



UNIVERSITY SYSTEM *of* MARYLAND

Financial Statements and Supplementary Information and
Data Together with Independent Public Accountant's Report

For the Year Ended June 30, 2025

This page intentionally left blank.

UNIVERSITY SYSTEM OF MARYLAND

TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025

INDEPENDENT PUBLIC ACCOUNTANT'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025:	
Statement of Net Position, University System of Maryland	12
Combining Statement of Financial Position, Component Units	13
Statement of Revenues, Expenses and Changes in Net Position, University System of Maryland	14
Combining Statement of Activities, Component Units	15
Statement of Cash Flows, University System of Maryland	16
Notes to Financial Statements	18
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Proportionate Share of Net Pension Liability	54
Schedule of Contributions to the Teachers Pension System and the Employees Retirement System	54
Schedule of Contributions for Other Postemployment Benefits	54
SUPPLEMENTARY DATA:	
Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows for:	
University of Maryland, Baltimore	57
University of Maryland, College Park	60
Bowie State University	63
Towson University	66
University of Maryland Eastern Shore	69
Frostburg State University	72
Coppin State University	75
University of Baltimore	78
Salisbury University	81
University of Maryland Global Campus	84
University of Maryland, Baltimore County	87
University of Maryland Center for Environmental Science	90
University System of Maryland Office	93
Combining Statement of Financial Position, Nonmajor Component Units	96
Combining Statement of Activities, Nonmajor Component Units	98
Notes to Supplementary Data	100
REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	
	102



Certified Public
Accountants &
Business Advisors

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS

To the Board of Regents
University System of Maryland

Opinion

We have audited the 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, 2025, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of University System of Maryland Foundation, Inc., University of Maryland College Park Foundation, Inc., University of Maryland Baltimore Foundation, Inc., University of Maryland Faculty Physicians, Inc., University of Maryland Pediatric Associates, P.A., University of Maryland Orthopaedic Associates, P.A., Towson University Foundation, Inc., Frostburg State University Foundation, Inc., University of Baltimore Foundation Inc. and University Properties Inc., and Salisbury University Foundation, Inc. (the discretely presented component units) which represent 99 percent, 99 percent, and 93 percent, respectively, of the total assets, net position, and operating revenues of the total discretely presented component units. Those financial statements were audited by other auditors in accordance with auditing standards generally accepted in the United States of America (GAAS), whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the System, is based solely on the report of, and additional audit procedures to meet the relevant requirements of auditing standards generally accepted in the United States of America performed by, the other auditors.

Basis for Opinion

We conducted our audit in accordance with GAAS and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Other Matter

The financial statements of the business-type activities and the aggregate discretely presented component units as of and for the year ended June 30, 2024, of the System were audited by another auditor, who expressed an unmodified opinion on those statements on December 16, 2024.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal controls. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Proportionate Share of Pension Liability, Schedule of Contributions to the Teachers Pension System And The Employees Retirement System, and Schedule of Contributions for Other Postemployment Benefits (OPEB), as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows for University of Maryland, Baltimore, University of Maryland, College Park, Bowie State University, Towson University, University of Maryland Eastern Shore, Frostburg State University, University of Baltimore, Salisbury University, University of Maryland Global Campus, University of Maryland, Baltimore County, University of Maryland Center for Environmental Sciences, University System of Maryland Office, combining statement of financial position of the discretely presented nonmajor component units, and combining statement of activities of the discretely presented nonmajor component units (together, the supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements.



Certified Public
Accountants &
Business Advisors

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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2025, on our consideration of the System's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal controls over financial reporting and compliance.

Owings Mills, Maryland
December 9, 2025

SBC Company, LLC

UNIVERSITY SYSTEM OF MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2025

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, 2025 and 2024.

Financial Highlights

- Unrestricted net position decreased by \$110,673,147 for the year ended June 30, 2025, compared to an increase of \$104,958,421 for the year ended June 30, 2024.
- State appropriations for the System increased by 4.8% for the year ended June 30, 2025.
- Tuition and fees, after deducting scholarship allowances, increased by \$85,530,503 or 6.2% for the year ended June 30, 2025. During the year ended June 30, 2024, net tuition and fees, increased by \$14,829,146 or 1.1%.
- For the year ended June 30, 2025, investment income on Endowment assets was \$42,687,255, representing an investment return of 8%. Investment income on Endowment assets amounted to \$40,898,414, an investment return of 9%, for the year ended June 30, 2024.

Overview of the Financial Statements

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

UNIVERSITY SYSTEM OF MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2025

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

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

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

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

The focus of this Management's Discussion and Analysis is on the System itself. Reference should be made to the separately audited financial statements of the component units for additional information.

Financial Analysis

As of June 30, 2025, the System's financial health remains strong, with assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by \$8,333,930,737, shown on the Statement of Net Position as total net position. This compares with total net position of \$8,192,442,677 as of June 30, 2024. As suggested earlier, when viewed over time, net position may be useful as an indicator of financial health.

For the year ended June 30, 2025, total net position increased by \$141,488,060. While net investment in capital assets increased by \$260,725,387, unrestricted net position decreased by \$110,673,147 and restricted net position categories decreased by \$8,564,180.

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

UNIVERSITY SYSTEM OF MARYLAND**MANAGEMENT'S DISCUSSION AND ANALYSIS**
YEAR ENDED JUNE 30, 2025

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, 2025 and 2024.

	2025	2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current and noncurrent assets	\$ 4,385,728,612	\$ 4,437,543,665
Capital assets, net	7,995,043,262	7,748,905,895
 Total assets	 12,380,771,874	 12,186,449,560
Deferred outflows of resources	649,739,272	486,399,596
 Total assets and deferred outflows of resources	 \$13,030,511,146	 \$12,672,849,156
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Debt, lease, and subscription obligations	\$ 1,324,038,771	\$ 1,308,075,239
Other liabilities	1,321,988,498	1,353,433,836
Net pension liability	1,785,983,033	1,499,173,353
 Total liabilities	 4,432,010,302	 4,160,682,428
Deferred inflows of resources	264,570,107	319,724,051
 Total liabilities and deferred inflows of resources	 4,696,580,409	 4,480,406,479
NET POSITION		
Net investment in capital assets	6,508,729,560	6,248,004,173
Restricted	277,268,197	285,832,377
Unrestricted	1,547,932,980	1,658,606,127
 Total net position	 8,333,930,737	 8,192,442,677
 Total liabilities, deferred inflows of resources and net position	 \$13,030,511,146	 \$12,672,849,156

UNIVERSITY SYSTEM OF MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

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, 2025 and 2024.

	2025	2024
Operating revenues	\$ 4,438,638,461	\$ 4,270,398,135
Operating expenses	7,447,343,619	6,860,548,831
Operating loss	<u>(3,008,705,158)</u>	<u>(2,590,150,696)</u>
State appropriations	2,316,759,553	2,211,017,153
Other nonoperating revenues, net	578,523,815	477,208,146
Total nonoperating revenues	<u>2,895,283,368</u>	<u>2,688,225,299</u>
Income (loss) before other revenues	(113,421,790)	98,074,603
Other revenues	254,909,850	260,416,551
Increase in net position	141,488,060	358,491,154
Net position, beginning of year	8,192,442,677	7,833,951,523
Net position, end of year	<u>\$ 8,333,930,737</u>	<u>\$ 8,192,442,677</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, 2025 and 2024, operating revenues, which under the definitions used by the Government Accounting Standards Board (GASB), excludes state appropriations, are detailed below:

	2025	2024		
	\$	%	\$	%
Tuition and fees, net	\$ 1,474,553,788	33.1 %	\$ 1,389,023,285	32.6 %
Contracts and grants	1,640,147,500	37.0	1,630,382,100	38.2
Sales and services of educational departments	459,651,787	10.4	420,496,529	9.8
Auxiliary enterprises, net	757,986,888	17.1	732,198,649	17.1
Other operating	106,298,498	2.4	98,297,572	2.3
Total	<u>\$ 4,438,638,461</u>	<u>100.0 %</u>	<u>\$ 4,270,398,135</u>	<u>100.0 %</u>

UNIVERSITY SYSTEM OF MARYLAND**MANAGEMENT'S DISCUSSION AND ANALYSIS**
YEAR ENDED JUNE 30, 2025

For the years ended June 30, 2025 and 2024, operating expenses are detailed below:

	2025		2024	
	\$	%	\$	%
Instruction	\$ 1,790,376,951	23.9 %	\$ 1,712,461,394	25.0 %
Research	1,412,183,028	19.1	1,370,516,611	20.0
Public service	629,804,833	8.5	620,615,062	9.0
Academic support	707,137,056	9.5	651,970,628	9.5
Student services	486,039,015	6.5	431,811,901	6.3
Institutional support	842,031,420	11.3	720,404,131	10.5
Operation and maintenance of plant	521,623,029	7.0	475,944,405	6.9
Scholarships and fellowships	228,499,727	3.1	129,967,770	1.9
Auxiliary enterprises	829,648,560	11.1	746,856,929	10.9
Total	\$ 7,447,343,619	100.0 %	\$ 6,860,548,831	100.0 %

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

For the years ended June 30, 2025 and 2024, increases in total employee payments of \$387,978,779 and \$423,456,020, respectively, represent the largest component of the overall increase in operating expenses over the prior year. For 2025 and 2024, the largest increases associated with employee payments were for instruction.

Capital Asset and Debt Administration

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

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

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

	2025	2024
State of Maryland capital appropriations	\$253,886,594	\$258,236,816
System debt proceeds	44,936,651	38,730,270
System cash balances and donations	441,165,399	314,992,314
Total	\$739,988,644	\$611,959,400

UNIVERSITY SYSTEM OF MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2025

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

Project	Institution	Cost
Year ended June 30, 2025		
Communication Arts & Humanities Building	Bowie State University	\$165,595,985
Glen Towers Renovation	Towson University	60,169,852
Year ended June 30, 2024		
College of Health Professions	Towson University	\$192,432,074
Chemistry Building	University of Maryland College Park	120,369,338

The System periodically issues Revenue Bonds to fund the construction, acquisition, and renewal and replacement of facilities, or refinance previously issued Revenue Bonds to realize lower current interest rates. The System did not issue Revenue Bonds during the year ended June 30, 2025.

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

Economic Factors and Next Year's Budget and Rates

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

Across all student categories, enrollment is expected to continue to increase over the next ten years, with approximately 12.7% more fulltime equivalent students (FTE) anticipated by fall 2034. The preliminary fall 2025 fulltime enrollment equivalent estimate is on track to meet the long-term projection with a one-year FTE increase of 3.5% for fiscal year 2026.

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

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

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

UNIVERSITY SYSTEM OF MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

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 Senior Vice Chancellor for Administration and Finance, 3300 Metzerott Road, Adelphi, MD 20783.

**UNIVERSITY SYSTEM OF MARYLAND
STATEMENT OF NET POSITION
JUNE 30, 2025**

ASSETS

Current assets

Cash and cash equivalents	\$ 3,203,868,430
Accounts receivable, net	485,812,199
Leases receivable, current portion, net	5,133,757
Notes receivable, current portion, net	877,383
Inventories	9,521,175
Prepaid expenses and other	<u>26,145,773</u>
Total current assets	<u>3,731,358,717</u>

Noncurrent assets

Restricted cash and cash equivalents	33,966,925
Endowment investments	543,310,419
Other investments	51,674,585
Leases receivable, net	18,386,752
Notes receivable, net	7,031,214
Capital assets, net	<u>7,995,043,262</u>
Total noncurrent assets	<u>8,649,413,157</u>

Total assets

DEFERRED OUTFLOWS OF RESOURCES

Total assets and deferred outflows of resources

12,380,771,874

649,739,272

\$ 13,030,511,146

LIABILITIES

Current liabilities

Accounts payable and accrued liabilities	\$ 544,873,945
Accrued workers' compensation, current portion	4,093,800
Compensated absences, current portion	170,528,882
Obligations under subscription arrangements, current portion	23,212,205
Obligations under lease arrangements, current portion	17,156,611
Revenue bonds and notes payable, current portion	88,805,848
Unearned revenues	<u>378,304,242</u>
Total current liabilities	<u>1,226,975,533</u>

Noncurrent liabilities

Accrued workers' compensation	23,198,200
Compensated absences	200,989,429
Obligations under subscription arrangements	75,596,907
Obligations under lease arrangements	87,226,587
Revenue bonds and notes payable	1,032,040,613
Net pension liability	<u>1,785,983,033</u>

Total noncurrent liabilities

3,205,034,769

Total liabilities

4,432,010,302

264,570,107

DEFERRED INFLOWS OF RESOURCES

NET POSITION

Unrestricted	1,547,932,980
Net investment in capital assets	6,508,729,560
Restricted:	
Nonexpendable	46,237,492
Expendable	<u>231,030,705</u>

Total net position

8,333,930,737

Total liabilities, deferred inflows of resources and net position

\$ 13,030,511,146

See accompanying notes.

UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF FINANCIAL POSITION, COMPONENT UNITS
JUNE 30, 2025

Major Component Units						
	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.	University of Maryland Faculty Physicians, Inc.	Nonmajor Component Units	Total
ASSETS						
Current assets						
Cash	\$ 15,385,000	\$ 41,146,507	\$ 2,379,404	\$ 42,328,860	\$ 80,818,628	\$ 182,058,399
Accounts receivable, net	9,356,000	77,906,015	18,472,005	18,652,895	66,513,364	190,900,279
Other assets	1,482,000	98,610	607,813	157,460,790	3,927,071	163,576,284
Total current assets	26,223,000	119,151,132	21,459,222	218,442,545	151,259,063	536,534,962
Investments						
Endowment investments	474,709,000	864,930,813	378,787,735		451,595,700	2,170,023,248
Other investments	742,416,000	192,885,636	114,086,515	27,473,907	9,676,333	1,086,538,391
Total investments	1,217,125,000	1,057,816,449	492,874,250	27,473,907	461,272,033	3,256,561,639
Noncurrent assets						
Accounts receivable, net	1,876,000	37,155,378	14,488,085		21,433,136	74,952,599
Capital assets, net	15,118,000	37,814,581		63,185,216	11,588,271	127,706,068
Other assets	553,000	6,169,482	2,899,139	125,691,831	9,201,740	144,515,192
Total noncurrent assets	17,547,000	81,139,441	17,387,224	188,877,047	42,223,147	347,173,859
Total assets	\$1,260,895,000	\$1,258,107,022	\$ 531,720,696	\$ 434,793,499	\$ 654,754,243	\$4,140,270,460
LIABILITIES						
Current liabilities						
Accounts payable & accrued expenses	\$ 4,611,000	\$ 4,555,555	\$ 3,267,390	\$ 206,484,513	\$ 57,344,392	\$ 276,262,850
Long-term debt, current				4,546,896	1,752,486	6,299,382
Unearned revenues	2,034,000	4,020,791		320,558	1,413,319	7,788,668
Total current liabilities	6,645,000	8,576,346	3,267,390	211,351,967	60,510,197	290,350,900
Noncurrent liabilities						
Other payables	114,830,982	2,083,436	1,590,526	25,873,686	12,355,486	156,734,116
Due to primary government	543,065,018					543,065,018
Long-term debt, noncurrent				51,024,286		51,024,286
Total noncurrent liabilities	657,896,000	2,083,436	1,590,526	76,897,972	12,355,486	750,823,420
Total liabilities	664,541,000	10,659,782	4,857,916	288,249,939	72,865,683	1,041,174,320
NET ASSETS						
Without donor restrictions	93,363,000	74,474,311	51,384,133	146,543,560	148,645,033	514,410,037
With donor restrictions	502,991,000	1,172,972,929	475,478,647		433,243,527	2,584,686,103
Total net assets	596,354,000	1,247,447,240	526,862,780	146,543,560	581,888,560	3,099,096,140
Total liabilities and net assets	\$1,260,895,000	\$1,258,107,022	\$ 531,720,696	\$ 434,793,499	\$ 654,754,243	\$4,140,270,460

See accompanying notes.

