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>9,881,176</u>		<u>5,484,694</u>	
Total assets and deferred outflows of resources	<u>\$ 669,861,133</u>	<u>\$ 143,564,441</u>	<u>\$ 709,319,637</u>	<u>\$ 139,799,524</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 8,127,889	\$ 5,375,880	\$ 12,166,133	\$ 4,250,871
Accrued workers' compensation, current portion	7,200		10,800	
Accrued vacation costs, current portion	103,441		756,564	
Revenue bonds and notes payable, current portion	4,925,102		7,364,304	
Obligations under capital lease agreements, current portion	83,335			
Unearned revenues		<u>1,240,000</u>		<u>649,450</u>
Total current liabilities	<u>13,246,967</u>	<u>6,615,880</u>	<u>20,297,801</u>	<u>4,900,321</u>
Noncurrent liabilities				
Accrued workers' compensation	40,800		61,200	
Accrued vacation costs	2,026,204		918,782	
Endowments invested on behalf of primary government		23,873,641		24,463,479
Other payables		77,760,568		76,527,498
Revenue bonds and notes payable	53,562,435		157,911,176	
Obligations under capital lease agreements	3,985,289			
Net pension liability	<u>10,175,543</u>		<u>10,392,417</u>	
Total noncurrent liabilities	<u>69,790,271</u>	<u>101,634,209</u>	<u>169,283,575</u>	<u>100,990,977</u>
Total liabilities	<u>83,037,238</u>	<u>108,250,089</u>	<u>189,581,376</u>	<u>105,891,298</u>
DEFERRED INFLOWS OF RESOURCES	<u>9,016,797</u>		<u>552,747</u>	
NET POSITION				
Unrestricted	322,513,859	3,583,278	300,760,565	4,394,979
Net investment in capital assets	245,451,104		210,865,979	
Restricted:				
Nonexpendable:				
Scholarships and fellowships	347,604		347,604	
Other	471,330		471,330	
Expendable:				
Capital projects	9,023,201		6,740,036	
Net assets with donor restrictions		<u>31,731,074</u>		<u>29,513,247</u>
Total net position	<u>577,807,098</u>	<u>35,314,352</u>	<u>519,185,514</u>	<u>33,908,226</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 669,861,133</u>	<u>\$ 143,564,441</u>	<u>\$ 709,319,637</u>	<u>\$ 139,799,524</u>

UNIVERSITY SYSTEM OF MARYLAND OFFICE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2020 AND 2019

	2020		2019	
	Institution	Component Units	Institution	Component Units
OPERATING REVENUES				
Federal grants and contracts	\$ 691,386		\$ 980,370	
Nongovernmental grants and contracts	27,308		110,331	
Other operating revenues	<u>1,578,590</u>		<u>1,379,124</u>	
Total operating revenues	<u>2,297,284</u>		<u>2,469,825</u>	
OPERATING EXPENSES				
Academic support	9,403,406		4,837,415	
Institutional support	<u>21,604,924</u>		<u>22,560,895</u>	
Total operating expenses	<u>31,008,330</u>		<u>27,398,310</u>	
Operating loss	<u>(28,711,046)</u>		<u>(24,928,485)</u>	
NONOPERATING REVENUES (EXPENSES)				
State appropriations	40,882,926		37,961,075	
Other nonoperating grants	37,436			
Gifts		\$ 2,235,890		\$ 2,491,859
Investment income	\$ 7,951,894	2,603,537	\$ 8,470,271	1,142,592
Less: investment expense	<u>(58,540)</u>	7,893,354	<u>(55,242)</u>	8,415,029
Interest on indebtedness	(5,487,280)		(7,981,645)	
Other revenues, (expenses), gains and (losses)	(1,427,595)		2,330,965	
Other affiliated foundation revenues		4,794,055		4,382,220
Other affiliated foundation expenses		(3,020,282)		(5,772,916)
Transfers from other University System of Maryland institutions	<u>13,913,684</u>		<u>28,708,711</u>	
Total nonoperating revenues	<u>55,812,525</u>	<u>1,406,126</u>	<u>69,434,135</u>	<u>2,243,755</u>
Income before other revenues	<u>27,101,479</u>	<u>1,406,126</u>	<u>44,505,650</u>	<u>2,243,755</u>
OTHER REVENUES				
Capital appropriations	31,520,105		49,019,708	
Capital gifts and grants			<u>665,184</u>	
Total other revenues	<u>31,520,105</u>		<u>49,684,892</u>	
Increase in net position	58,621,584	1,406,126	94,190,542	2,243,755
Net position - beginning of year	<u>519,185,514</u>	<u>33,908,226</u>	<u>424,994,972</u>	<u>31,664,471</u>
Net position - end of year	<u>\$ 577,807,098</u>	<u>\$ 35,314,352</u>	<u>\$ 519,185,514</u>	<u>\$ 33,908,226</u>

**UNIVERSITY SYSTEM OF MARYLAND OFFICE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Research contracts and grants	\$ 709,555	\$ 1,178,550
Payments to employees	(16,647,335)	(15,719,314)
Payments to suppliers and contractors	(3,709,107)	(1,124,760)
Other receipts (payments)	<u>(386,171)</u>	<u>2,512,076</u>
Net cash provided (used) by operating activities	<u>(20,033,058)</u>	<u>(13,153,448)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	40,882,926	37,961,075
Other nonoperating grants	<u>322,566</u>	<u></u>
Net cash provided by noncapital financing activities	<u>41,205,492</u>	<u>37,961,075</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds of capital debt	746,791	126,646,729
Capital appropriations	31,520,105	49,019,708
Purchases of capital assets	(38,167,215)	(49,784,890)
Principal paid on debt and capital leases	(6,279,454)	(4,428,550)
Interest paid on debt and capital leases	(7,181,045)	(7,287,689)
Transfers (to) other University System of Maryland institutions	<u>(79,386,370)</u>	<u>(34,874,334)</u>
Net cash provided (used) by capital and related financing activities	<u>(98,747,188)</u>	<u>79,290,974</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	802,149	736,546
Interest on investments	7,741,255	6,914,385
Investment expense	(58,540)	(55,242)
Purchases of investments	<u>952,500</u>	<u>(1,025,001)</u>
Net cash provided by investing activities	<u>9,437,364</u>	<u>6,570,688</u>
Net increase (decrease) in cash and cash equivalents	(68,137,390)	110,669,289
Cash and cash equivalents - beginning of year	<u>423,360,433</u>	<u>312,691,144</u>
Cash and cash equivalents - end of year	<u>\$ 355,223,043</u>	<u>\$ 423,360,433</u>