UNIVERSITY SYSTEM OF MARYLAND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2025

OPERATING REVENUES

Tuition and fees	\$ 1,945,064,721
Less: scholarship allowances	(470,510,933)
<u>Federal grants and contracts</u>	<u>1,474,553,788</u>
State and local grants and contracts	1,037,488,100
Nongovernmental grants and contracts	307,244,619
Sales and services of educational departments	295,414,781
Auxiliary enterprises	459,651,787
Less: scholarship allowances	817,827,480
Other operating revenues	(59,840,592)
	<u>757,986,888</u>
	<u>106,298,498</u>
Total operating revenues	4,438,638,461

OPERATING EXPENSES

Instruction	1,790,376,951
Research	1,412,183,028
Public service	629,804,833
Academic support	707,137,056
Student services	486,039,015
Institutional support	842,031,420
Operation and maintenance of plant	521,623,029
Scholarships and fellowships	228,499,727
Auxiliary enterprises	829,648,560
Total operating expenses	7,447,343,619
Operating loss	(3,008,705,158)

NONOPERATING REVENUES (EXPENSES)

State appropriations	2,316,759,553
Pell grants	273,260,879
Other nonoperating grants	1,268,401
Gifts	149,484,202
Investment income	190,288,637
Less: investment expense	(1,943,756)
Interest on indebtedness	188,344,881
Other revenues and gains (losses), net	(28,359,909)
	<u>(5,474,639)</u>
Total nonoperating revenues	2,895,283,368
Loss before other revenues	(113,421,790)

OTHER REVENUES

Capital appropriations	253,886,594
Capital gifts and grants	848,678
Additions to endowments	174,578
Total other revenues	254,909,850
Increase in net position	141,488,060
Net position - beginning of year	8,192,442,677
Net position - end of year	\$ 8,333,930,737

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF ACTIVITIES, COMPONENT UNITS
YEAR ENDED JUNE 30, 2025**

	Major Component Units					
	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.	University of Maryland Faculty Physicians, Inc.	Nonmajor Component Units	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS						
Revenues						
Contributions & grants	\$ 5,174,000		\$ 5,107,075	\$ 55,632,048	\$ 11,404,894	\$ 77,318,017
Investment income, net	5,045,000	\$ 23,770,904	6,050,365	12,563,838	9,859,888	57,289,995
Other income	9,778,000	4,621,312		32,375,324	107,954,783	154,729,419
Assets released from restrictions	24,914,000	95,209,726	32,670,918		31,348,697	184,143,341
Total revenues	44,911,000	123,601,942	43,828,358	100,571,210	160,568,262	473,480,772
Expenses						
Program	28,081,000	102,817,682	35,105,432	78,670,058	68,760,252	313,434,424
General & administrative	8,753,000	3,667,380	3,503,005	14,636,047	27,449,438	58,008,870
Fundraising	3,301,000		691,919		1,486,510	5,479,429
Other expense					11,066,266	11,066,266
Total expenses	40,135,000	106,485,062	39,300,356	93,306,105	108,762,466	387,988,989
Change in net assets without donor restrictions	4,776,000	17,116,880	4,528,002	7,265,105	51,805,796	85,491,783
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS						
Contributions & grants	12,186,000	106,126,899	32,111,182		35,808,215	186,232,296
Investment income	31,694,000	54,110,108	27,368,642		36,546,736	149,719,486
Other income (loss)	1,000	(225,352)			2,530,066	2,305,714
Assets released from restrictions	(24,914,000)	(95,209,726)	(32,670,918)		(31,348,697)	(184,143,341)
Change in net assets with donor restrictions	18,967,000	64,801,929	26,808,906		43,536,320	154,114,155
Total changes in net assets	23,743,000	81,918,809	31,336,908	7,265,105	95,342,116	239,605,938
Net assets - beginning of year	572,611,000	1,165,528,431	495,525,872	139,278,455	486,546,444	2,859,490,202
Net assets - end of year	\$ 596,354,000	\$ 1,247,447,240	\$ 526,862,780	\$ 146,543,560	\$ 581,888,560	\$ 3,099,096,140

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$	1,480,820,838
Research contracts and grants		1,646,276,145
Payments to employees		(4,844,449,850)
Payments to suppliers and contractors		(2,004,020,165)
Loans issued to students		(944,384)
Collection of loans from students		2,053,409
Student direct lending payments		(726,931,517)
Student direct lending receipts		726,931,517
Auxiliary enterprises		700,796,417
Other receipts		726,169,533
Net cash used by operating activities		(2,293,298,057)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations		2,316,759,553
Gifts and grants received for other than capital purposes:		
Private gifts for endowment purposes		174,578
Pell grants		273,260,879
Other nonoperating grants		1,268,401
Net cash provided by noncapital financing activities		2,591,463,411
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital appropriations		253,886,594
Capital grants and gifts		(188,101)
Proceeds from sales of capital assets		3,328,576
Purchases of capital assets		(629,334,055)
Principal paid on debt, leases, and subscription obligations		(155,121,262)
Interest paid on debt, leases, and subscription obligations		(44,815,494)
Net cash used by capital and related financing activities		(572,243,742)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments		18,043,625
Interest on investments		149,354,256
Investment expense		(1,943,756)
Purchases of investments		(1,104,277)
Net cash provided by investing activities		164,349,848
Net decrease in cash and cash equivalents		(109,728,540)
Cash and cash equivalents - beginning of year		3,347,563,895
Cash and cash equivalents - end of year	\$	3,237,835,355
SUPPLEMENTARY SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Gifts and contributions of capital assets	\$	361,512
Right-to-use assets under subscription arrangements		23,782,004
Right-to-use assets under lease obligations		86,511,073
Changes in unrealized appreciation on investments		(7,303,607)
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	\$	(3,008,705,158)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation and amortization expense		471,945,510
Loss on disposals of capital assets		18,577,191
Amortization of deferred service concession arrangement receipts		(34,362,496)
Gifts and other revenues, (expenses), gains, and (losses)		144,009,563
Effect of changes in assets and liabilities:		
Accounts receivable, net		(33,174,039)
Inventories		544,866
Prepaid expenses and other deferred charges		(559,507)
Notes receivable, net		1,159,146
Accounts payable and accrued liabilities		39,847,530
Unearned revenues		(27,860,308)
Accrued vacation		36,801,803
Accrued workers' compensation		(685,000)
Net pension liability and related deferred outflows and inflows of resources		99,162,842
Net cash used by operating activities	\$	(2,293,298,057)

See accompanying notes.

This page intentionally left blank.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

1. ORGANIZATION AND PURPOSE

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the System are summarized below.

Reporting Entity

The financial statements of the System include all funds and organizations included in the legal entity encompassed by the System, and other legally separate entities for which the System is financially accountable or which otherwise meet the criteria established by the Governmental Accounting Standards Board (GASB). Amounts held in System accounts on behalf of separately organized entities are included as assets, with a corresponding liability.

The System has recognized, as affiliated foundations, nine organizations created and operated in support of the interests of the System or any of the institutions that comprise the System. Each of these affiliated foundations are considered to (1) receive or hold economic resources that are to be used for the benefit of the System or its institutions, (2) receive or hold economic resources which the System or its institutions are entitled to or otherwise have the ability to access, and (3) are significant to the financial statements of the System or the institutions with which the foundation is affiliated. As a result, each of the nine affiliated foundations meet the criteria for inclusion in the financial reporting entity, and thus each of the affiliated foundations are shown in a discrete presentation.

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

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

The following affiliated foundations are considered nonmajor component units:

Bowie State University Foundation, Inc.
Towson University Foundation, Inc.
Frostburg State University Foundation, Inc.
Coppin State University Development Foundation, Inc.
University of Baltimore Foundation, Inc. and University Properties, Inc.
Salisbury University Foundation, Inc.

During the year ended June 30, 2025, affiliated foundations distributed approximately \$168,215,234 to the System and its institutions for both restricted and unrestricted purposes.

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

Under the MSP of the School of Medicine, medical services are rendered by members of the faculty in connection with their duties to provide clinical instruction for medical students and post-graduate students and to deliver healthcare to the general public and, without charge, to the indigent on behalf of the School of Medicine. The MSP also establishes the Medical Service Plan Trust Fund, the Medical School Enrichment Fund, and the Department Development Funds, which are administered by FPI. During the year ended June 30, 2025, practice plans distributed approximately \$7,650,635 to the School of Medicine for unrestricted purposes.

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

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

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

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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

	<u>2025</u>
Condensed statements of financial position	
Current assets	\$ 40,899,414
Capital assets	508,057
Other assets	<u>2,180,076</u>
Total assets	<u>\$ 43,587,547</u>
Total liabilities	<u>\$ 4,706,731</u>
Invested in capital assets, net of related debt	450,168
Unrestricted net assets	<u>38,430,648</u>
Total net assets	<u>38,880,816</u>
Total liabilities & net assets	<u>\$ 43,587,547</u>
Condensed statements of activities	
Operating revenues	<u>\$ 50,540,375</u>
Operating expenses:	
Depreciation and amortization	60,455
Other expenses	<u>52,051,022</u>
Total operating expenses	<u>52,111,477</u>
Operating loss	(1,571,102)
Nonoperating revenues	<u>989,117</u>
Net loss	(581,985)
Beginning net assets	<u>39,462,801</u>
Ending net assets	<u>\$ 38,880,816</u>
Condensed statements of cash flows	
Net cash (used) provided by:	
Operating activities	\$ (1,663,453)
Investing activities	<u>6,234,353</u>
Beginning cash and cash equivalents	<u>14,967,002</u>
Ending cash and cash equivalents	<u>\$ 19,537,902</u>

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Measurement Focus and Basis of Accounting

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

Operating and Nonoperating Revenues and Expenses

Operating revenues and expenses are generally associated with those activities that relate directly to the core activities of instruction, research and public service that form the essence of the System's mission. Nonoperating revenues, expenses, gains and losses represent amounts that recur regularly but are not included in operating revenues and expenses. Accounting principles generally accepted in the United States of America define State appropriations as nonoperating revenue.

Cash and Cash Equivalents

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

Investments

Investments are valued at fair value.

Inventories

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

Capital Assets

Property, plant, equipment, and books and materials which are part of a catalogued library, are stated principally at cost at the date of acquisition, or estimated acquisition value at the date of donation in the case of gifts. Personal property with an original cost of more than \$5,000 and outlays for real property in excess of \$250,000 are considered capital assets.

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

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

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

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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

Deferred Outflows/Inflows of Resources

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

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

Compensated Absences

Full-time System employees earn annual leave at the rate of 14 to 25 days per year, depending upon the length of service and the position held by the employee. Employees who are appointed at least 50% time earn annual leave on a pro rata basis. A maximum of 480 hours of annual leave may be carried into a new calendar year by all regular full-time employees. Upon separation, System employees are entitled to compensation for up to 400 hours of annual leave carried over from the previous year plus any unused annual leave that has been credited and is available for use during the year of separation as of the date of separation.

Full-time System employees earn sick and safe leave at the rate of 120 hours per year, accrued on a biweekly basis. Employees who are appointed at least 50% time earn sick and safe leave on a pro rata basis. Sick and safe leave is accumulated and carried forward from year to year without limit. Employees are not paid for accumulated sick and safe leave at separation from the System. A liability for annual and sick leave is recognized in the System's financial statements when the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

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.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Net Position

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

Scholarship Allowances

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

Use of Estimates

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

Adoption of New Accounting Pronouncements

Effective for the fiscal year ended June 30, 2025, the System implemented GASB Statement No. 101, *Compensated Absences*, which requires a liability to be recognized in the System's financial statements when leave is attributable to services already rendered, when the leave carries forward, and when it is more likely than not that the leave will be used for time off or paid out to the employee.

Effective for the fiscal year ended June 30, 2025, the System implemented GASB Statement No. 102, *Financial Reporting Model Improvements*, which requires the System to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints.

Upcoming Accounting Pronouncements

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision-making and assessing a government's accountability. This Statement also addresses certain application issues of the reporting model. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The primary

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

The System will be analyzing the effects of these standards and will adopt them by their effective dates.

3. CASH AND INVESTMENTS

Cash and cash equivalents

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

	2025
Cash and short-term investments on deposit with the State Treasurer	\$3,156,161,830
Demand and time deposits	<u>47,706,600</u>
Total	<u>\$3,203,868,430</u>

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

As of June 30, 2025, the carrying amount of the System's demand and time deposits was \$47,706,600 as compared to bank balances of \$48,367,660. The difference is primarily due to items in-transit. Of the bank balances, \$27,958,410 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 \$20,409,250 was uninsured and uncollateralized.

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

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

- United States Treasury and agency obligations.
- Deposits, having a maturity of no more than 365 days, in any bank, savings institution or trust company to the extent such deposits are fully insured or collateralized.
- 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
YEAR ENDED JUNE 30, 2025

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

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

	2025
Money market accounts – endowment fund uninvested cash	\$ 50,630
Money market accounts – unspent proceeds of debt	<u>33,916,295</u>
Total	<u>\$ 33,966,925</u>

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

Investments

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

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

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

The System discloses investment risks as follows:

Interest rate risk

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

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

Custodial credit risk

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Endowment investments

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

	2025
Corporate debt	\$ 7,200
Corporate equities	238,201
Assets invested with USMF	<u>543,065,018</u>
 Total	 <u>\$543,310,419</u>

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

	2025
Perpetual endowments	\$172,000,879
Funds functioning as endowments	365,497,322
Term endowments	<u>5,812,218</u>
 Total	 <u>\$543,310,419</u>

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

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

Net appreciation on investments of the perpetual endowment funds totaled \$125,763,387 as of June 30, 2025. 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 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.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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, 2025, income attributed to unrestricted funds and restricted funds was:

Unrestricted funds	\$162,967,669
Restricted funds	<u>27,320,968</u>
Total	<u>\$190,288,637</u>

4. FAIR VALUE MEASUREMENTS

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

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

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

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

System endowment investments are largely a proportionate interest in an investment portfolio managed by the USMF. As of June 30, 2025 the System also holds corporate debt investments of \$7,200 that are classified as level 3 investments, and corporate equity investments of \$238,201 that are classified as level 1 investments.

As of June 30, 2025, System other investments include partnership and equity interests of \$35,918,849 that are classified as level 3 investments. As of June 30, 2025, other investments include mutual funds and short-term securities of \$15,755,736 that are classified as level 1 investments.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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.