BOR Finance Committee - Public Session

UNIVERSITY SYSTEM OF MARYLAND
 COMBINING STATEMENT OF FINANCIAL POSITION, NONMAJOR COMPONENT UNITS
 JUNE 30, 2020

	Bowie State University Foundation, Inc.	Towson University Foundation, Inc.	Frostburg State University Foundation, Inc.	Coppin State University Development Foundation, Inc.	University of Baltimore Foundation, Inc. and University Properties, Inc.	Salisbury University Foundation, Inc.	University of Maryland Baltimore County Research Park, Inc.	Total Nonmajor Component Units
ASSETS								
Current Assets								
Cash	\$ 1,845,397	\$ 1,745,618	\$ 377,423	\$ 3,825,682	\$ 11,965,124	\$ 1,832,380	\$ 685,433	\$ 22,277,057
Accounts receivable, net	94,139	94,139	82,630	674,448	24,683	4,241,959	259,421	5,377,280
Other assets		308,027	19,626	143,066		28,784	100,024	599,527
Total current assets	1,845,397	2,147,784	479,679	4,643,196	11,989,807	6,103,123	1,044,878	28,253,864
Investments								
Endowment investments	8,872,726	81,955,775	24,146,864	8,622,460	50,278,865	68,611,809		242,488,499
Other investments			3,799,934		6,388,563	3,970,531	11,098,152	25,257,180
Total investments	8,872,726	81,955,775	27,946,798	8,622,460	56,667,428	72,582,340	11,098,152	267,745,679
Noncurrent assets								
Accounts receivable, net	450,176	2,343,785	1,148,075		4,845,744	2,003,677		10,791,457
Capital assets, net		993	33,000	169,700	593,344	164,566	2,473,846	3,433,449
Other assets			380,271		61,084	2,129,014		2,570,369
Total noncurrent assets	450,176	2,344,778	1,561,346	169,700	5,500,172	4,297,257	2,473,846	16,797,275
Total assets	\$ 11,168,299	\$ 86,448,337	\$ 29,987,823	\$ 13,435,356	\$ 74,157,407	\$ 82,982,720	\$ 14,616,876	\$ 312,796,818
LIABILITIES								
Current liabilities								
Accounts payable & accrued expenses	\$ 347,534	\$ 773,653	\$ 22,249	\$ 115,491	\$ 407,936	\$	\$ 128,126	\$ 1,794,989
Long-term debt, current						\$ 1,857,286		1,857,286
Unearned revenues			220		707,099	22,788	5,208,884	5,938,991
Total current liabilities	347,534	773,653	22,469	115,491	1,115,035	1,880,074	5,337,010	9,591,266
Noncurrent liabilities								
Other payables			44,923	144,233		1,700,144		1,889,300
Total noncurrent liabilities			44,923	144,233		1,700,144		1,889,300
Total liabilities	347,534	773,653	67,392	259,724	1,115,035	3,580,218	5,337,010	11,480,566
NET ASSETS								
Without donor restrictions	623,309	3,450,755	2,498,857	347,188	7,260,218	7,690,048	9,279,866	31,150,241
With donor restrictions	10,197,456	82,223,929	27,421,574	12,828,444	65,782,154	71,712,454		270,166,011
Total net assets	10,820,765	85,674,684	29,920,431	13,175,632	73,042,372	79,402,502	9,279,866	301,316,252
Total liabilities and net assets	\$ 11,168,299	\$ 86,448,337	\$ 29,987,823	\$ 13,435,356	\$ 74,157,407	\$ 82,982,720	\$ 14,616,876	\$ 312,796,818

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BOR Finance Committee - Public Session

UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF FINANCIAL POSITION, 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			122,672	306,216		99,751	563,482	38,719	4,415,785	274,840	28,797	376,681	78,250	6,578,008
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	1,113,875	4,268,868	510,704	235,938	488,062	3,716,339	9,891,777	5,952,918	436,200	469,531	483,505	960,727	34,069,874
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					904,672	3,148,504			1,072,123		3,700,707	2,890,136					11,716,142
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					904,672	3,150,845		10,542,089	1,471,620	30,100	4,368,794	10,991,734	155,661	49,778		2,606,341	34,271,634
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												1,948,875	62,906				2,016,685
Long-term debt, noncurrent								12,380,967		4,904		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	501,160			25,000	9,910,353	81,755,406	25,000		27,629,017	12,517,430	63,373,370	72,890,506	28,642	2,725,817		271,381,701	
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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BOR Finance Committee - Public Session

UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF ACTIVITIES, NONMAJOR COMPONENT UNITS
YEAR ENDED JUNE 30, 2020

	Bowie State University Foundation, Inc.	Towson University Foundation, Inc.	Frostburg State University Foundation, Inc.	Coppin State University Development Foundation, Inc.	University of Baltimore Foundation, Inc. and University Properties, Inc.	Salisbury University Foundation, Inc.	University of Maryland Baltimore County Research Park, Inc.	Component Units No Longer Reported	Total Nonmajor Component Units
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS									
Revenues									
Contributions & grants		\$ 381,114	\$ 175,596	\$ 70,487	\$ 109,809	\$ 159,971	\$ 192,973		\$ 1,089,950
Investment income	\$ 5,021	567,632	41,588	5,845	189,263	141,421	294,971		1,245,741
Other income	119,245	782	25,344	141,934	4,436	1,122,909	1,802,244		3,216,894
Assets released from restrictions	1,155,900	5,777,868	2,206,018	1,089,484	3,800,572	3,485,406			17,515,248
Total revenues	1,280,166	6,727,396	2,448,546	1,307,750	4,104,080	4,909,707	2,290,188		23,067,833
Expenses									
Program	1,029,516	5,258,183	2,061,522	1,088,913	3,194,831	3,416,904	501,851		16,551,720
General & administrative	219,128	659,826	342,592	101,024	605,337	2,018,396	185,240		4,131,543
Fundraising	26,188	711,301		2,778	259,895	233,820			1,233,962
Other expense							1,168,535		1,168,535
Total expenses	1,274,832	6,629,310	2,404,114	1,192,715	4,060,063	5,669,120	1,855,626		23,085,780
Change in net assets without donor restrictions	5,334	98,086	44,432	115,035	44,017	(759,413)	434,562		(17,947)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS									
Contributions & grants	1,276,430	3,297,966	1,437,233	1,175,591	5,272,377	4,102,025			16,561,622
Investment income	59,243	1,972,188	232,996	109,519	878,653	(1,888,878)			1,363,721
Other income	107,330	976,237	328,346	115,388	58,326	94,207			1,679,834
Assets released from restrictions	(1,155,900)	(5,777,868)	(2,206,018)	(1,089,484)	(3,800,572)	(3,485,406)			(17,515,248)
Change in net assets with donor restrictions	287,103	468,523	(207,443)	311,014	2,408,784	(1,178,052)			2,089,929
Total change in net assets	292,437	566,609	(163,011)	426,049	2,452,801	(1,937,465)	434,562		2,071,982
Net assets - beginning of year	10,528,328	85,108,075	30,083,442	12,749,583	70,589,571	81,339,967	8,845,304	\$ 18,209,502	317,453,772
Change in reporting entity								(18,209,502)	(18,209,502)
Net assets - end of year	\$ 10,820,765	\$ 85,674,684	\$ 29,920,431	\$ 13,175,632	\$ 73,042,372	\$ 79,402,502	\$ 9,279,866		\$ 301,316,252

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BOR Finance Committee - Public Session

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

**NOTES TO SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2020 AND 2019**

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

Board of Regents
University System of Maryland
Adelphi, Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the University System of Maryland (the System), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated December 4, 2020. Our report includes a reference to other auditors who audited the financial statements of the University System of Maryland Foundation, Inc., the University of Maryland College Park Foundation, Inc., the University of Maryland Baltimore Foundation, Inc. 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 University of Maryland Baltimore County Research Park Corporation, Inc. and UMUC Ventures, Inc. and Subsidiaries, as described in our report on the University System of Maryland's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

The financial statements of the University System of Maryland Foundation, Inc., the University of Maryland College Park Foundation, Inc., the University of Maryland Baltimore Foundation, Inc. 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 University of Maryland Baltimore County Research Park Corporation, Inc. and UMUC Ventures, Inc. and Subsidiaries were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Board of Regents
University System of Maryland

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

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Baltimore, Maryland
December 4, 2020



TOPIC: FY 2020 Effectiveness and Efficiency Results

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: February 4, 2021

SUMMARY: The Board's Effectiveness and Efficiency (E&E) initiative, now part of the Finance Committee, was pioneered over a decade ago. As the initiative evolved, each development has been successful in driving measurable and significant results locally at institutions and as a System. We have realized hundreds of millions of dollars in cost avoidance, savings, and revenue generation throughout the System.

The USM Office annually collects results from institutional E&E efforts and quantifies savings through consortium-based purchasing such as through Maryland Educational Enterprise Consortium (MEEC) leveraged procurements. MEEC leverages its size to negotiate hardware and software contracts with vendors—every member, large or small, has access to the reduced pricing.

The attached report includes a summary of USM individual institutional E&E results for FY 2020 and aggregate savings achieved through consortial purchasing.

As detailed in the report, highlights of the results of E&E efforts in the USM include:

Individual Campus Efforts

Financial E&E Classification	Total Savings
Cost Avoidance	\$8.3M
Cost Savings – State	\$30.1M
Cost Savings – Student and Families	\$19.0M
Revenue	\$6.9M
Strategic Reallocation	\$1.5M
Grand Total	\$65.8M

Savings from Consortial Procurement

MEEC Contracts	Total Savings
Microsoft	\$1M
Adobe	\$1M
Hardware	\$7.75M
Audio/Visual Contracts	\$0.75M
Other USM Leveraged Contracts	
IT Security HW/SW, ERP SW, Other SW	\$2M
MDREN	\$2M
Grand Total	\$14.5M

During the December meeting cycle, E&E Collaboration Plans for system and process modernization were presented. Those plans will be tracked on an ongoing basis and included in future E&E updates. Similarly, the USM Office is currently working with the institutional E&E representatives to improve the annual data collection efforts resulting in the data being presented today.

Ideas being pursued include:

- Creation of a web application to collect real-time E&E data throughout the year
- Providing institutions more visibility into the efforts of others to build more collaborative efforts
- Centrally identifying E&E efforts that could be implemented as systemwide programs to further leverage cost savings and efficiency (e.g., energy saving programs, digital transformation, process enhancement)
- Increasing communication among the E&E community to promote an enhanced initiative

We will keep the Board updated on these developments as progress is made.

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

FISCAL IMPACT: This item is presented for information purposes.