The following table shows the USMF's investments using the three-level fair value hierarchy as of June 30, 2025:

Investments by fair value level	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Money market funds and short-term investments	\$ 143,164,000	\$ 143,164,000		
ETF's and mutual funds	42,711,000	42,711,000		
Common stock	2,915,000	2,915,000		
Separately managed accounts	303,896,000		\$ 209,174,000	\$ 94,722,000
Total investments by fair value level	492,686,000	\$ 188,790,000	\$ 209,174,000	\$ 94,722,000
Investments measured at net asset value (NAV)				
Intermediate assets	247,749,000			
Public equity	820,854,000			
Liquid credit	83,741,000			
Marketable Diversifiers	109,283,000			
Private risk assets	775,342,000			
Total investments measured at NAV	2,036,969,000			
Total investments	2,529,655,000			
Due to other System component units	(1,312,530,000)			
Total USMF investments reported	1,217,125,000			
Due to the System	(543,065,018)			
Total USMF investments	\$ 674,059,982			

System component unit investments managed by the USMF of \$1,312,530,000 were eliminated from the USMF financial statements as of June 30, 2025.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Investments measured at net asset value

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

Due to the limited availability of valuation data as of the USMF's year-end, management utilizes the most recent NAV or ownership percentage which may be on a month to quarter lag. Management adjusts the net asset value or ownership percentage to be more representative of the year-end fair value by including capital contributions, and redemptions or returns of capital during the gap period. Management will also adjust for known performance adjustments for private investments that hold publicly traded securities. Performance adjustments ranged from 0.10% to 9.09% for those investments on a lag. No performance adjustments are made to investments on a quarter lag given the unobservability of investment performance at the time of report issuance.

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

As of June 30, 2025, unfunded commitments within the private investments measured at NAV equaled approximately \$572 million. There were no purchases or sales of the Level 3 investments in fiscal year ended June 30, 2025.

The Foundation committed \$1.75 billion to private capital as of June 30, 2025, of which \$1.18 billion has been called as of June 30, 2025. These commitments are to be funded through transfers from other Level 3 investments and cash.

The following table shows FPI's investments at fair value as of June 30, 2025:

Investments	\$ 23,977,523
Monies held on behalf of others	36,279,676
Assets limited as to use	<u>123,791,519</u>
Total	<u>\$ 184,048,718</u>

Investments include cash equivalents and common stocks, preferred stocks and mutual funds amounting to \$2,429,563 which are considered Level 1 in the fair value hierarchy, and the remainder investments are measured using the NAV per share, or its equivalent, as a practical expedient are not required to be categorized within the fair value hierarchy. These investments include the assets limited as to use set aside at the discretion of the board of directors for self-insurance trust arrangements which includes assets of the Maryland Medicine Comprehensive Insurance Program (MMCIP) Self-insurance Trust. These portfolios contain Level 1, Level 2 and alternative investments. As of June 30, 2025, the majority

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

of these investments are subject to 30 day or less notice requirements and are available to be redeemed on at least a monthly basis.

As of June 30, 2025, monies held on behalf of others presented on the consolidated statements of financial position are inclusive of \$105,616,821 of cash deposits.

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

Accounts receivable as of June 30, were comprised of:

	2025
Tuition and fees	\$135,338,251
Contracts and grants	327,541,082
Other	<u>69,596,469</u>
Subtotal	532,475,802
Less: allowance for doubtful accounts receivable	<u>(46,663,603)</u>
Accounts receivable, net	<u><u>\$485,812,199</u></u>

Notes receivable as of June 30, were comprised of:

	2025
Student loans	\$ 9,638,662
Business development loans	<u>5,043,007</u>
Subtotal	14,681,669
Less: allowance for doubtful accounts receivable	<u>(6,773,072)</u>
Notes receivable, net	<u><u>\$ 7,908,597</u></u>

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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

	<u>2025</u>
Payroll and benefits	\$249,043,539
Suppliers and contractors	220,739,663
Accrued interest payable	9,542,093
Asset retirement obligations	17,261,874
Other	48,286,776
Accounts payable and accrued liabilities	<u>\$544,873,945</u>

Major component units

Accounts receivable include unconditional promises of contributions pledged to the affiliated foundations. Promised contributions are recorded at a discounted value that reflects the time value of money.

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

University System of Maryland Foundation, Inc.

<u>Due</u>	<u>Discount Rates</u>	<u>2025</u>
Within one year	Not applicable	\$ 8,900,000
One to five years	8.50%	<u>1,438,000</u>
Subtotal		10,338,000
Less: pledge discount		<u>(330,000)</u>
Net contributions receivable		<u>\$ 10,008,000</u>

University of Maryland, College Park Foundation, Inc.

<u>Due</u>	<u>Discount Rates</u>	<u>2025</u>
Within one year	Not applicable	\$ 80,142,000
Two to five years	5.94%	39,569,000
More than five years	7.50%	<u>5,418,000</u>
Subtotal		125,129,000
Less: allowance for doubtful accounts		<u>(3,646,000)</u>
Less: pledge discount		<u>(6,421,000)</u>
Net contributions receivable		<u>\$115,062,000</u>

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

University of Maryland, Baltimore Foundation, Inc.

Due	Discount Rates	2025
Within one year	Not applicable	\$ 19,274,052
One to five years	3.68%	13,973,010
More than five years	3.68%	<u>3,845,750</u>
Subtotal		37,092,812
Less: allowance for doubtful accounts		(1,499,920)
Less: pledge discount		<u>(2,656,757)</u>
Net contributions receivable		<u>\$ 32,936,135</u>

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**6. CHANGES IN NET CAPITAL ASSETS**

Changes in net capital assets for the year ended June 30, 2025 are as follows:

	June 30, 2024	Additions	Decreases	June 30, 2025
Capital assets being depreciated:				
Infrastructure & land improvements	\$ 670,801,307	\$ 20,394,992	\$ 38,543,068	\$ 691,196,299
Buildings & improvements	10,485,377,860	485,148,006	31,346,790	10,931,982,798
Contents	1,697,545,270	68,230,728		1,734,429,208
Assets acquired with notes payable	35,000,000			35,000,000
Right-to-use equipment under lease agreements	8,972,993	933,891	1,696,526	8,210,358
Right-to-use buildings under lease agreements	119,257,311	52,002,156	8,866,813	162,392,654
Right-to-use subscription assets	78,964,603	161,468,992	7,066,895	233,366,700
Total capital assets being depreciated	13,095,919,344	788,178,765	87,520,092	13,796,578,017
Less accumulated depreciation and amortization:				
Infrastructure & land improvements	410,808,448	21,143,089	91,360	431,860,177
Buildings & improvements	4,650,410,446	298,971,050	15,734,978	4,933,646,518
Contents	1,317,081,425	92,719,690	34,657,355	1,375,143,760
Assets acquired with notes payable	9,375,000	6,625,000		16,000,000
Right-to-use equipment under lease agreements	6,463,065	1,295,393	1,702,039	6,056,419
Right-to-use buildings under lease agreements	48,481,771	20,180,960	6,205,930	62,456,801
Right-to-use subscription assets	30,803,760	31,010,328	7,790,665	54,023,423
Total accumulated depreciation and amortization	6,473,423,915	471,945,510	66,182,327	6,879,187,098
Total capital assets being depreciated, net	6,622,495,429	316,233,255	21,337,765	6,917,390,919
Capital assets not being depreciated:				
Land	213,614,919	351,647	568,002	213,398,564
Contents	32,659,001			32,659,001
Construction in progress	880,136,546	314,747,649	363,289,417	831,594,778
Total capital assets not being depreciated	1,126,410,466	315,099,296	363,857,419	1,077,652,343
Capital assets, net	\$ 7,748,905,895	\$ 631,332,551	\$ 385,195,184	\$ 7,995,043,262

This page intentionally left blank.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

7. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

	2025
Unamortized loss on refundings of debt	\$ 2,231,549
Deferred outflows related to asset retirement obligations	10,073,104
Deferred outflows related to the pension liability	<u>637,434,619</u>
Total deferred outflows of resources	<u><u>\$649,739,272</u></u>

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

	2025
Public-private partnership receipts	\$192,567,467
Deferred inflows related to leasing activity	21,938,808
Deferred inflows related to the pension liability	<u>50,063,832</u>
Total deferred inflows of resources	<u><u>\$264,570,107</u></u>

8. PUBLIC-PRIVATE PARTNERSHIPS FOR STUDENT HOUSING

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

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

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

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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

	<u>2025</u>
Capital assets, net – Buildings & improvements	\$190,751,856
Deferred service concession arrangement receipts	192,567,467

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 \$15,175,646 as of June 30, 2025. The reactor had a remaining useful life of 14 years as of June 30, 2025.

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, 2025.

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, 2025.

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 \$17,261,874, as of June 30, 2025, are included in accounts payable and accrued liabilities. The System is financially prepared to fund and satisfy all asset retirement obligations when required.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

10. RESTRICTED NET POSITION

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

	2025
Nonexpendable	
Scholarships and fellowships	\$ 21,539,187
Research	7,768,341
Other	<u>16,929,964</u>
Total restricted nonexpendable net position	<u>\$ 46,237,492</u>
Expendable	
Scholarships and fellowships	\$ 50,003,190
Research	122,307,612
Loans	16,881,568
Capital projects	5,101,810
Other	<u>36,736,525</u>
Total restricted expendable net position	<u>\$231,030,705</u>

Major component units

Net assets with donor restrictions as of June 30, 2025, were as follows:

	University System of Maryland Foundation, Inc.	University of Maryland College Park Foundation, Inc.	University of Maryland Baltimore Foundation, Inc.
Scholarships & fellowships	\$ 274,376,000	\$ 319,756,275	\$ 95,823,464
Research	25,878,000	41,113,395	23,722,605
Other	<u>202,737,000</u>	<u>812,103,259</u>	<u>355,932,578</u>
Total net assets with donor restrictions	<u>\$ 502,991,000</u>	<u>\$1,172,972,929</u>	<u>\$ 475,478,647</u>

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

11. REVENUE BONDS AND NOTES PAYABLE

The System finances the construction, renovation and acquisition of certain facilities and equipment through the issuance of debt obligations. State law limits the aggregate principal amount of debt outstanding and the present value of future minimum lease payments on lease obligations for real property to no more than \$1,700,000,000.

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

	2025
Revenue Bonds, net	\$1,092,508,300
Other	<u>28,338,161</u>
Revenue bonds and notes payable, net	<u><u>\$1,120,846,461</u></u>

Auxiliary Facility and Tuition Revenue Bonds

As of June 30, 2025, Auxiliary Facility and Tuition Revenue Bonds (Revenue Bonds) consisted of the following:

	Interest Rates	Maturity Dates	Principal Outstanding
2012 Series D	3.00%	2026-2027	\$ 11,430,000
2015 Series A	3.00% - 3.50%	2026-2028	18,795,000
2016 Series A	3.00% - 5.00%	2026-2036	92,675,000
2016 Refunding Series B	2.375% - 5.00%	2026-2030	29,270,000
2017 Series A	4.00% - 5.00%	2026-2037	81,560,000
2018 Series A	3.00% - 5.00%	2026-2038	85,995,000
2019 Series A	3.00% - 5.00%	2026-2039	84,350,000
2019 Refunding Series B	5.00%	2026-2029	22,615,000
2019 Refunding Series C	5.00%	2026-2030	64,950,000
2021 Series A	4.00% - 5.00%	2026-2051	186,925,000
2021 Refunding Series B	0.70% - 1.79%	2026-2034	103,875,000
2022 Series A	3.00% - 5.00%	2026-2052	91,770,000
2022 Refunding Series B	5.00%	2026	6,350,000
2024 Series A	4.00% - 5.00%	2026-2054	72,915,000
2024 Refunding Series B	5.00%	2026-2028	<u>22,345,000</u>
Subtotal			975,820,000
Unamortized discounts and premiums			<u>116,688,300</u>
Revenue Bonds, net			<u><u>\$ 1,092,508,300</u></u>

Revenue Bonds have been issued pursuant to an Indenture of Trust, an agreement entered into with a trustee for the benefit of holders of Revenue Bonds. Pursuant to the Indenture of Trust, the System has agreed to charge and collect tuition revenues and net auxiliary facility fees in an amount that is not less than 200% of the maximum future annual debt service on Revenue Bonds. For the current year, principal and interest paid and total tuition and auxiliary facility fees were \$128,528,540 and \$2,703,051,609, respectively.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

As of June 30, 2025, no previously issued debt was removed from the System's financial statements through advance refunding transactions.

As of June 30, 2025, cash and cash equivalents and investments restricted by the terms of the Indenture of Trust totaled \$33,966,925.

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, 2025, 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	
2026	\$ 86,810,000	\$ 38,056,040	\$ 1,995,848	\$ 590,178	\$ 127,452,066
2027	90,870,000	33,939,695	1,939,355	545,918	127,294,968
2028	88,695,000	30,044,616	1,854,181	505,127	121,098,924
2029	84,620,000	26,127,826	1,694,543	463,106	112,905,475
2030	80,535,000	22,676,115	1,730,964	426,685	105,368,764
2031 - 2035	278,690,000	76,416,754	9,231,031	1,557,217	365,895,002
2036 - 2040	145,830,000	36,085,744	9,892,239	516,596	192,324,579
2041 - 2045	58,350,000	17,528,100			75,878,100
2046 - 2050	46,930,000	8,176,550			55,106,550
2051 - 2055	14,490,000	719,750			15,209,750
Total	\$ 975,820,000	\$ 289,771,190	\$ 28,338,161	\$ 4,604,827	\$ 1,298,534,178

12. LEASES

Lessee arrangements

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

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Total future minimum lease payments under lease agreements as of June 30, 2025, are as follows:

Year ending June 30,	Principal	Interest	Total Payments
2026	\$ 17,156,611	\$ 2,687,919	\$ 19,844,530
2027	15,574,792	2,234,679	17,809,471
2028	16,193,510	2,393,741	18,587,251
2029	12,761,764	1,274,169	14,035,933
2030	11,432,052	946,089	12,378,141
2031 - 2035	29,441,421	2,032,126	31,473,547
2036 - 2040	1,415,738	208,560	1,624,298
2041 - 2045	407,310	19,078	426,388
Total	\$ 104,383,198	\$ 11,796,361	\$ 116,179,559

Lessor

The System, acting as lessor, leases land and buildings under long-term, non-cancelable lease agreements. The System recognized a lease receivable and a deferred inflow of resources in its financial statements. The leases expire at various dates and provide for renewal options. During the year ended June 30, 2025, the System recognized \$5,902,398 and \$526,459 in lease revenue and interest revenue, respectively, pursuant to these contracts.

13. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The System has entered into contracts granting the System the right to use vendor-provided information technology for various terms under long-term, non-cancelable subscription agreements, referred to as Subscription-Based Information Technology Arrangements (SBITAs). Upon inception, the System recognizes a liability and an intangible right-to-use asset in its financial statements. Right-to-use assets acquired through SBITAs are shown with related accumulated depreciation in Note 6. Many of the subscriptions provide for an optional extension of the terms of the agreements and increases in payment amounts based on changes in indices such as the Consumer Price Index. The subscriptions expire at various dates through 2034.

Total future minimum subscription payments under SBITAs as of June 30, 2025, are as follows:

Year ending June 30,	Principal	Interest	Total Payments
2026	\$ 23,212,205	\$ 2,863,020	\$ 26,075,225
2027	16,259,517	2,264,715	18,524,232
2028	11,382,790	1,786,917	13,169,707
2029	10,268,130	1,441,218	11,709,348
2030	9,053,635	1,125,386	10,179,021
2031 - 2035	28,632,835	2,073,707	30,706,542
Total	\$ 98,809,112	\$ 11,554,963	\$ 110,364,075

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

14. AUXILIARY ENTERPRISES

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

	2025
Residential facilities	\$236,282,841
Less: scholarship allowances	<u>(31,623,140)</u>
	\$204,659,701
Dining facilities	157,033,104
Less: scholarship allowances	<u>(15,475,591)</u>
	141,557,513
Intercollegiate athletics	171,155,343
Less: scholarship allowances	<u>(9,604,723)</u>
	161,550,620
Bookstore	15,439,527
Less: scholarship allowances	<u>(2,474,608)</u>
	12,964,919
Parking facilities	58,117,931
Less: scholarship allowances	<u>(142,332)</u>
	57,975,599
Other	179,798,734
Less: scholarship allowances	<u>(520,198)</u>
	179,278,536
Total auxiliary enterprises revenues	<u><u>\$757,986,888</u></u>

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

	2025
Residential facilities	\$220,431,110
Dining facilities	169,362,313
Intercollegiate athletics	189,035,193
Bookstore	16,130,228
Parking facilities	39,059,847
Other	<u>195,629,869</u>
Total auxiliary enterprises expenses	<u><u>\$829,648,560</u></u>

This page intentionally left blank.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

15. CHANGES IN LONG-TERM LIABILITIES

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

	June 30, 2024	Additions	Decreases	June 30, 2025	Due Within One Year
Compensated absences	\$ 334,716,508	\$ 181,778,064	\$ 144,976,261	\$ 371,518,311	\$ 170,528,882
Accrued workers' compensation	27,977,000	4,161,602	4,846,602	27,292,000	4,093,800
Revenue bonds and notes payable, net	1,221,398,083		100,551,622	1,120,846,461	88,805,848
Obligations under subscription arrangements	43,408,030	86,511,075	31,109,993	98,809,112	23,212,205
Obligations under lease agreements	86,677,156	41,165,689	23,459,647	104,383,198	17,156,611
Net pension liability	1,499,173,353	286,809,680		1,785,983,033	
Total long-term liabilities	\$ 3,213,350,130	\$ 600,426,110	\$ 304,944,125	\$ 3,508,832,115	\$ 303,797,346

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**16. OPERATING EXPENSES BY OBJECT**

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

	2025			
	Employee	Payments to Suppliers, Contractors and Others	Depreciation and Amortization	Total
Instruction	\$ 1,577,619,833	\$ 121,970,105	\$ 90,787,013	\$ 1,790,376,951
Research	899,420,101	472,215,992	40,546,935	1,412,183,028
Public service	521,717,985	101,311,984	6,774,864	629,804,833
Academic support	499,220,725	160,233,283	47,683,048	707,137,056
Student services	306,465,206	168,368,237	11,205,572	486,039,015
Institutional support	590,162,837	213,501,790	38,366,793	842,031,420
Operation and maintenance of plant	214,023,788	219,992,131	87,607,110	521,623,029
Scholarships and fellowships	24,203,690	204,296,037		228,499,727
Auxiliary enterprises:				
Residential facilities	72,388,245	71,137,053	76,905,812	220,431,110
Dining facilities	62,043,736	97,420,715	9,897,862	169,362,313
Intercollegiate athletics	98,752,408	74,957,032	15,325,753	189,035,193
Bookstore	4,181,881	11,948,347		16,130,228
Parking facilities	25,345,470	7,282,254	6,432,123	39,059,847
Other auxiliary enterprises	80,583,338	74,633,906	40,412,625	195,629,869
Total	\$ 4,976,129,243	\$ 1,999,268,866	\$ 471,945,510	\$ 7,447,343,619

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

17. RETIREMENT AND PENSION PLANS

General Information about the Pension Plan

Plan description

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

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

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
YEAR ENDED JUNE 30, 2025

Contributions

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

The System's required contribution for the year ended June 30, 2025 was \$211,482,616 and was actuarially determined as an amount that, when combined with the State of Maryland and employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability (State only).

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

As of June 30, 2025 the System reported a liability of \$1,785,983,033 as its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 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, 2025 and 2024, the System's proportion for the net pension liability was 7.33% and 7.00%, respectively.

For the year ended June 30, 2025, the System recognized pension expense of \$112,324,843. As of June 30, 2025, the System reported deferred outflows of resources and deferred inflows of resources related to the net pension liability of the following sources:

	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$117,875,168	
Net difference between projected and actual earnings on pension plan investments	123,772,382	
Contributions made subsequent to the measurement date	211,482,616	
Change in proportionate share	1,593,951	\$ 8,574,454
Difference between actual and expected experience	182,710,502	41,489,378
Total	\$637,434,619	\$ 50,063,832

The System reported \$211,482,616 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 ending June 30, 2027.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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
2026	\$ 77,877,198	\$ 23,333,727
2027	192,663,013	18,097,893
2028	86,410,310	7,152,555
2029	48,929,113	1,479,657
2030	20,072,369	
Total	\$425,952,003	\$ 50,063,832

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 7.33 percent is \$1,785,983,033. The System's proportionate share of the net pension liability, if it were calculated using a discount rate that is 1-percentage-point lower (6.33 percent) is \$2,595,649,339, or 1-percentage-point higher (8.33 percent) is \$1,111,069,100.

Optional Retirement Program

Another option for employees if they choose not to participate in the MSRPS is the optional retirement programs (ORP), which are defined contribution money purchase plans funded currently each year and invested in specific funds offered by one of two vendors. In defined contribution plans, benefits depend solely on amounts contributed plus investment earnings.

Qualified employees are eligible to participate from the date of employment. Employees in both the ORP and the State System can also participate in supplemental retirement plans.

State legislation provides that the System contribute 7.25 percent of covered employees' annual salaries each month. The employee does not have to contribute to the plan in order to receive the System's contribution. The System's contribution along with that of the employee is immediately and fully vested. Payroll for employees covered in the ORP for the year ended June 30, 2025, was \$1,915,418,880.

The amount contributed by the System for employees participating in the ORP for the year ended June 30, 2025 was \$138,867,869.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Major Component Units

The USMF maintains a defined contribution plan for certain personnel provided by TIAA-CREF. The USMF contributes 7.25 percent of the employees' compensation to the plan. In addition, eligible employees are entitled to make voluntary contributions to the plan. Total retirement plan expense for the year ended June 30, 2025, was approximately \$323,000.

18. OTHER POSTEMPLOYMENT BENEFITS

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

State Employee and Retiree Health and Welfare Benefits Program of Maryland

Plan Description

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

www.marylandtaxes.com

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

Funding Policy

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

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

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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, 2025, 2024, and 2023. The amount contributed for the years ended June 30, 2025, 2024, and 2023 was \$130,413,810, \$165,304,663, and \$122,470,987 respectively.

19. CONSTRUCTION COMMITMENTS

The estimated costs to complete construction in progress as of June 30, 2025 is \$552,295,000 of which \$60,332,000 is to be funded from Revenue Bond proceeds, \$383,248,000 is to be derived from State capital appropriations and grants, and \$108,715,000 to be provided from System funds.

20. CONTINGENT LIABILITIES

The System has entered into future purchase commitments for natural gas and electricity, as a means of hedging its risk against fluctuations in price of an important fuel commodity and electricity supplies. As of June 30, 2025, the System had entered into open contracts for the purchase of \$6,524,575 of natural gas to be delivered through June 2027. Future purchase commitments for electricity to be supplied through June 2027 totaled \$38,848,945 as of June 30, 2025. 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, 2025, the System estimates that adjustments, if any, as a result of such audits would not have a material adverse effect on the accompanying financial statements.

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

21. RISK MANAGEMENT

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

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

The System records a liability when it is probable that a loss has been incurred and the amount of that loss can be reasonably estimated. Liabilities recorded include a provision for claims incurred but not reported. Because actual claims liabilities depend on such complex factors such as inflation, changes in legal doctrines, and damage awards, actual claims could differ from estimates. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Liabilities for incurred workers' compensation losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

a 4% discount rate. The provision for workers' compensation is based upon a separately determined actuarial valuation for the fiscal year ended June 30, 2025. Settlement amounts have not exceeded insurance coverage levels for the years ended June 30, 2025, 2024, or 2023. As of June 30, 2025, the System has recorded \$27,292,000 in liabilities associated with workers' compensation, respectively.

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

UNIVERSITY SYSTEM OF MARYLAND

REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

SCHEDULE OF PROPORTIONATE SHARE OF PENSION LIABILITY

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
The System's proportion of the net pension liability	7.330%	7.000%	7.000%	7.010%	6.610%	6.610%	6.660%	5.540%	5.580%	5.120%
The System's proportionate share of the net pension liability	\$1,785,983,033	\$1,499,173,353	\$1,304,919,638	\$ 977,354,142	\$1,395,144,942	\$1,275,563,402	\$1,309,998,345	\$1,130,058,957	\$1,216,808,542	\$ 966,400,173
The System's covered-employee payroll	992,330,627	810,901,858	727,658,096	728,386,990	641,284,925	663,610,683	643,954,572	640,734,064	602,991,802	625,011,000
The System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	180%	185%	179%	134%	218%	192%	203%	175%	190%	160%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	73.80%	76.30%	82.00%	70.70%	72.34%	71.18%	69.38%	65.79%	68.78%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 211,482,616	\$ 182,922,659	\$ 166,335,513	\$ 148,933,334	\$ 149,169,018	\$ 140,862,090	\$ 127,554,617	\$ 124,482,282	\$ 127,341,536	\$ 108,699,493
Contributions in relation to the contractually required contribution	(211,482,616)	(182,922,659)	(166,335,513)	(148,933,334)	(149,169,018)	(140,862,090)	(127,554,617)	(124,482,282)	(127,341,536)	(108,699,493)
Contribution deficiency (excess)	None									
The System's covered-employee payroll	\$ 992,330,627	\$ 871,180,910	\$ 810,901,858	\$ 727,658,096	\$ 728,386,990	\$ 641,284,925	\$ 663,610,683	\$ 643,954,572	\$ 640,734,064	\$ 602,991,802
Contributions as a percentage of covered-employee payroll	21.31%	21.00%	20.51%	20.47%	20.48%	21.97%	19.22%	19.33%	19.87%	18.03%

SCHEDULE OF CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution	\$ 130,413,810	\$ 165,304,663	\$ 122,470,987	\$ 104,579,077	\$ 89,821,855	\$ 86,698,017	\$ 87,680,958	\$ 74,945,815	\$ 96,216,009
Contributions in relation to the statutorily required contribution	(130,413,810)	(165,304,663)	(122,470,987)	(104,579,077)	(89,821,855)	(86,698,017)	(87,680,958)	(74,945,815)	(96,216,009)
Contribution deficiency (excess)	None								
The System's covered-employee payroll	\$2,734,730,469	\$2,655,078,125	\$2,192,816,482	\$2,189,042,706	\$2,003,657,367	\$1,936,933,552	\$1,916,898,172	\$1,884,516,905	\$1,884,516,905
Contributions as a percentage of covered-employee payroll	4.77%	6.23%	5.59%	4.78%	4.10%	4.33%	4.53%	3.91%	5.11%

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

This page intentionally left blank.

SUPPLEMENTARY DATA

**UNIVERSITY OF MARYLAND, BALTIMORE
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Institution	Component Units
ASSETS		
Current assets		
Cash and cash equivalents	\$ 592,156,392	\$ 81,188,894
Accounts receivable, net	127,273,712	93,116,500
Leases receivable, current portion, net	226,343	
Notes receivable, current portion, net	614,451	
Inventories	92,203	
Prepaid expenses and other	1,482,090	161,598,426
Inter-institutional balances	13,750,296	
Total current assets	735,595,487	335,903,820
Noncurrent assets		
Accounts receivable, net	14,528,866	
Endowment investments	150,506,165	399,919,476
Other investments	4,357,678	294,692,219
Leases receivable, net	1,402,870	
Notes receivable, net	6,116,122	
Other assets	134,996,978	
Capital assets, net	984,069,887	68,989,703
Total noncurrent assets	1,146,452,722	913,127,242
Total assets	1,882,048,209	1,249,031,062
DEFERRED OUTFLOWS OF RESOURCES		
Total assets and deferred outflows of resources	\$ 2,024,227,583	\$ 1,249,031,062
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 103,416,468	\$ 257,098,835
Accrued workers' compensation, current portion	1,029,000	
Compensated absences, current portion	64,105,953	
Obligations under subscription arrangements, current portion	2,147,010	
Obligations under lease arrangements, current portion	2,733,885	3,646,896
Revenue bonds and notes payable, current portion	6,242,768	900,000
Unearned revenues	96,098,684	320,558
Total current liabilities	275,773,768	261,966,289
Noncurrent liabilities		
Accrued workers' compensation	5,831,000	
Compensated absences	64,297,097	
Endowments invested on behalf of primary government		150,506,165
Other payables		39,334,253
Obligations under subscription arrangements	4,835,887	
Obligations under lease arrangements	26,322,456	46,692,783
Revenue bonds and notes payable	42,508,343	4,331,503
Net pension liability	394,841,405	
Total noncurrent liabilities	538,636,188	240,864,704
Total liabilities	814,409,956	502,830,993
DEFERRED INFLOWS OF RESOURCES		
NET POSITION		
Unrestricted	202,948,165	251,705,465
Net investment in capital assets	899,718,436	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	11,113,277	
Research	4,169,391	
Other	10,298,751	
Expendable:		
Scholarships and fellowships	31,499,791	
Research	10,118,906	
Loans	11,332,191	
Other	21,241,381	
Net assets with donor restrictions		494,494,604
Total net position	1,202,440,289	746,200,069
Total liabilities, deferred inflows of resources and net position	\$ 2,024,227,583	\$ 1,249,031,062

**UNIVERSITY OF MARYLAND, BALTIMORE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025**

	Institution	Component Units
OPERATING REVENUES		
Tuition and fees	\$ 181,866,916	
Less: scholarship allowances	<u>(42,919,941)</u>	\$ 138,946,975
Federal grants and contracts	299,660,024	
State and local grants and contracts	134,471,867	
Nongovernmental grants and contracts	114,416,329	
Sales and services of educational departments	403,073,942	
Auxiliary enterprises:		
Residential facilities	2,042,082	
Parking facilities	16,497,040	
Other auxiliary enterprises revenues	<u>15,478,027</u>	
Total operating revenues	<u>1,124,586,286</u>	
OPERATING EXPENSES		
Instruction	256,133,126	
Research	472,281,294	
Public service	419,010,875	
Academic support	83,527,883	
Student services	18,768,479	
Institutional support	129,851,253	
Operation and maintenance of plant	122,118,831	
Scholarships and fellowships	1,775,716	
Auxiliary enterprises:		
Residential facilities	1,319,245	
Parking facilities	8,968,457	
Other auxiliary enterprises expenses	<u>15,348,239</u>	
Total operating expenses	<u>1,529,103,398</u>	
Operating loss	<u>(404,517,112)</u>	
NONOPERATING REVENUES (EXPENSES)		
State appropriations	377,622,709	
Pell grants	1,994,630	
Gifts	27,849,323	\$ 92,860,004
Investment income	36,101,884	48,934,538
Less: investment expense	<u>(599,558)</u>	
Interest on indebtedness	35,502,326	
Other revenues, (expenses), gains and (losses)	(1,656,945)	
Other affiliated foundation revenues	(6,611,594)	
Other affiliated foundation expenses	116,928,462	
Transfers from other University System of Maryland institutions	(201,983,669)	
Total nonoperating revenues	<u>1,301,506</u>	
Income before other revenues	<u>436,001,955</u>	<u>56,739,335</u>
OTHER REVENUES		
Capital appropriations	23,073,192	
Additions to endowments	<u>155,370</u>	
Total other revenues	<u>23,228,562</u>	
Increase in net position	<u>54,713,405</u>	<u>56,739,335</u>
Net position - beginning of year	<u>1,147,726,884</u>	<u>689,460,734</u>
Net position - end of year	<u>\$1,202,440,289</u>	<u>\$ 746,200,069</u>