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

COMMITTEE RECOMMENDATION:	DATE:
<hr/>	
BOARD ACTION:	DATE:
<hr/>	
SUBMITTED BY: Ellen Herbst (301) 445-1923	
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**University System of Maryland - Effectiveness and Efficiency
FY 2020 Maryland Education Enterprise Consortium Spending/Saving - FY2020**

Contract/Year	USM Sales	USM Savings	Non-USM Sales	Non-USM Savings	Total Sales	Total Savings
AV Hardware						
7/1/19 - 12/31/19	\$1,904,845.18	\$451,464.11	\$2,579,564.70	\$627,844.49	\$4,484,409.88	\$1,079,308.60
1/1/20 - 6/30/20	\$1,288,067.12	\$309,752.93	\$6,113,670.29	\$1,492,303.58	\$7,401,737.41	\$1,802,056.51
Hardware						
7/1/19 - 12/31/19	\$33,337,691.78	\$4,077,594.44	\$35,343,249.01	\$5,251,262.07	\$68,680,940.79	\$9,328,856.51
1/1/20 - 6/30/20	\$26,625,940.36	\$3,674,045.39	\$36,455,628.92	\$4,225,521.00	\$63,081,569.28	\$7,899,566.38
Microsoft						
8/1/20 - 7/31/21	\$1,912,163.16	\$961,536.48	\$ 15,365,112.84	\$ 8,104,797.12	\$17,277,276.00	\$9,066,333.60
Adobe						
7/1/19 - 6/30/2020	\$456,200.00	\$1,071,000.00	\$ 1,118,600.00	\$ 3,255,000.00	\$1,574,800.00	\$4,326,000.00
Total	\$65,524,907.60	\$10,545,393.35	\$96,975,825.76	\$22,956,728.26	\$162,500,733.36	\$33,502,121.60



**University System of Maryland - Effectiveness and Efficiency
 FY 2020 Efficiency Initiatives by Financial Class
 Shown as \$'s in (\$000)**

<u>Financial Classes</u>	<u>UMB</u>	<u>UMCP</u>	<u>BSU</u>	<u>TU</u>	<u>UMES</u>	<u>FSU</u>	<u>CSU</u>	<u>UB</u>	<u>SU</u>	<u>UMGC</u>	<u>UMBC</u>	<u>UMCES</u>	<u>Total</u>
Cost Avoidance	1,585	364	82	42	45	1,547	72	463	3,226	336	416	128	8,306
Cost Savings - State	3,112	5,024	984	4,976	740	1,355	2,834	354	1,642	4,614	4,369	93	30,097
Cost Savings - Student & Families										19,000			19,000
Revenue	1,231	1,442	102	1,738		39		882	722	331	418	1	6,906
Strategic reallocation	812	53		10		23		310	87		213		1,508
TOTAL	6,740	6,883	1,168	6,766	785	2,964	2,906	2,009	5,677	24,281	5,416	222	65,817



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: University System of Maryland: Review of Capital Improvement Projects

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: February 4, 2021

SUMMARY: This report provides information on the status of capital improvement projects systemwide. Included are contract awards, completions, and detailed project schedules. The attached report reflects activity for the twelve-month period starting December 1, 2019 and ending November 30, 2020. Highlights include:

- 13 New projects added to list, including:
 - UMCES – New state-funded Chesapeake Collaborative Building, supporting research programs focused on climate and sustainability
 - UMCP – ICA Basketball Practice Facility
 - USG – Renovation of Building I for the expansion of the UMB School of Nursing

- 9 Completed projects removed from list, including:
 - UMBC – Opening of the beautiful new Interdisciplinary Life Sciences Building that provides major support in terms of state-of-the-art instructional spaces and research laboratories. The main lobby of the new facility supports a major new art installation and highlights glass-walled lab spaces where visitors can view student activities inside.
 - Towson – Renovation of the dining hall at the Glen Towers complex. This is a significant improvement for a facility that is used intensively during normal campus operations.
 - UMB – Opening of the Poppleton Engagement Center housed in a rehabilitated historic building in West Baltimore near the UMB campus. The facility supports multi-disciplinary community outreach efforts by UMB students and faculty.

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

FISCAL IMPACT: This item is presented for information purposes.

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

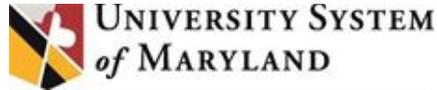
COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923



SUMMARY: USM PROJECT STATUS REPORT ON MAJOR CONSTRUCTION PROJECTS

AS OF NOVEMBER 30, 2020

This report provides information on major (\$1M or larger) capital projects System-wide, excluding maintenance and energy performance contracts. Projects are funded through a variety of sources: State of Maryland capital and operating funds, including facilities renewal; internal funding through the System Funded Construction Program (SFCP); private funds; and federal grants.

This report is a summary of contract awards, project completions and project schedules for the seven-month period beginning Dec 1, 2019 and ending November 30, 2020.

ONGOING PROJECTS:

As of November 30, 2020, there are a total of 65 major projects System-wide either pending design, or in design or construction, that are managed by the service centers or delegated to the institutions.

NEW PROJECTS ADDED TO LIST (PRE-PLANNING AND DESIGN):

Campus	Project Name	Architect/Engineer or TBD Name (State Abbrev)	Project Cost Est Total Proj
UMCES	Chesapeake Collaborative Building	TBD	\$18,798,000
UMCP	ICA Basketball Practice Facility	Clark Construction (MD)	\$36,000,000
UMCP	ICA Basketball Practice Facility-FFE	Clark Construction (MD)	\$5,000,000
USM	USG Building 1 School of Nursing Expansion	Hord Coplan Mact (MD)	\$7,500,000
UMCP	John S. Toll Physics Bldg. 2nd Floor Classrooms	In-House (UMCP)	\$3,600,000
UMCP	John S. Toll Physics Bldg. - 1st Floor Lab 1322 & AHU Replacement	In-House (UMCP)	\$1,792,282
UMCP	Animal Sciences Wing 2 Bldg. Renovation	In-House (UMCP)	\$2,196,145
UMCP	RPB1: Renovation for GATR	HDR (VA)	\$2,160,000
UMB	GRB Basement Relocate Mailroom	Design Collective (MD)	\$1,600,000
UMB	Bressler Replace Wet Standpipes	In-House (UMB)	\$2,500,000
UMB	Bressler 11 th Floor Research Lab	Marshall Craft (MD)	\$2,000,000
UMB	School of Nursing Renov/Window Replacement	Marshall Craft (MD)	\$8,800,000
UMB	Bressler Exterior Upgrades	Ziger Snead (MD)	\$5,700,000
		Total	\$91,946,427