**UNIVERSITY OF MARYLAND, BALTIMORE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 142,490,110
Research contracts and grants	553,421,057
Payments to employees	(1,130,676,630)
Payments to suppliers and contractors	(293,273,123)
Loans issued to students	(937,324)
Collection of loans to students	1,178,193
Student direct lending payments	(144,244,489)
Student direct lending receipts	144,244,489
Auxiliary enterprises:	
Residential facilities	874,104
Parking facilities	16,497,040
Other	15,478,027
Other receipts	<u>392,324,550</u>
Net cash used by operating activities	<u>(302,623,996)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State appropriations	377,622,709
Gifts and grants received for other than capital purposes:	
Private gifts for endowment purposes	155,370
Pell grants	<u>1,994,630</u>
Net cash provided by noncapital financing activities	<u>379,772,709</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital appropriations	23,073,192
Proceeds from sales of capital assets	2,608,589
Purchases of capital assets	(140,168,411)
Principal paid on debt and leases	(13,133,794)
Interest paid on debt and leases	(2,321,971)
Transfers from other University System of Maryland institutions	<u>17,312,975</u>
Net cash used by capital and related financing activities	<u>(112,629,420)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	6,237,763
Interest on investments	24,776,200
Investment expense	(599,558)
Purchases of investments	<u>(255,370)</u>
Net cash provided by investing activities	<u>30,159,035</u>
Net decrease in cash and cash equivalents	<u>(5,321,672)</u>
Cash and cash equivalents - beginning of year	<u>597,478,064</u>
Cash and cash equivalents - end of year	<u>\$ 592,156,392</u>

**UNIVERSITY OF MARYLAND, COLLEGE PARK
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Institution	Component Units
ASSETS		
Current assets		
Cash and cash equivalents	\$ 912,112,579	\$ 41,288,943
Accounts receivable, net	172,578,275	77,953,855
Leases receivable, current portion, net	1,896,878	
Notes receivable, current portion, net	41,320	
Inventories	3,756,751	
Prepaid expenses and other	6,178,443	103,110
Inter-institutional balances	(3,750,938)	
Total current assets	1,092,813,308	119,345,908
Noncurrent assets		
Accounts receivable, net	37,338,561	
Endowment investments	257,936,151	1,002,951,289
Other investments	21,416,652	474,578,318
Leases receivable, net	7,787,778	
Notes receivable, net	565,903	
Other assets	6,169,482	
Capital assets, net	2,705,569,173	40,737,673
Total noncurrent assets	2,993,275,657	1,561,775,323
Total assets	4,086,088,965	1,681,121,231
DEFERRED OUTFLOWS OF RESOURCES		
Total assets and deferred outflows of resources	\$ 4,320,799,386	\$ 1,681,121,231
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 195,419,404	\$ 5,774,942
Accrued workers' compensation, current portion	1,799,850	
Compensated absences, current portion	33,988,152	
Obligations under subscription arrangements, current portion	12,128,121	
Obligations under lease arrangements, current portion	8,324,645	
Revenue bonds and notes payable, current portion	25,689,690	
Unearned revenues	134,317,393	4,020,791
Total current liabilities	411,667,255	9,795,733
Noncurrent liabilities		
Accrued workers' compensation	10,199,150	
Compensated absences	95,905,777	
Endowments invested on behalf of primary government		257,928,951
Other payables		2,083,436
Obligations under subscription arrangements	54,718,627	
Obligations under lease arrangements	29,113,761	
Revenue bonds and notes payable	368,451,194	
Net pension liability	613,441,933	
Total noncurrent liabilities	1,171,830,442	260,012,387
Total liabilities	1,583,497,697	269,808,120
DEFERRED INFLOWS OF RESOURCES		
NET POSITION		
Unrestricted	371,477,189	103,695,905
Net investment in capital assets	2,131,982,806	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	9,186,087	
Research	3,598,950	
Other	5,169,758	
Expendable:		
Scholarships and fellowships	12,073,848	
Research	101,641,357	
Loans	652,592	
Capital projects	(509,497)	
Other	9,669,890	
Net assets with donor restrictions		1,307,610,006
Total net position	2,644,942,980	1,411,305,911
Total liabilities, deferred inflows of resources and net position	\$ 4,320,799,386	\$ 1,681,114,031

UNIVERSITY OF MARYLAND, COLLEGE PARK
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025

	Institution	Component Units
OPERATING REVENUES		
Tuition and fees	\$ 748,377,628	\$ 593,237,711
Less: scholarship allowances	<u>(155,139,917)</u>	546,781,428
Federal grants and contracts		69,185,332
State and local grants and contracts		120,997,100
Nongovernmental grants and contracts		38,897,068
Sales and services of educational departments		
Auxiliary enterprises:		
Residential facilities	97,140,869	
Less: scholarship allowances	<u>(18,570,313)</u>	78,570,556
Dining facilities	69,397,837	
Less: scholarship allowances	<u>(9,001,823)</u>	60,396,014
Intercollegiate athletics		112,512,755
Parking facilities		27,645,257
Other auxiliary enterprises revenues		68,169,281
Other operating revenues		<u>53,433,373</u>
Total operating revenues		1,769,825,875
OPERATING EXPENSES		
Instruction	747,404,253	
Research	695,858,533	
Public service	125,808,556	
Academic support	333,560,073	
Student services	107,328,216	
Institutional support	237,000,437	
Operation and maintenance of plant	170,459,682	
Scholarships and fellowships	80,942,874	
Auxiliary enterprises:		
Residential facilities	112,749,922	
Dining facilities	89,602,926	
Intercollegiate athletics	114,219,764	
Parking facilities	18,205,657	
Other auxiliary enterprises expenses	<u>89,730,172</u>	
Total operating expenses		2,922,871,065
Operating loss		(1,153,045,190)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	902,910,500	
Pell grants	44,679,714	
Gifts	119,280,135	\$ 109,167,071
Investment income	67,384,601	89,082,722
Less: investment expense	<u>(943,992)</u>	
Interest on indebtedness	66,440,609	
Other revenues, (expenses), gains and (losses)	(5,159,602)	
Other affiliated foundation revenues	1,450,537	
Other affiliated foundation expenses		6,751,471
Transfers (to) other University System of Maryland institutions	<u>(4,031,687)</u>	(117,803,019)
Total nonoperating revenues		87,198,245
Income (loss) before other revenues		87,198,245
OTHER REVENUES		
Capital appropriations	92,811,784	
Capital gifts and grants	19,208	
Additions to endowments		
Total other revenues		92,830,992
Increase in net position		87,198,245
Net position - beginning of year		1,324,107,666
Net position - end of year	\$ 2,644,942,980	\$ 1,411,305,911

**UNIVERSITY OF MARYLAND, COLLEGE PARK
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 598,852,478
Research contracts and grants	758,423,948
Payments to employees	(1,983,610,677)
Payments to suppliers and contractors	(723,793,325)
Collection of loans to students	597,891
Student direct lending payments	(114,675,919)
Student direct lending receipts	114,675,919
Auxiliary enterprises:	
Residential facilities	70,860,441
Dining facilities	60,396,014
Intercollegiate athletics	70,148,222
Parking facilities	27,645,257
Other	70,681,337
Other receipts	<u>267,980,614</u>
Net cash used by operating activities	<u>(781,817,800)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State appropriations	902,910,500
Gifts and grants received for other than capital purposes:	
Private gifts for endowment purposes	19,208
Pell grants	<u>44,679,714</u>

Net cash provided by noncapital financing activities

902,910,500

19,208

44,679,714

947,609,422

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital appropriations	92,811,784
Capital grants and gifts received	
Proceeds from sales of capital assets	
Purchases of capital assets	(255,876,586)
Principal paid on debt and leases	(74,286,137)
Interest paid on debt and leases	(12,425,022)
Transfers from other University System of Maryland institutions	<u>20,523,475</u>
Net cash used by capital and related financing activities	<u>(229,252,486)</u>

92,811,784

(255,876,586)

(74,286,137)

(12,425,022)

20,523,475

(229,252,486)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	8,272,479
Interest on investments	42,571,585
Investment expense	(943,992)
Purchases of investments	<u>(136,244)</u>
Net cash provided by investing activities	<u>49,763,828</u>
Net decrease in cash and cash equivalents	<u>(13,697,036)</u>
Cash and cash equivalents - beginning of year	<u>925,809,615</u>
Cash and cash equivalents - end year	<u>\$ 912,112,579</u>

8,272,479

42,571,585

(943,992)

(136,244)

49,763,828

(13,697,036)

925,809,615

\$ 912,112,579

**BOWIE STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Institution	Component Units
ASSETS		
Current assets		
Cash and cash equivalents	\$ 71,094,260	\$ 12,098,247
Accounts receivable, net	34,337,344	
Notes receivable, current portion, net	5,062	
Inter-institutional balances	1,480,100	
Total current assets	106,916,766	12,098,247
Noncurrent assets		
Accounts receivable, net		3,347,850
Endowment investments	3,032,532	49,385,391
Other investments		3,032,532
Notes receivable, net	171,346	
Capital assets, net	440,340,874	
Total noncurrent assets	443,544,752	55,765,773
Total assets	550,461,518	67,864,020
DEFERRED OUTFLOWS OF RESOURCES		
Total assets and deferred outflows of resources	\$ 570,749,281	\$ 67,864,020
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 11,129,415	\$ 3,116,419
Accrued workers' compensation, current portion	104,550	
Compensated absences, current portion	2,368,006	
Obligations under subscription arrangements, current portion	401,614	
Revenue bonds and notes payable, current portion	3,187,067	
Unearned revenues	9,943,236	
Total current liabilities	27,133,888	3,116,419
Noncurrent liabilities		
Accrued workers' compensation	592,450	
Compensated absences	3,287,366	
Endowments invested on behalf of primary government		3,032,532
Obligations under subscription arrangements	425,612	
Revenue bonds and notes payable	22,043,079	
Net pension liability	52,143,577	
Total noncurrent liabilities	78,492,084	3,032,532
Total liabilities	105,625,972	6,148,951
DEFERRED INFLOWS OF RESOURCES		
NET POSITION		
Unrestricted	49,310,698	30,789,466
Net investment in capital assets	356,351,272	
Restricted:		
Expendable:		
Loans	244,491	
Net assets with donor restrictions		30,925,603
Total net position	405,906,461	61,715,069
Total liabilities, deferred inflows of resources and net position	\$ 570,749,281	\$ 67,864,020

BOWIE STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025

	Institution	Component Units
OPERATING REVENUES		
Tuition and fees	\$ 47,008,817	\$ 28,005,360
Less: scholarship allowances	<u>(19,003,457)</u>	36,837,944
Federal grants and contracts		2,584,160
State and local grants and contracts		2,370,472
Nongovernmental grants and contracts		1,218,168
Sales and services of educational departments		
Auxiliary enterprises:		
Residential facilities	6,664,582	
Less: scholarship allowances	<u>(766,444)</u>	5,898,138
Dining facilities	7,386,344	
Less: scholarship allowances	<u>(877,359)</u>	6,508,985
Intercollegiate athletics	4,788,788	
Less: scholarship allowances	<u>(526,336)</u>	4,262,452
Parking facilities		261,146
Other auxiliary enterprises revenues		11,150,526
Other operating revenues		
		<u>99,097,351</u>
Total operating revenues		
OPERATING EXPENSES		
Instruction	52,599,507	
Research	6,138,757	
Public service	1,073,598	
Academic support	37,041,860	
Student services	16,782,726	
Institutional support	43,076,891	
Operation and maintenance of plant	24,869,586	
Scholarships and fellowships	2,291,381	
Auxiliary enterprises:		
Residential facilities	11,479,481	
Dining facilities	9,800,749	
Intercollegiate athletics	6,005,767	
Other auxiliary enterprises expenses	<u>11,521,753</u>	
		<u>222,682,056</u>
Total operating expenses		
Operating loss		<u>(123,584,705)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	88,363,488	
Pell grants	16,564,023	
Other nonoperating grants		
Gifts		\$ 5,934,587
Investment income	3,414,686	3,573,347
Less: investment expense	<u>(7,366)</u>	3,407,320
Interest on indebtedness		<u>(379,743)</u>
Other affiliated foundation revenues		1,448,288
Other affiliated foundation expenses		(5,717,580)
Transfers (to) other University System of Maryland institutions	<u>(820,063)</u>	
		<u>107,135,025</u>
Total nonoperating revenues (expenses)		<u>5,238,642</u>
Income (loss) before other revenues		<u>(16,449,680)</u>
OTHER REVENUES		
Capital appropriations	25,573,455	
Total other revenues		<u>25,573,455</u>
Increase in net position		9,123,775
Net position - beginning of year		5,238,642
Net position - end of year	<u>396,782,686</u>	<u>56,476,427</u>
	<u>\$ 405,906,461</u>	<u>\$ 61,715,069</u>

**BOWIE STATE UNIVERSITY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 31,848,337
Research contracts and grants	28,197,966
Payments to employees	(121,180,072)
Payments to suppliers and contractors	(89,476,464)
Collection of loans to students	5,062
Student direct lending payments	(27,733,216)
Student direct lending receipts	27,733,216
Auxiliary enterprises:	
Residential facilities	2,748,941
Dining facilities	6,508,985
Intercollegiate athletics	4,262,452
Parking facilities	261,146
Other	10,932,933
Other receipts (payments)	<u>288,654</u>
Net cash used by operating activities	<u>(125,602,060)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State appropriations	88,363,488
Pell grants	16,564,023
Other nonoperating grants	<u> </u>
Net cash provided by noncapital financing activities	<u>104,927,511</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital appropriations	25,573,455
Purchases of capital assets	(26,202,806)
Principal paid on debt and leases	(3,415,320)
Interest paid on debt and leases	(886,183)
Transfers from other University System of Maryland institutions	<u>5,318,989</u>
Net cash provided by capital and related financing activities	<u>388,135</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	124,995
Interest on investments	3,174,472
Investment expense	<u>(7,366)</u>
Net cash provided by investing activities	<u>3,292,101</u>
Net decrease in cash and cash equivalents	<u>(16,994,313)</u>
Cash and cash equivalents - beginning of year	<u>88,088,573</u>
Cash and cash equivalents - end of year	<u>\$ 71,094,260</u>

**TOWSON UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Institution	Component Units
ASSETS		
Current assets		
Cash and cash equivalents	\$ 278,801,097	\$ 7,937,868
Accounts receivable, net	21,615,550	319,082
Leases receivable, current portion, net	15,075	
Notes receivable, current portion, net	176,192	
Inventories	3,852,119	
Prepaid expenses and other	4,761,426	343,531
Inter-institutional balances	2,073,657	
Total current assets	<u>311,295,116</u>	<u>8,600,481</u>
Noncurrent assets		
Restricted cash and cash equivalents	50,630	
Accounts receivable, net	5,119,736	
Endowment investments	22,430,358	120,988,364
Other investments		22,430,358
Leases receivable, net	82,435	
Notes receivable, net	31,396	
Capital assets, net	1,246,438,299	
Total noncurrent assets	<u>1,269,033,118</u>	<u>148,538,458</u>
Total assets	<u>1,580,328,234</u>	<u>157,138,939</u>
DEFERRED OUTFLOWS OF RESOURCES		
Total assets and deferred outflows of resources	<u><u>\$ 1,645,105,188</u></u>	<u><u>\$ 157,138,939</u></u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 57,659,107	\$ 2,988,465
Accrued workers' compensation, current portion	321,000	
Compensated absences, current portion	13,880,367	
Obligations under subscription arrangements, current portion	1,573,874	
Revenue bonds and notes payable, current portion	25,790,440	
Unearned revenues	14,011,259	
Total current liabilities	<u>113,236,047</u>	<u>2,988,465</u>
Noncurrent liabilities		
Accrued workers' compensation	1,819,000	
Compensated absences	3,572,983	
Endowments invested on behalf of primary government		22,192,157
Obligations under subscription arrangements	3,448,443	
Revenue bonds and notes payable	316,597,981	
Net pension liability	178,987,981	
Total noncurrent liabilities	<u>504,426,388</u>	<u>22,192,157</u>
Total liabilities	<u>617,662,435</u>	<u>25,180,622</u>
DEFERRED INFLOWS OF RESOURCES		
NET POSITION		
Unrestricted	117,695,208	6,582,229
Net investment in capital assets	877,650,254	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	265,025	
Expendable:		
Scholarships and fellowships	112,287	
Research	3,441,521	
Loans		
Other	3,316,739	
Net assets with donor restrictions		125,137,887
Total net position	<u>1,002,481,034</u>	<u>131,720,116</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 1,645,105,188</u></u>	<u><u>\$ 156,900,738</u></u>

TOWSON UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025

	Institution	Component Units
OPERATING REVENUES		
Tuition and fees	\$ 181,224,095	\$ 118,358,189
Less: scholarship allowances	<u>(62,865,906)</u>	9,503,338
Federal grants and contracts		5,195,700
State and local grants and contracts		6,002,126
Nongovernmental grants and contracts		6,313,921
Sales and services of educational departments		
Auxiliary enterprises:		
Residential facilities	43,448,456	
Less: scholarship allowances	<u>(2,145,981)</u>	41,302,475
Dining facilities	25,984,096	
Less: scholarship allowances	<u>(438,520)</u>	25,545,576
Intercollegiate athletics	23,085,094	
Less: scholarship allowances	<u>(8,427,861)</u>	14,657,233
Bookstore	6,487,773	
Less: scholarship allowances	<u>(2,470,497)</u>	4,017,276
Parking facilities	8,856,097	
Less: scholarship allowances		8,856,097
Other auxiliary enterprises revenues		<u>42,659,167</u>
Total operating revenues		<u>282,411,098</u>
OPERATING EXPENSES		
Instruction	191,245,707	
Research	9,472,277	
Public service	11,766,483	
Academic support	59,715,629	
Student services	38,953,335	
Institutional support	90,450,060	
Operation and maintenance of plant	35,080,265	
Scholarships and fellowships	19,058,652	
Auxiliary enterprises:		
Residential facilities	31,886,874	
Dining facilities	23,342,179	
Intercollegiate athletics	22,934,783	
Bookstore	6,710,755	
Parking facilities	8,313,772	
Other auxiliary enterprises expenses	<u>24,128,336</u>	
Total operating expenses		<u>573,059,107</u>
Operating loss		<u>(290,648,009)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	222,802,852	
Pell grants	40,551,742	
Gifts	171,848	\$ 9,547,059
Investment income	<u>13,783,292</u>	12,257,128
Less: investment expense	<u>(70,650)</u>	
Interest on indebtedness	13,712,642	
Other revenues, (expenses), gains and (losses)	(8,696,027)	
Other affiliated foundation revenues	1,461,808	
Other affiliated foundation expenses		941,727
Transfers (to) other University System of Maryland institutions	<u>(1,165,265)</u>	(10,600,701)
Total nonoperating revenues		<u>268,839,600</u>
Income (loss) before other revenues		<u>12,145,213</u>
OTHER REVENUES		
Capital appropriations	29,719,510	
Capital gifts and grants	487,166	
Total other revenues		<u>30,206,676</u>
Increase in net position		<u>8,398,267</u>
Net position - beginning of year		<u>994,082,767</u>
Net position - end of year		<u>\$ 1,002,481,034</u>
		<u>\$ 131,720,116</u>

**TOWSON UNIVERSITY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 116,258,293
Research contracts and grants	20,330,305
Payments to employees	(355,855,897)
Payments to suppliers and contractors	(133,729,993)
Collection of loans to students	226,129
Student direct lending payments	(87,145,073)
Student direct lending receipts	87,145,073
Auxiliary enterprises:	
Residential facilities	39,044,345
Dining facilities	25,348,543
Intercollegiate athletics	14,846,700
Bookstores	4,074,956
Parking facilities	8,701,556
Other	43,191,823
Other receipts	<u>7,823,227</u>
Net cash used by operating activities	<u>(209,740,013)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State appropriations	222,802,852
Pell grants	<u>40,551,742</u>
Net cash provided by noncapital financing activities	<u>263,354,594</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital appropriations	29,719,510
Capital grants and gifts received	487,166
Purchases of capital assets	(66,032,304)
Principal paid on debt and leases	(25,047,236)
Interest paid on debt and leases	(12,747,970)
Transfers from other University System of Maryland institutions	<u>11,736,129</u>
Net cash used by capital and related financing activities	<u>(61,884,705)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	458,513
Interest on investments	12,395,936
Investment expense	(70,650)
Purchases of investments	<u>(124,117)</u>
Net cash provided by investing activities	<u>12,659,682</u>
Net increase in cash and cash equivalents	<u>4,389,558</u>
Cash and cash equivalents - beginning of year	<u>274,462,169</u>
Cash and cash equivalents - end of year	<u>\$ 278,851,727</u>

UNIVERSITY OF MARYLAND EASTERN SHORE
STATEMENT OF NET POSITION
JUNE 30, 2025

	Institution	Component Units
ASSETS		
Current assets		
Accounts receivable, net	\$ 6,850,434	\$ 1,783,831
Notes receivable, current portion, net	17,595	
Prepaid expenses and other	159,694	
Inter-institutional balances	15,658,825	
Total current assets	22,686,548	1,783,831
Noncurrent assets		
Accounts receivable, net	154,219	
Endowment investments	8,509,922	59,608,865
Other investments		12,889,578
Notes receivable, net	25,227	
Capital assets, net	285,899,630	698
Total noncurrent assets	294,434,779	72,653,360
Total assets	317,121,327	74,437,191
DEFERRED OUTFLOWS OF RESOURCES		
Total assets and deferred outflows of resources	\$ 335,622,083	\$ 74,437,191
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 13,782,684	\$ 6,586
Accrued workers' compensation, current portion	115,800	
Compensated absences, current portion	2,803,450	
Obligations under subscription arrangements, current portion	412,975	
Obligations under lease arrangements, current portion	1,032,433	
Revenue bonds and notes payable, current portion	1,498,153	
Unearned revenues	18,681,539	
Total current liabilities	38,327,034	6,586
Noncurrent liabilities		
Accrued workers' compensation	656,200	
Compensated absences	5,178,183	
Endowments invested on behalf of primary government		8,509,922
Obligations under subscription arrangements	164,386	
Obligations under lease arrangements	5,619,816	
Revenue bonds and notes payable	21,725,523	
Net pension liability	49,919,424	
Total noncurrent liabilities	83,263,532	8,509,922
Total liabilities	121,590,566	8,516,508
DEFERRED INFLOWS OF RESOURCES		
(1,061,755)		
NET POSITION		
Unrestricted	(50,571,958)	28,822,918
Net investment in capital assets	255,486,033	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	28,009	
Expendable:		
Scholarships and fellowships	3,812,583	
Loans	4,338,970	
Other	1,999,635	
Net assets with donor restrictions		37,097,765
Total net position	215,093,272	65,920,683
Total liabilities, deferred inflows of resources and net position	\$ 335,622,083	\$ 74,437,191

UNIVERSITY OF MARYLAND EASTERN SHORE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025

	Institution	Component Units
OPERATING REVENUES		
Tuition and fees	\$ 30,249,644	
Less: scholarship allowances	(13,917,979)	\$ 16,331,665
Federal grants and contracts		14,436,433
State and local grants and contracts		10,046,290
Nongovernmental grants and contracts		3,568,711
Sales and services of educational departments		37,459
Auxiliary enterprises:		
Residential facilities	11,867,613	
Less: scholarship allowances	(721,981)	11,145,632
Dining facilities	6,987,031	
Less: scholarship allowances	(1,743,861)	5,243,170
Intercollegiate athletics		3,673,869
Parking facilities		58,783
Other auxiliary enterprises revenues		5,336,159
Other operating revenues		5,379,394
Total operating revenues		75,257,565
OPERATING EXPENSES		
Instruction	67,775,261	
Research	24,276,579	
Public service	5,753,740	
Academic support	9,161,781	
Student services	5,569,722	
Institutional support	26,340,489	
Operation and maintenance of plant	18,782,874	
Scholarships and fellowships	4,096,273	
Auxiliary enterprises:		
Residential facilities	10,756,926	
Dining facilities	5,871,034	
Intercollegiate athletics	8,100,839	
Other auxiliary enterprises expenses	7,016,614	
Total operating expenses		193,502,132
Operating loss		(118,244,567)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	83,481,440	
Pell grants	9,231,260	
Other nonoperating grants	1,268,401	
Gifts	169,497	\$ 769,986
Investment income	996,267	
Less: investment expense	(29,487)	4,861,240
Interest on indebtedness	966,780	
Other revenues, (expenses), gains and (losses)	(435,925)	
Other affiliated foundation revenues	(372,329)	
Other affiliated foundation expenses		4,273
Transfers from other University System of Maryland institutions		(4,052,325)
Total nonoperating revenues	497,995	
Income (loss) before other revenues	94,807,119	1,583,174
OTHER REVENUES		
Capital appropriations	3,618,835	
Total other revenues	3,618,835	
Increase (decrease) in net position	(19,818,613)	1,583,174
Net position - beginning of year	234,911,885	64,337,509
Net position - end of year	\$ 215,093,272	\$ 65,920,683

**UNIVERSITY OF MARYLAND EASTERN SHORE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 12,916,428
Research contracts and grants	28,605,300
Payments to employees	(104,618,897)
Payments to suppliers and contractors	(64,414,351)
Collection of loans to students	24,922
Student direct lending payments	(21,835,457)
Student direct lending receipts	21,835,457
Auxiliary enterprises:	
Residential facilities	11,145,632
Dining facilities	5,243,170
Intercollegiate athletics	3,673,869
Parking facilities	58,783
Other	6,479,886
Other receipts (payments)	<u>6,343,290</u>
Net cash used by operating activities	<u>(94,541,968)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State appropriations	83,481,440
Pell grants	9,231,260
Other nonoperating grants	<u>1,268,401</u>
Net cash provided by noncapital financing activities	<u>93,981,101</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital appropriations	3,618,835
Purchases of capital assets	(15,946,154)
Principal paid on debt and leases	(1,649,909)
Interest paid on debt and leases	(607,655)
Transfers from other University System of Maryland institutions	<u>8,162,876</u>
Net cash used by capital and related financing activities	<u>(6,422,007)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	311,195
Interest on investments	325,381
Investment expense	(29,487)
Purchases of investments	<u> </u>
Net cash provided by investing activities	<u>607,089</u>
Net decrease in cash and cash equivalents	<u>(6,375,785)</u>
Cash and cash equivalents - beginning of year	<u>6,375,785</u>
Cash and cash equivalents - end of year	<u>\$ </u>

**FROSTBURG STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Institution	Component Units
ASSETS		
Current assets		
Cash and cash equivalents	\$ 48,889,031	\$ 632,894
Accounts receivable, net	5,388,467	233,007
Leases receivable, current portion, net	24,749	
Inventories	662,549	
Prepaid expenses and other	1,473,972	14,081
Inter-institutional balances	3,397,454	
Total current assets	59,836,222	879,982
Noncurrent assets		
Accounts receivable, net	663,890	
Endowment investments	7,174,174	43,734,590
Other investments	434,588	14,749,772
Leases receivable, net	263,046,089	475,212
Other assets	8,550	
Capital assets, net	270,654,851	59,632,014
Total noncurrent assets	330,491,073	60,511,996
Total assets	352,577,988	\$ 60,511,996
DEFERRED OUTFLOWS OF RESOURCES		
Total assets and deferred outflows of resources	22,086,915	
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 10,696,156	\$ 31,300
Accrued workers' compensation, current portion	135,000	
Compensated absences, current portion	3,570,746	
Obligations under subscription arrangements, current portion	152,982	
Obligations under lease arrangements, current portion	112,685	
Revenue bonds and notes payable, current portion	3,383,230	
Unearned revenues	10,768,462	2,820
Total current liabilities	28,819,261	34,120
Noncurrent liabilities		
Accrued workers' compensation	765,000	
Compensated absences	1,232,704	
Endowments invested on behalf of primary government	7,174,174	
Other payables	11,845	
Obligations under subscription arrangements	264,115	
Obligations under lease arrangements	42,286,294	
Revenue bonds and notes payable	62,379,931	
Net pension liability	106,928,044	7,186,019
Total noncurrent liabilities	135,747,305	7,220,139
Total liabilities	11,819,606	
DEFERRED INFLOWS OF RESOURCES		
NET POSITION		
Unrestricted	(13,193,795)	3,801,056
Net investment in capital assets	207,492,415	
Restricted:		
Nonexpendable:		
Other	750,000	
Expendable:		
Scholarships and fellowships	2,390,194	
Research	7,099,972	
Other	472,291	
Net assets with donor restrictions	49,490,801	
Total net position	205,011,077	53,291,857
Total liabilities, deferred inflows of resources and net position	\$ 352,577,988	\$ 60,511,996

FROSTBURG STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025

	Institution	Component Units
OPERATING REVENUES		
Tuition and fees	\$ 34,492,157	\$ 18,881,744
Less: scholarship allowances	<u>(15,610,413)</u>	<u>3,013,033</u>
Federal grants and contracts	3,013,033	2,445,352
State and local grants and contracts	2,445,352	561,631
Nongovernmental grants and contracts	561,631	971,240
Sales and services of educational departments	971,240	
Auxiliary enterprises:		
Residential facilities	7,807,849	
Less: scholarship allowances	<u>(2,032,275)</u>	5,775,574
Dining facilities	6,644,173	
Less: scholarship allowances	<u>(546,995)</u>	6,097,178
Intercollegiate athletics	2,727,970	
Less: scholarship allowances	<u>(488,724)</u>	2,239,246
Bookstore	966,962	
Less: scholarship allowances	<u>(2,324)</u>	964,638
Parking facilities	155,833	
Less: scholarship allowances	<u>(1,820)</u>	154,013
Other auxiliary enterprises revenues	3,748,145	
Less: scholarship allowances	<u>(466,495)</u>	3,281,650
Other operating revenues	<u>550,954</u>	
Total operating revenues	<u>44,936,253</u>	
OPERATING EXPENSES		
Instruction	41,923,546	
Research	119,895	
Public service	8,481,959	
Academic support	11,849,008	
Student services	9,120,222	
Institutional support	19,042,885	
Operation and maintenance of plant	11,625,176	
Scholarships and fellowships	2,693,145	
Auxiliary enterprises:		
Residential facilities	7,301,856	
Dining facilities	5,957,843	
Intercollegiate athletics	6,426,962	
Bookstore	1,666,436	
Parking facilities	40,301	
Other auxiliary enterprises expenses	<u>3,221,508</u>	
Total operating expenses	<u>129,470,742</u>	
Operating loss	<u>(84,534,489)</u>	
NONOPERATING REVENUES (EXPENSES)		
State appropriations	63,568,247	
Pell grants	6,761,442	
Gifts	2,013,399	\$ 5,528,547
Investment income	2,652,369	3,584,719
Less: investment expense	<u>(24,889)</u>	
Interest on indebtedness	2,627,480	
Other revenues, (expenses), gains and (losses)	(3,227,735)	
Other affiliated foundation revenues	17,472	
Other affiliated foundation expenses	358,684	
Transfers from other University System of Maryland institutions	(3,097,850)	
Total nonoperating revenues	<u>2,741,518</u>	
Income (loss) before other revenues	<u>74,501,823</u>	<u>6,374,100</u>
OTHER REVENUES		
Capital appropriations	6,953,406	
Capital gifts and grants	512	
Total other revenues	<u>6,953,918</u>	
Increase (decrease) in net position	<u>(3,078,748)</u>	6,374,100
Net position - beginning of year	<u>208,089,825</u>	<u>46,917,757</u>
Net position - end of year	<u>\$ 205,011,077</u>	<u>\$ 53,291,857</u>