PROJECTS COMPLETED AND REMOVED FROM LIST:

Campus	Project Name	<u>Const Mgr/Contractor</u> Name (State Abbrev)	<u>Project Cost</u>
UMBC	Interdisciplinary Life Sciences Bldg	Whiting Turner (MD)	\$123,047,000
UMCP	Cole Shell Space	Gilbane (MD)	\$1,900,000
TU	Glen Dining Hall Renovation	Turner Construction	\$10,400,000
TU	Practice Field Improvements	Field Turf USA	\$4,900,000
UMB	Poppleton University Engagement Ctr	Riparius (MD)	\$9,600,000
UMB	Elevator/Fire Alarm Improvements in Parking Garages	Maranto, QSS, Brawer, Emjay	\$4,130,000
UMB	Health Sciences Facility I Cooling Tower Replacement	Emjay (MD)	\$2,900,000
UMB	Biomedical Research Air Handler	Min Engineering (MD)	\$1,400,000
UMB	Howard Hall Teaching Pods	Brauner (MD)	\$1,300,000
		Total	\$158,277,000

ONGOING PROJECT TABLE:

The attached information includes schedules and project data for ongoing activities.



STATUS REPORT ON MAJOR CONSTRUCTION PROJECTS

Revised 1/4/2021
Data as of 11/30/2020

KEY: STATE-FUNDED CIP PROJECTS
SYSTEM-FUNDED NON-STATE/AUXILIARY OR FACILITIES RENEWAL PROJECTS

Institution	Project	Code	Estimated Total Project Cost	Design Start	Delivery Method	Construction Start	Substantial Completion	Total Appropriations To-Date	Funding Source	Architect (Location)	Contractor (Location)
BSU	Comm Arts & Humanities Bldg (MLK Replacement)	1	\$147,689,000	04/20	D/B	06/22	01/25	\$11,200,000	GO Bonds	Whiting-Turner (MD)	Whiting Turner (MD)
BSU	Marshall Library HVAC Improvements, Phase 1	5	\$4,900,000	03/20	GC	10/18	12/19	\$0	Cash	Kibart (MD)	TBD
CSU	Percy Julian Bldg. Renovation for the College of Business	3	\$44,008,000	1/19	CM	07/20	04/22	\$10,483,000	GO Bonds	Quinn Evans & Goody Clancy	Barton Malow (MD)
FSU	Education and Health Sciences Center	1	\$93,434,000	05/18	CM	04/20	06/22	\$46,769,000	GO Bonds, ARB	Ayers St. Gross (MD)	Barton Mallow (MD)
FSU	New Residence Hall	1	\$42,895,000	05/20	D/B	6/18	07/20	\$42,895,000	USM Bonds, Cash	Perkins Eastman (DC)	PJ Dick (PA)
FSU	Five Dorm Renovation (Phased)	3	\$13,400,000	07/20	JOC	7/17	12/22	\$12,100,000	USM Bonds, Cash	In-House (FSU)	JOC/In-House FSU
SU	New Residence Complex (Court Plaza)	1	\$86,500,000	6/20	CM	6/21	11/23	\$86,500,000	USM Bonds	Design Collective (MD)	TBD
SU	New Student Recreation Center	1	\$66,000,000	10/23	D/B	11/25	11/27	\$2,500,000	Cash	TBD	TBD
SU	Maggs Natatorium Renovation	3	\$10,000,000	3/18	D/B	01/20	10/20	\$10,000,000	Cash	Whiting Turner (MD)	Whiting Turner (MD)
SU	Center for Entrepreneurship	3	\$4,600,000	06/19	DB	01/20	01/21	\$4,600,000	Cash	GMB (MD)	Harper (MD)
TU	New Science Facility	1	\$183,819,000	8/14	CM	10/17	11/20	\$183,819,000	GO Bonds, NBF	Cannon Design (MD)	Whiting Turner (MD)
TU	College of Health Professions Bldg.	1	\$173,453,000	9/19	CM	7/21	12/23	\$5,266,000	GO Bonds	Perkins Will (DC) JMT (MD)	Gilbane (MD)
TU	Union Addition/Renovation	2/3	\$108,770,000	12/16	CM	10/18	8/20-Add'n 8/21-Renov	\$70,670,000	USM Bonds	Design Collective (MD)	Barton Mallow (MD)
TU	Glen Towers and Plaza Renovation	3/5	\$58,160,000	8/18	CM	7/21	7/25	\$4,400,000	Cash, Bonds	Design Collective (MD)	Barton Mallow (MD)
UMB	Central Elec Substation and Elec Infrastructure Upgrades, Phased	5	\$74,920,000	3/17	GC/CM	5/19-ph1	5/20-ph 1	\$41,557,000	GO Bonds, NBF	RMF Engin'g (MD)	Phase 1A - Highlander (MD) Phase 1B - Jeffrey Brown (MD)
UMB	Howard Hall/Bressler Research Bldg. Substation	5	\$13,000,000	8/17	GC	9/19	8/23	\$13,000,000	Cash	RMF Engin'g (MD)	
UMB	Replacement of Sanitary Drain Piping and Assoc Systems in BRB	5	\$5,900,000	7/18	GC	10/19	8/21	\$5,900,000	Cash	In-House (UMB)	Emjay (MD)
UMB	Bressler Research Bldg. Electrical Substations 2 - 7 Renewal	5	\$3,500,000	2/19		2/20	8/22	\$3,500,000	Cash	In-House (UMB)	
UMB	IHV Façade Stabilization	3	\$6,550,000	6/13	GC	4/20	6/22	\$2,900,000	FR Funds, Cash	Hord Coplan Mact (MD)	Plano Coudon (MD)
UMB	School of Pharmacy Bldg. Electrical System Renewal	5	\$2,300,000	5/19		3/21	3/22	\$2,300,000	Cash	RMF Engin'g (MD)	
UMB	Howard Hall Exhaust System	5	\$2,000,000	4/18	GC	12/21	12/22	\$2,000,000	Cash	BKM (MD)	
UMB	HSFII Fire Alarm System Renewal	5	\$1,900,000	10/18	GC	9/19	1/21	\$1,900,000	FR Funds, NBF	In-House	MC Dean
UMB	108 N. Greene Street Chiller Extension	5	\$1,800,000	4/19		12/22	12/23	\$1,800,000	Cash	RMF Engin'g (MD)	

BOR Finance Committee - Public Session

Institution	Project	Code	Estimated Total Project Cost	Design Start	Delivery Method	Construction Start	Substantial Completion	Total Appropriations To-Date	Funding Source	Architect (Location)	Contractor (Location)
UMB	School of Medicine Compressed Air & Central Vac	5	\$1,600,000					\$1,600,000	Cash		
UMB	School of Pharm HVAC Fan Coil Units/Heating & Cooling Piping	5	\$2,700,000	1/18	GC	1/19	1/21	\$2,700,000	Cash	BKM (MD)	Emjay (MD)
UMB	GRB Basement Relocate Campus Mailroom	3	\$1,600,000	2/19	CM	1/20	3/21	\$1,600,000	Cash	Design Collective (MD)	Brauner (MD)
UMB	BRB Replace Wet Standpipe	5	\$2,500,000	7/20	Open Bid	12/22	12/23	\$2,500,000	Cash		
UMB	BRB 11th Floor Research Lab	3	\$2,000,000	9/15	CM	7/20	4/21	\$2,000,000	Cash	Marshall Craft (MD)	Emjay (MD)
UMB	SON Student Services Renovation and Window Replacement	4	\$8,800,000	3/19	CM	10/20	3/22	\$8,800,000	Cash	Marshall Craft (MD)	Kinsley (PA)
UMB	BRB Exterior upgrades	5	\$5,700,000	10/18	GC	5/21	6/22	\$5,700,000	Cash	Ziger Snead	
UMBC	Retriever Activities Center Renewal	3	\$28,200,000	10/18	CM	1/20	5/21	\$28,200,000	USM Bonds, Cash	Marshall Craft (MD)	J Vinton Shafer (MD)
UMBC	Utility Upgrades	5	\$17,274,000	7/19	GC	5/20	6/22	\$11,423,000	GO Bonds, ARB	RMF Engin'g (MD)	Whiting Turner (MD)
UMBC	Health & Counseling Services Bldg.	3	\$17,000,000	1/20	D/B	11/20	8/21	\$17,000,000	USM Bonds, Cash		Whiting Turner (MD)
UMBC	Stadium Improvements	4	\$7,000,000	1/20	GC	TBD	TBD	\$7,000,000	GO Bonds, Cash	GWWO (MD)	
UMBC	Central Plant Roof	3	\$1,850,000	12/19	OCGC	TBD	TBD	\$1,850,000	FR, Cash	HCM (MD)	
UMBC	Bio Bldg. UC Roof Replacement	3	\$1,655,000	3/20	OCGC	TBD	TBD	\$1,655,000	FR, Cash	ASG (MD)	
UMBC	Math/Psych Envelope Repairs	3	\$1,452,000	4/20	OCGC	TBD	TBD	\$1,452,000	FR, Cash	JMT (MD)	
UMBC	Sherman Hall Façade Repairs	3	\$1,000,000	TBD	OCGC	TBD	TBD	\$1,000,000	GO Bonds	TBD	
UMCES	Chesapeake Collaborative Building	1	\$18,798,000	02/21	D/B	10/22	10/24	\$1,448,000	GO Bonds	TBD	TBD
UMCP	Cole Fieldhouse Conversion/Expansion	2/3	\$210,000,000	6/15	CM	12/15	12/20	\$210,000,000	GO Bonds, NBF	Cannon Design (MD)	Gilbane (MD)
UMCP	Chemistry Building Ph 3, Wing 1 Replacement	3	\$118,400,000	05/19	D/B	06/21	11/23	\$12,363,000	GO Bonds	Whiting-Turner (MD)	Whiting Turner (MD)
UMCP	New Residence Hall (900 beds)	1	\$119,300,000	2/18	D/B	08/19	10/21	\$119,300,000	USM Bonds, Cash	Holder (VA)	Holder (VA)
UMCP	ICA Basketball Practice Facility	1	\$36,000,000	01/21	D/B	05/21	05/23	\$36,000,000	NBF	Clark Construction Group (MD)	Clark Construction Group (MD)
UMCP	ICA Basketball Practice Facility-FFE	1	\$5,000,000	01/21	D/B	05/21	06/23	\$0	GO Bonds	Clark Construction Group (MD)	Clark Construction Group (MD)
UMCP	IDEA Factory Bldg	1	\$63,641,000	9/18	D/B	12/19	11/21	\$63,641,000	Cash	Clark Construction Group (MD)	Clark Construction Group (MD)
UMCP	North Dining Hall Replacement	1	\$56,750,000	2/18	D/B	08/19	01/22	\$56,750,000	USM Bonds, Cash	Holder (VA)	Holder (VA)
UMCP	Ellicott Residence Hall Renovation	3	\$48,190,000	09/21	D/B	05/22	09/23	\$1,000,000	USM Bonds	TBD	TBD
UMCP	School of Public Policy Bldg.	1	\$62,406,500	7/17	CM	12/19	06/22	\$25,636,500	GO Bonds, NBF	Leo Daly (DC)	J Vinton Shafer (MD)
UMCP	Chemistry Renov, Wings 2,3,& 5	3	\$14,015,663	5/18	CM	10/19	3/21	\$14,135,814	NBF	HCM (MD)	Kinsley (MD)