**FROSTBURG STATE UNIVERSITY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 18,210,563
Research contracts and grants	6,460,228
Payments to employees	(83,303,773)
Payments to suppliers and contractors	(28,834,722)
Loans issued to students	
Student direct lending payments	(18,161,749)
Student direct lending receipts	18,161,749
Auxiliary enterprises:	
Residential facilities	4,602,256
Dining facilities	6,059,576
Intercollegiate athletics	2,227,786
Bookstores	984,386
Parking facilities	149,616
Other	3,672,855
Other payments	(4,276,360)
Net cash used by operating activities	(74,047,589)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State appropriations	63,568,247
Pell grants	6,761,442
Net cash provided by noncapital financing activities	70,329,689

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital appropriations	6,953,406
Purchases of capital assets	(9,758,439)
Principal paid on debt and leases	(3,444,884)
Interest paid on debt and leases	(3,663,862)
Transfers from other University System of Maryland institutions	13,183,251
Net cash provided by capital and related financing activities	3,269,472

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	213,676
Interest on investments	2,089,807
Investment expense	(24,889)
Purchases of investments	
Net cash provided by investing activities	2,278,594
Net increase in cash and cash equivalents	1,830,166
Cash and cash equivalents - beginning of year	47,058,865
Cash and cash equivalents - end of year	\$ 48,889,031

**COPPIN STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Institution	Component Units
ASSETS		
Current assets		
Cash and cash equivalents	\$ 27,406,247	\$ 4,477,128
Accounts receivable, net	12,438,525	7,814,801
Notes receivable, current portion, net	10,399	
Prepaid expenses and other	58,109	704
Inter-institutional balances	2,661,224	
Total current assets	42,574,504	12,292,633
Noncurrent assets		
Endowment investments	3,630,292	13,481,889
Other investments		3,630,292
Notes receivable, net	70,326	
Capital assets, net	309,379,985	3,817,477
Total noncurrent assets	313,080,603	20,929,658
Total assets	355,655,107	33,222,291
DEFERRED OUTFLOWS OF RESOURCES		
Total assets and deferred outflows of resources	16,915,763	
	\$ 372,570,870	\$ 33,222,291
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 12,386,665	\$ 2,320,264
Accrued workers' compensation, current portion	98,400	
Compensated absences, current portion	1,796,885	
Obligations under subscription arrangements, current portion	643,565	
Obligations under lease arrangements, current portion	82,505	
Revenue bonds and notes payable, current portion	2,595,526	
Unearned revenues	8,485,740	
Total current liabilities	26,089,286	2,320,264
Noncurrent liabilities		
Accrued workers' compensation	557,600	
Compensated absences	2,210,215	
Endowments invested on behalf of primary government		3,630,292
Other payables		6,414
Obligations under subscription arrangements	676,589	
Obligations under lease arrangements	129,042	
Revenue bonds and notes payable	17,664,327	
Net pension liability	51,964,813	
Total noncurrent liabilities	73,202,586	3,636,706
Total liabilities	99,291,872	5,956,970
DEFERRED INFLOWS OF RESOURCES		
	4,261,780	
NET POSITION		
Unrestricted	(19,568,757)	27,265,321
Net investment in capital assets	287,542,180	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	434,288	
Other	240,125	
Expendable:		
Scholarships and fellowships	82,727	
Loans	250,066	
Other	36,589	
Total net position	269,017,218	27,265,321
Total liabilities, deferred inflows of resources and net position	\$ 372,570,870	\$ 33,222,291

COPPIN STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025

	Institution	Component Units
OPERATING REVENUES		
Tuition and fees	\$ 13,229,591	
Less: scholarship allowances	(13,730,968)	
Federal grants and contracts		\$ (501,377)
State and local grants and contracts		8,624,673
Nongovernmental grants and contracts		1,470,043
Sales and services of educational departments		2,680,631
Auxiliary enterprises:		396,217
Residential facilities	5,468,894	
Less: scholarship allowances	(129,701)	
Dining facilities		5,339,193
Intercollegiate athletics	2,443,513	
Less: scholarship allowances	(161,802)	
Parking facilities	862,469	
Less: scholarship allowances	(140,512)	
Other auxiliary enterprises revenues		721,957
Other operating revenues		1,751,283
Total operating revenues		27,329,118
OPERATING EXPENSES		
Instruction		28,890,731
Research		1,244,219
Public service		2,819,493
Academic support		11,035,686
Student services		12,747,670
Institutional support		32,914,201
Operation and maintenance of plant		11,640,602
Scholarships and fellowships		630,263
Auxiliary enterprises:		
Residential facilities	5,812,084	
Dining facilities	4,588,128	
Intercollegiate athletics	6,681,802	
Parking facilities	714,240	
Other auxiliary enterprises expenses	2,482,058	
Total operating expenses		122,201,177
Operating loss		(94,872,059)
NONOPERATING REVENUES (EXPENSES)		
State appropriations		71,686,115
Pell grants		7,318,733
Gifts		\$ 8,878,969
Investment income	1,620,900	1,757,785
Less: investment expense	(11,127)	
Interest on indebtedness		1,609,773
Other revenues, (expenses), gains and (losses)		(493,229)
Other affiliated foundation revenues		(194,557)
Other affiliated foundation expenses		22,567,417
Transfers from other University System of Maryland institutions		(5,938,850)
Total nonoperating revenues		1,875,415
Income (loss) before other revenues		81,802,250
OTHER REVENUES		27,265,321
Capital appropriations		
Total other revenues	3,390,513	
Increase (decrease) in net position		(9,679,296)
Net position - beginning of year		27,265,321
Net position - end of year	\$ 269,017,218	\$ 27,265,321

**COPPIN STATE UNIVERSITY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ (501,364)
Research contracts and grants	14,583,731
Payments to employees	(63,443,769)
Payments to suppliers and contractors	(46,370,320)
Collection of loans to students	71,796
Student direct lending payments	(7,704,335)
Student direct lending receipts	7,704,335
Auxiliary enterprises:	
Residential facilities	5,339,193
Dining facilities	4,564,787
Intercollegiate athletics	2,281,711
Parking facilities	721,957
Other	1,751,283
Other receipts	<u>(2,209,316)</u>
Net cash used by operating activities	<u>(83,210,311)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State appropriations	71,686,115
Gifts and grants received for other than capital purposes:	
Pell grants	<u>7,318,733</u>

Net cash provided by noncapital financing activities

79,004,848

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds of capital debt	3,390,513
Capital appropriations	(4,267,466)
Purchases of capital assets	(2,611,747)
Principal paid on debt and leases	(819,387)
Interest paid on debt and leases	3,464,701
Transfers from other University System of Maryland institutions	
Net cash used by capital and related financing activities	<u>(843,386)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	155,024
Interest on investments	1,332,905
Investment expense	<u>(11,127)</u>
Net cash provided by investing activities	<u>1,476,802</u>
Net decrease in cash and cash equivalents	<u>(3,572,047)</u>
Cash and cash equivalents - beginning of year	<u>30,978,294</u>
Cash and cash equivalents - end of year	<u>\$ 27,406,247</u>

**UNIVERSITY OF BALTIMORE
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Institution	Component Units
ASSETS		
Current assets		
Cash and cash equivalents	\$ 97,532,844	\$ 18,817,404
Accounts receivable, net	9,031,473	
Leases receivable, current portion, net	1,579,323	
Notes receivable, current portion, net	12,364	
Prepaid expenses and other	877,146	
Inter-institutional balances	(464,127)	
Total current assets	108,569,023	18,817,404
Noncurrent assets		
Accounts receivable, net		4,594,525
Endowment investments	3,008,542	91,926,111
Other investments		3,008,542
Leases receivable, net	5,800,036	
Notes receivable, net	50,894	
Other assets		176,341
Capital assets, net	185,148,896	1,874,653
Total noncurrent assets	194,008,368	101,580,172
Total assets	302,577,391	120,397,576
DEFERRED OUTFLOWS OF RESOURCES		
Total assets and deferred outflows of resources	\$ 319,431,354	\$ 120,397,576
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 11,299,666	\$ 1,376,432
Accrued workers' compensation, current portion	60,600	
Compensated absences, current portion	2,825,547	
Obligations under subscription arrangements, current portion	72,705	
Obligations under lease arrangements, current portion	2,077,405	
Revenue bonds and notes payable, current portion	346,347	
Unearned revenues	10,413,901	1,305,554
Total current liabilities	27,096,171	2,681,986
Noncurrent liabilities		
Accrued workers' compensation	343,400	
Compensated absences	4,259,405	
Endowments invested on behalf of primary government		3,008,542
Obligations under subscription arrangements	527,605	
Obligations under lease arrangements	14,939,655	
Revenue bonds and notes payable	3,597,197	
Net pension liability	54,097,491	
Total noncurrent liabilities	77,764,753	3,008,542
Total liabilities	104,860,924	5,690,528
DEFERRED INFLOWS OF RESOURCES		
NET POSITION		
Unrestricted	40,018,223	16,691,231
Net investment in capital assets	163,582,027	
Restricted:		
Expendable:		
Loans	63,258	
Net assets with donor restrictions		98,015,817
Total net position	203,663,508	114,707,048
Total liabilities, deferred inflows of resources and net position	\$ 319,431,354	\$ 120,397,576

UNIVERSITY OF BALTIMORE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025

	Institution	Component Units
OPERATING REVENUES		
Tuition and fees	\$ 48,362,127	
Less: scholarship allowances	<u>(14,871,453)</u>	\$ 33,490,674
Federal grants and contracts		9,307,637
State and local grants and contracts		12,511,178
Nongovernmental grants and contracts		6,661,544
Sales and services of educational departments		206,836
Auxiliary enterprises:		
Bookstore	207,769	
Less: scholarship allowances		207,769
Parking facilities		671,779
Other auxiliary enterprises revenues		4,995,972
Other operating revenues		<u>286,122</u>
Total operating revenues		<u>68,339,511</u>
OPERATING EXPENSES		
Instruction	43,263,511	
Research	3,997,328	
Public service	18,025,429	
Academic support	17,239,186	
Student services	14,007,923	
Institutional support	21,588,532	
Operation and maintenance of plant	9,513,221	
Scholarships and fellowships	4,809,661	
Auxiliary enterprises:		
Bookstore	206,584	
Parking facilities	810,451	
Other auxiliary enterprises expenses	<u>3,678,791</u>	
Total operating expenses		<u>137,140,617</u>
Operating loss		<u>(68,801,106)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	65,120,457	
Pell grants	3,708,531	\$ 5,522,956
Gifts		8,339,525
Investment income	4,217,904	
Less: investment expense	<u>(4,600)</u>	4,213,304
Interest on indebtedness		(86,209)
Other revenues, (expenses), gains and (losses)		(108,473)
Other affiliated foundation revenues		42,073
Other affiliated foundation expenses		(7,399,691)
Transfers (to) other University System of Maryland institutions	<u>(2,565,266)</u>	
Total nonoperating revenues		<u>70,282,344</u>
Income before other revenues		<u>1,481,238</u>
OTHER REVENUES		
Capital appropriations	<u>996,197</u>	
Total other revenues		<u>996,197</u>
Increase in net position	<u>2,477,435</u>	6,504,863
Net position - beginning of year	<u>201,186,073</u>	108,202,185
Net position - end of year	<u>\$ 203,663,508</u>	<u>\$ 114,707,048</u>

**UNIVERSITY OF BALTIMORE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 34,053,501
Research contracts and grants	30,367,681
Payments to employees	(88,643,358)
Payments to suppliers and contractors	(28,560,260)
Collection of loans to students	(57,644)
Student direct lending payments	(33,794,462)
Student direct lending receipts	33,794,462
Auxiliary enterprises:	
Bookstores	207,769
Parking facilities	671,779
Other	5,127,928
Other receipts	<u>(7,703,858)</u>
Net cash used by operating activities	<u>(54,536,462)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State appropriations	65,120,457
Pell grants	<u>3,708,531</u>
Net cash provided by noncapital financing activities	<u>68,828,988</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital appropriations	996,197
Purchases of capital assets	(3,530,072)
Principal paid on debt and leases	(2,622,106)
Interest paid on debt and leases	(159,453)
Transfers (to) other University System of Maryland institutions	<u>(1,318,857)</u>
Net cash used by capital and related financing activities	<u>(6,634,291)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on investments	3,869,872
Investment expense	(4,600)
Purchases of investments	
Net cash provided by investing activities	<u>3,865,272</u>
Net increase in cash and cash equivalents	<u>11,523,507</u>
Cash and cash equivalents - beginning of year	<u>86,009,337</u>
Cash and cash equivalents - end of year	<u>\$ 97,532,844</u>

**SALISBURY UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Institution	Component Units
ASSETS		
Current assets		
Cash and cash equivalents	\$ 163,520,863	\$ 374,457
Accounts receivable, net	6,044,363	2,155,983
Inventories	868,184	
Prepaid expenses and other	96,034	38,932
Inter-institutional balances	1,013,054	
Total current assets	171,542,498	2,569,372
Noncurrent assets		
Accounts receivable, net	7,707,135	
Endowment investments	4,694,619	132,079,355
Other investments	5,815,559	
Other assets	2,144,179	
Capital assets, net	417,907,878	83,104
Total noncurrent assets	422,602,497	147,829,332
Total assets	594,144,995	150,398,704
DEFERRED OUTFLOWS OF RESOURCES		
Total assets and deferred outflows of resources	\$ 620,149,645	\$ 150,398,704
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 17,428,656	\$ 164,580
Accrued workers' compensation, current portion	114,750	
Compensated absences, current portion	3,670,632	
Obligations under lease arrangements, current portion	374,700	
Revenue bonds and notes payable, current portion	7,211,980	1,752,486
Unearned revenues	8,545,822	104,945
Total current liabilities	37,346,540	2,022,011
Noncurrent liabilities		
Accrued workers' compensation	650,250	
Compensated absences	4,161,106	
Endowments invested on behalf of primary government	4,694,619	
Other payables	467,186	
Obligations under lease arrangements	1,278,714	
Revenue bonds and notes payable	42,902,039	
Net pension liability	75,984,531	
Total noncurrent liabilities	124,976,640	5,161,805
Total liabilities	162,323,180	7,183,816
DEFERRED INFLOWS OF RESOURCES		
NET POSITION		
Unrestricted	89,096,930	13,541,469
Net investment in capital assets	357,062,476	
Restricted:		
Expendable:		
Net assets with donor restrictions	129,673,419	
Total net position	446,159,406	143,214,888
Total liabilities, deferred inflows of resources and net position	\$ 620,149,645	\$ 150,398,704