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Institution	Project	Code	Estimated Total Project Cost	Design Start	Delivery Method	Construction Start	Substantial Completion	Total Appropriations To-Date	Funding Source	Architect (Location)	Contractor (Location)
UMCP	MFRI Western Maryland Training Ctr Renovation	3/4	\$8,765,000	04/20	GC	7/21	9/22	\$8,765,000	NBF	GWWO (MD)	TBD
UMCP	Oakland Residence Hall SCUB Ph 2	5	\$8,748,312	01/22	CM	01/24	01/26	\$500,000	USM Bonds	TBD	TBD
UMCP	HJP Wing 2 Mech Rm. (Phase of Campuswide Infrastructure)	5	\$16,167,000	6/18	CM	6/19	12/20	\$8,513,864	GO Bonds, ARB, NBF	Design Collective (MD)	J Vinton Shafer (MD)
UMCP	New Office Bldg. for Central MD Res/Educ. Ctr., Clarksville	1	\$4,835,000	01/20	GC	01/22	09/22	\$4,835,000	Cash	Johnson Mirman Thompson (MD)	TBD
UMCP	John S. Toll Physics Bldg 4th Floor Wing 3 West end Renovation	5	\$1,416,000	8/18	GC	8/19	02/20	\$1,416,000	Cash	Kibart (MD)	W.L. Gary Co. (DC)
UMCP	John S. Toll Physics Bldg 2nd Floor Classrooms	3/4	\$3,600,000	10/19	GC	09/20	03/21	\$3,600,000	Cash, FR Funds	In-House (UMCP)	Kalmia (MD)
UMCP	John S. Toll Physics Bldg - 1st Floor Lab 1322 & AHU Replacement	3	\$1,792,282	04/20	GC	08/20	01/21	\$1,792,282	Cash, FR Funds	In-House (UMCP)	W.L. Gary Co. (DC)
UMCP	Mitchell Bldg Third Floor Renovation	3	\$1,416,189	10/19	GC	11/19	4/20	\$1,416,189	FR Funds	In-House (UMCP)	A.R. Marani (MD)
UMCP	Animal Sciences Wing 2 Bldg Renovation	3	\$2,196,145	03/19	GC	09/20	03/21	\$2,196,145	Cash	In-House (UMCP)	Jeffrey Brown (MD)
UMCP	RPB1: Renovation for GATR	3	\$2,160,000	01/20	GC	01/21	06/21	\$2,160,000	Cash	HDR (VA)	Jeffrey Brown (MD)
UMES	School of Pharmacy and Allied Health	1	\$97,762,852	12/17	CM	03/20	03/22	\$89,991,252	GO Bonds; USM Bond, Cash	Ayers St. Gross (MD)	Gilbane (MD)
UMES	Flood Mitigation	5	\$12,514,000	07/19	GC	5/21	06/22	\$11,008,000	USM Bonds	Whitney Bailey Cox & Magnani (MD); MS Engineers	TBD
UMES	Agricultural Research and Education Center	1	\$13,953,541	07/20	D/B	06/21	07/22	\$13,953,541	Grants, Cash, Insurance Proceeds	Bancroft Construction Co (DE)	Bancroft Construction Co (DE)
UMES	Natural Gas Pipeline/Retrofit	5	\$6,200,000	7/20	GC	06/21	01/22	\$6,200,000	Grants, Cash, FR Funds	Whitney Bailey Cox & Magnani (MD)	TBD
USM	USG Building 1 School of Nursing Expansion	4	\$7,500,000	05/20	CM	01/22	11/22	\$7,500,000	USM Bonds, Cash	Hord Coplan Mact (MD)	TBD
USM	USM Southern MD Engineering Acad and Research Bldg	1	\$87,070,470	8/16	CM	09/19	09/21	\$51,241,470	GO Bonds, SMCO Donation, Equip Loan	Cooper Carry (GA)	Whiting Turner (MD)
Total Program (State and non-State/ Auxiliary)			\$2,278,426,954				5,696	Jobs supported by the capital program per DBM formula of 7.5 FTE direct (construction-related) jobs per \$1M investment, divided by a rough average duration of construction from award through completion of 3 years			

Codes:
 1 New facility
 2 Addition/Expansion/Extension
 3 Renovation or Replacement
 4 Alterations and Addition
 5 Infrastructure

*** Definitions:**
 Total Project Cost: Total estimated project cost including planning, construction & equipment.
 Design Start: Date of BPW approval of architect/engineer.
 Construction Start: Date of BPW approval of contractor.
 Completion: Date of substantial completion/beneficial occupancy.

Abbrev.
 CM = Construction Management
 D/B = Design/Build
 GC = General Contractor
 JOC= Job Order Contractor

Funding:
 NBF = Non-budgeted funds (e.g., donor funds); GO Bonds = State General Obligation Bonds or Bond Premium funds;
 ARB = Academic Revenue Bonds (approved by State); FR = Capital Facilities Renewal
 USM Bonds = USM Auxiliary Revenue Bonds; CASH = Institutional funding, including cash, donor funding and plant funds



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: University System of Maryland: Report on FY 2020 Procurement Contracts

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: February 4, 2021

SUMMARY: The USM Policy on Approval of Procurement Contracts requires that contracts of \$1 million to \$5 million, and emergency and expedited procurement contracts of \$5 million or more, shall be reported to the Committee on Finance.

Attached is the report of the procurement contracts awarded during Fiscal Year 2020 (July 1, 2019 - June 30, 2020). As provided in the policy, the report does not include construction contracts for capital projects approved by the Board of Regents, sponsored research/education contracts and grants, and contracts pertaining to interests in real property.

Thirty-three (33) contracts have been awarded that meet the reporting requirements totaling \$69 million. Of the total dollars awarded, 39% of the contracts were awarded to Maryland firms. The MBE participation on the contract awards was 12%.

There was one emergency contract of \$5 million or more during the reporting period. UMB procured \$5.5 million in COVID-19 testing kits. This emergency procurement was reported separately to the Finance Committee on June 10, 2020

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

FISCAL IMPACT: This item is presented for information purposes.

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

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Ellen Herbst (301) 445-1923

BOR Finance Committee - Public Session

USM Procurements Between \$1 million and \$5 million
For Fiscal Year 2020

<u>Inst.</u>	<u>Description of Procurement</u>	<u>Category</u>	<u>Method</u>	<u>Award</u>	<u>Amount</u>	<u>Fund Source</u>	<u>In-State</u>	<u>% MBE</u>
CSU	Housekeeping Services	Maintenance	Competitive Sealed Proposal	WFF Facilities Services	\$1,629,235	Current Unrestricted	No	20%
CSU	Food Services	Services	Competitive Sealed Proposal	Thompson Hospitality	\$3,300,000	Auxiliary	No	10%
TU	Oracle Cloud Implementation Services	IT Services	Cooperative Contract	Navigator Mgmt. Partners LLC	\$3,580,414	Plant Funds	No	5%
TU	Power Plant Boiler and Fuel Tank Upgrade	Maintenance	Invitation for Bid	Power & Combustion, Inc.	\$3,963,000	Plant Funds/MCCBL	Yes	20%
TU	Campuswide Wayfinding	Maintenance	UMB On-Call Contract	Jeffrey Brown Contracting, LLC	\$1,166,195	Plant Funds	Yes	15%
TU	Cisco Equipment for New Science Building	Commodity	Cooperative Contract	DISYS Solutions	\$1,024,462	Plant Funds	No	0%
UMB	Heating & Exhaust System at Biomedical Research Facility	Maintenance	Competitive Sealed Bid	Denver-Elek, Inc.	\$4,240,000	Plant Funds	Yes	31%
UMB	BRB Roof Replacement	Maintenance	Competitive Sealed Bid	Baltimore Contractors, Inc.	\$1,182,888	Plant Funds	Yes	10%
UMB	Roof Replacement HSF I, #1\Pharmacy Hall\SON MSTF	Maintenance	Competitive Sealed Bid	SGK Contracting, Inc.	\$3,955,648	ARB & Plant Funds	Yes	32%
UMB	Library Journal Subscriptions	Services	UMCP Contract	Ebsco Information Services	\$1,800,000	State Operating	No	0%
UMB	Parking Management Services	Services	Competitive Sealed Proposal	Penn Parking Inc	\$3,173,800	Auxiliary	Yes	100%
UMB	MagBead Virus Custom Reagents	Supplies and Equipment	Sole Source	Qiagen Inc	\$2,502,501	Self-Support	No	0%
UMB	Oracle Cloud Financial Services	IT Services	Competitive Sealed Proposal	Oracle America Inc	\$1,176,587	General Appropriation	No	0%
UMB	Sequencing Kits	Supplies and Equipment	Sole Source	Illumina Inc	\$1,129,366	State Operating	No	0%
UMB	Dental Sterilization Equipment	Supplies and Equipment	Competitive Sealed Bid	Steris Corp	\$1,071,400	Plant Funds	No	0%
UMB	Nasopharyngeal Swabs	Supplies and Equipment	Sole Source	Resolution Medical	\$1,007,130	Self-Support	No	0%
UMB	IGS STAR COVID-19 Workstation	Supplies and Equipment	Sole Source	Hamilton Company	\$1,767,591	Self-Support	No	0%
UMB	Tims TOF Mass Spectrometry System	Supplies and Equipment	Sole Source	Bruker Scientific, LLC	\$1,028,345	Restricted, C&G Private	No	0%
UMBC	Furniture for Dormitories	Supplies and Equipment	Preferred Provider	Maryland Correctional Enterprises	\$1,112,800	Auxiliary	Yes	0%
UMBC	Erickson and Harbor Courtyard Improvements	Maintenance	UMB contract	Brawner	\$1,310,900	Auxiliary	Yes	10%
UMCP	Design/Build contract for Salisbury Entrepreneurship Center	Construction	Competitive Sealed Proposal	Harper & Sons, Inc.	\$3,994,063	Plant Funds	Yes	100%
UMCP	USG housekeeping contract	Maintenance	Competitive Sealed Proposal	Capiton Maintenance, Inc.	\$1,389,128	Self-Support	Yes	0%
UMCP	Elevator maintenance	Maintenance	Competitive Sealed Proposal	Elevator Control Services	\$3,900,000	State Operating	Yes	0%
UMCP	Clark Hall construction services for installation of MRI	Construction	Competitive Sealed Proposal	DPR Construction	\$1,465,823	Plant Funds	No	0%
UMCP	I-95 corridor project data acquisition	Services	Competitive Sealed Proposal	Inrix, Inc.	\$1,874,678	Restricted, C&G Private	No	0%
UMCP	Janitorial services for ARLIS facility	Maintenance	Competitive Sealed Proposal	Emcor Government Services, Inc.	\$1,135,635	Plant Fund Reserves	No	0%
UMCP	Microsoft enterprise contract	IT Software/Hardware	Cooperative Purchase	Bell Techlogix, Inc.	\$1,398,649	State Operating	No	0%
UMCP	Crowd management for Intercollegiate Athletics events	Services	Competitive Sealed Proposal	Contemporary Services, Inc.	\$1,880,000	Auxiliary	No	0%
UMCP	Mitchell Building 3rd floor HVAC upgrade	Construction	Competitive Sealed Proposal	A.R. Marani, Inc.	\$1,260,054	Plant Funds	Yes	29%
UMCP	Contracted engineering support	Services	Competitive Sealed Proposal	CBRE/Heery	\$1,147,179	Self-Support	No	0%
UMCP	Splunk enterprise software license	IT Software/Hardware	Purchase off of State Contract	Blackwood Associates, Inc.	\$2,376,300	State Operating	Yes	0%
UMCP	USM Consortia collaboration consulting services	IT Services	Competitive Sealed Proposal	Attain, LLC	\$1,600,000	Plant Funds	No	0%
UMES	Management of Food Dining Services	Services	Contract Renewal	Thompson Hospitality	\$4,500,000	Self-Support	No	3%