SALISBURY UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025

	Institution	Component Units
OPERATING REVENUES		
Tuition and fees	\$ 73,858,200	\$ 46,056,939
Less: scholarship allowances	<u>(27,801,261)</u>	<u>2,281,636</u>
Federal grants and contracts	2,281,636	6,538,285
State and local grants and contracts	6,538,285	288,203
Nongovernmental grants and contracts	288,203	256,135
Sales and services of educational departments	256,135	
Auxiliary enterprises:		
Residential facilities	29,058,110	
Less: scholarship allowances	<u>(2,948,170)</u>	26,109,940
Dining facilities	17,137,522	17,053,646
Less: scholarship allowances	<u>(83,876)</u>	<u>6,758,173</u>
Intercollegiate athletics	6,758,173	3,944,909
Bookstore	3,944,909	1,024,505
Parking facilities	1,024,505	
Other auxiliary enterprises revenues	1,529,557	1,475,854
Less: scholarship allowances	<u>(53,703)</u>	<u>43,367</u>
Other operating revenues	43,367	
Total operating revenues	<u>111,831,592</u>	
OPERATING EXPENSES		
Instruction	70,584,071	
Research	2,042,496	
Public service	9,228,849	
Academic support	22,035,392	
Student services	10,654,541	
Institutional support	27,799,127	
Operation and maintenance of plant	36,099,724	
Scholarships and fellowships	322,836	
Auxiliary enterprises:		
Residential facilities	15,975,818	
Dining facilities	13,858,501	
Intercollegiate athletics	9,953,680	
Bookstore	3,829,326	
Parking facilities	656,054	
Other auxiliary enterprises expenses	<u>2,309,659</u>	
Total operating expenses	<u>225,350,074</u>	
Operating loss	<u>(113,518,482)</u>	
NONOPERATING REVENUES (EXPENSES)		
State appropriations	96,955,266	
Pell grants	11,434,101	\$ 11,800,991
Gifts	7,087,731	15,486,039
Investment income	<u>(11,678)</u>	
Less: investment expense	7,076,053	
Interest on indebtedness	(1,019,704)	
Other revenues, (expenses), gains and (losses)	<u>(77,527)</u>	
Other affiliated foundation revenues	573,522	
Other affiliated foundation expenses	(7,510,921)	
Transfers (to) other University System of Maryland institutions	<u>(1,026,266)</u>	
Total nonoperating revenues	<u>113,341,923</u>	<u>20,349,631</u>
Income (loss) before other revenues	<u>(176,559)</u>	<u>20,349,631</u>
OTHER REVENUES		
Capital appropriations	14,699,640	
Capital gifts and grants	<u>361,000</u>	
Total other revenues	<u>15,060,640</u>	
Increase in net position	14,884,081	20,349,631
Net position - beginning of year	<u>431,275,325</u>	<u>122,865,257</u>
Net position - end of year	<u>\$ 446,159,406</u>	<u>\$ 143,214,888</u>

**SALISBURY UNIVERSITY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 46,524,737
Research contracts and grants	11,071,885
Payments to employees	(150,527,322)
Payments to suppliers and contractors	(49,924,251)
Student direct lending payments	(35,614,532)
Student direct lending receipts	35,614,532
Auxiliary enterprises:	
Residential facilities	24,320,412
Dining facilities	17,094,682
Intercollegiate athletics	6,759,463
Bookstores	3,944,909
Parking facilities	1,024,505
Other	1,417,895
Other receipts (payments)	348,989
Net cash used by operating activities	(87,944,096)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State appropriations	96,955,266
Pell grants	11,434,101
Net cash provided by noncapital financing activities	108,389,367

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital appropriations	14,699,640
Purchases of capital assets	(20,284,484)
Principal paid on debt and leases	(6,973,119)
Interest paid on debt and leases	(2,110,681)
Transfers from other University System of Maryland institutions	998,033
Net cash used by capital and related financing activities	(13,670,611)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	195,356
Interest on investments	6,715,716
Investment expense	(11,678)
Net cash provided by investing activities	6,899,394
Net increase in cash and cash equivalents	13,674,054
Cash and cash equivalents - beginning of year	149,846,809
Cash and cash equivalents - end of year	\$ 163,520,863

**UNIVERSITY OF MARYLAND GLOBAL CAMPUS
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Institution	Component Units
ASSETS		
Current assets		
Cash and cash equivalents	\$ 400,217,248	
Accounts receivable, net	54,213,404	\$ 163,411
Prepaid expenses and other	9,260,897	750
Inter-institutional balances	(98,273)	
Total current assets	<u>463,593,276</u>	<u>164,161</u>
Noncurrent assets		
Accounts receivable, net	926,067	
Endowment investments	13,824,976	46,684,467
Other investments	18,055,862	17,614,815
Capital assets, net	71,061,273	9,559,777
Total noncurrent assets	<u>102,942,111</u>	<u>74,785,126</u>
Total assets	<u>566,535,387</u>	<u>74,949,287</u>
DEFERRED OUTFLOWS OF RESOURCES		
Total assets and deferred outflows of resources	<u><u>\$ 587,539,524</u></u>	<u><u>\$ 74,949,287</u></u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 49,221,593	\$ 120
Accrued workers' compensation, current portion	99,300	
Compensated absences, current portion	13,976,628	
Obligations under subscription arrangements, current portion	3,714,369	
Obligations under lease arrangements, current portion	1,420,384	
Unearned revenues	41,044,010	
Total current liabilities	<u>109,476,284</u>	<u>120</u>
Noncurrent liabilities		
Accrued workers' compensation	562,700	
Compensated absences	7,325,386	
Endowments invested on behalf of primary government		13,824,976
Obligations under subscription arrangements	1,202,943	
Obligations under lease arrangements	1,354,482	
Net pension liability	65,808,349	
Total noncurrent liabilities	<u>76,253,860</u>	<u>13,824,976</u>
Total liabilities	<u>185,730,144</u>	<u>13,825,096</u>
DEFERRED INFLOWS OF RESOURCES		
NET POSITION		
Unrestricted	339,661,416	5,427,096
Net investment in capital assets	63,369,095	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	34,423	
Expendable:		
Scholarships and fellowships	31,760	
Research	5,856	
Net assets with donor restrictions		55,697,095
Total net position	<u>403,102,550</u>	<u>61,124,191</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 587,539,524</u></u>	<u><u>\$ 74,949,287</u></u>

**UNIVERSITY OF MARYLAND GLOBAL CAMPUS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025**

	Institution	Component Units
OPERATING REVENUES		
Tuition and fees	\$ 427,677,823	
Less: scholarship allowances	<u>(70,552,307)</u>	\$ 357,125,516
Federal grants and contracts		4,518,902
State and local grants and contracts		3,748,644
Nongovernmental grants and contracts		4,010,558
Sales and services of educational departments		629,962
Auxiliary enterprises:		
Other operating revenues		20,773,377
Total operating revenues		<u>390,806,959</u>
OPERATING EXPENSES		
Instruction	109,297,832	
Public service	8,942,008	
Academic support	73,260,356	
Student services	218,298,582	
Institutional support	89,481,331	
Operation and maintenance of plant	19,826,368	
Scholarships and fellowships	71,429,121	
Auxiliary enterprises:		
Bookstore	1,217	
Total operating expenses		<u>590,536,815</u>
Operating loss		<u>(199,729,856)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	65,585,525	
Pell grants	107,827,149	
Gifts		\$ 2,747,131
Investment income	17,670,335	3,921,052
Less: investment expense	<u>(36,398)</u>	
Interest on indebtedness	17,633,937	
Other revenues, (expenses), gains and (losses)	(176,711)	
Other affiliated foundation revenues	(669,111)	
Other affiliated foundation expenses		(6,102)
Transfers (to) other University System of Maryland institutions		(3,415,122)
Total nonoperating revenues		<u>(456,951)</u>
Income (loss) before other revenues		<u>189,743,838</u>
OTHER REVENUES		<u>3,246,959</u>
Capital appropriations	105,987	
Additions to endowments		
Total other revenues		<u>105,987</u>
Increase (decrease) in net position		<u>(9,880,031)</u>
Net position - beginning of year		<u>412,982,581</u>
Net position - end of year	<u>\$ 403,102,550</u>	<u>\$ 61,124,191</u>

**UNIVERSITY OF MARYLAND GLOBAL CAMPUS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 353,822,849
Research contracts and grants	8,511,455
Payments to employees	(322,379,701)
Payments to suppliers and contractors	(241,118,292)
Student direct lending payments	(194,456,058)
Student direct lending receipts	194,456,058
Other receipts (payments)	19,721,281
Net cash used by operating activities	(181,442,408)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State appropriations	65,585,525
Pell grants	107,827,149
Net cash provided by noncapital financing activities	173,412,674

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital appropriations	105,987
Proceeds from sales of capital assets	719,987
Purchases of capital assets	(13,292,235)
Principal paid on debt and leases	(5,392,468)
Interest paid on debt and leases	(176,711)
Transfers from other University System of Maryland institutions	28,171
Net cash used by capital and related financing activities	(18,007,269)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	539,710
Interest on investments	22,908,943
Investment expense	(36,398)
Net cash provided by investing activities	23,412,255
Net decrease in cash and cash equivalents	(2,624,748)
Cash and cash equivalents - beginning of year	402,841,996
Cash and cash equivalents - end of year	\$ 400,217,248

**UNIVERSITY OF MARYLAND, BALTIMORE COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Institution	Component Units
ASSETS		
Current assets		
Cash and cash equivalents	\$ 310,175,526	
Accounts receivable, net	27,206,293	\$ 6,967,229
Leases receivable, current portion, net	1,391,389	
Inventories	289,369	
Prepaid expenses and other	258,940	18,048
Inter-institutional balances	(1,290,724)	
Total current assets	338,030,793	6,985,277
Noncurrent assets		
Accounts receivable, net	572,024	
Endowment investments	29,058,100	179,178,683
Other investments	400,000	62,974,207
Leases receivable, net	2,879,045	
Capital assets, net	712,561,854	22,068
Total noncurrent assets	744,898,999	242,746,982
Total assets	1,082,929,792	249,732,259
DEFERRED OUTFLOWS OF RESOURCES	49,794,907	
Total assets and deferred outflows of resources	\$1,132,724,699	\$ 249,732,259
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 47,512,299	\$ 2,572
Accrued workers' compensation, current portion	199,350	
Compensated absences, current portion	14,254,729	
Obligations under subscription arrangements, current portion	410,633	
Obligations under lease arrangements, current portion	640,523	
Revenue bonds and notes payable, current portion	9,983,675	
Unearned revenues	20,617,622	
Total current liabilities	93,618,831	2,572
Noncurrent liabilities		
Accrued workers' compensation	1,129,650	
Compensated absences	5,469,192	
Endowments invested on behalf of primary government		29,058,100
Obligations under subscription arrangements	549,837	
Obligations under lease arrangements	3,742,623	
Revenue bonds and notes payable	115,604,285	
Net pension liability	159,777,678	
Total noncurrent liabilities	286,273,265	29,058,100
Total liabilities	379,892,096	29,060,672
DEFERRED INFLOWS OF RESOURCES	32,451,839	
NET POSITION		
Unrestricted	156,600,354	18,376,872
Net investment in capital assets	563,649,936	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	130,474	
Expendable:		
Net assets with donor restrictions		202,294,715
Total net position	720,380,764	220,671,587
Total liabilities, deferred inflows of resources and net position	\$1,132,724,699	\$ 249,732,259

UNIVERSITY OF MARYLAND, BALTIMORE COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025

	Institution	Component Units
OPERATING REVENUES		
Tuition and fees	\$ 158,717,723	\$ 124,620,392
Less: scholarship allowances	<u>(34,097,331)</u>	85,423,259
Federal grants and contracts		54,279,915
State and local grants and contracts		29,250,860
Nongovernmental grants and contracts		3,315,125
Sales and services of educational departments		
Auxiliary enterprises:		
Residential facilities	32,784,386	28,476,111
Less: scholarship allowances	<u>(4,308,275)</u>	
Dining facilities	18,931,314	16,148,157
Less: scholarship allowances	<u>(2,783,157)</u>	15,165,181
Intercollegiate athletics		
Bookstore	3,832,114	3,830,327
Less: scholarship allowances	<u>(1,787)</u>	2,085,022
Parking facilities		24,980,617
Other auxiliary enterprises revenues		<u>23,763,397</u>
Other operating revenues		
		<u>411,338,363</u>
Total operating revenues		
OPERATING EXPENSES		
Instruction	181,259,406	
Research	129,691,843	
Public service	18,893,843	
Academic support	34,965,541	
Student services	33,807,599	
Institutional support	65,476,072	
Operation and maintenance of plant	61,156,281	
Scholarships and fellowships	40,449,805	
Auxiliary enterprises:		
Residential facilities	23,148,904	
Dining facilities	16,340,953	
Intercollegiate athletics	14,711,596	
Bookstore	3,715,910	
Parking facilities	1,350,915	
Other auxiliary enterprises expenses	<u>36,192,739</u>	
		<u>661,161,407</u>
Total operating expenses		
Operating loss		<u>(249,823,044)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	221,166,290	
Pell grants	23,189,554	\$ 5,913,054
Gifts		13,551,349
Investment income	15,021,889	
Less: investment expense	<u>(102,559)</u>	14,919,330
Interest on indebtedness		(3,452,153)
Other revenues, (expenses), gains and (losses)		(370,865)
Other affiliated foundation revenues		213,695
Other affiliated foundation expenses		(11,854,207)
Transfers (to) other University System of Maryland institutions	<u>(3,068,308)</u>	
		<u>252,383,848</u>
Total nonoperating revenues		<u>7,823,891</u>
Income before other revenues		<u>2,560,804</u>
OTHER REVENUES		
Capital appropriations	<u>42,830,893</u>	
Total other revenues		<u>42,830,893</u>
Increase in net position		45,391,697
Net position - beginning of year		<u>674,989,067</u>
Net position - end of year	<u>\$ 720,380,764</u>	<u>\$ 220,671,587</u>

**UNIVERSITY MARYLAND, BALTIMORE COUNTY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 126,344,906
Research contracts and grants	165,328,174
Payments to employees	(380,592,825)
Payments to suppliers and contractors	(231,752,624)
Loans issued to students	(7,060)
Collection of loans to students	7,060
Student direct lending payments	(41,566,227)
Student direct lending receipts	41,566,227
Auxiliary enterprises:	
Residential facilities	26,641,016
Dining facilities	16,126,660
Intercollegiate athletics	15,144,994
Bookstores	3,825,228
Parking facilities	2,082,246
Other	24,947,363
Other receipts	<u>28,428,117</u>
Net cash used by operating activities	<u>(203,476,745)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State appropriations	221,166,290
Pell grants	<u>23,189,554</u>
Net cash provided by noncapital financing activities	<u>244,355,844</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital appropriations	42,830,893
Capital grants and gifts received	(675,267)
Purchases of capital assets	(58,544,018)
Principal paid on debt and leases	(10,195,186)
Interest paid on debt and leases	(4,753,644)
Transfers (to) other University System of Maryland institutions	<u>(485,053)</u>
Net cash provided (used) by capital and related financing activities	<u>(31,822,275)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	479,879
Interest on investments	12,773,284
Investment expense	(102,559)
Purchases of investments	
Net cash provided by investing activities	<u>13,150,604</u>
Net increase in cash and cash equivalents	<u>22,207,428</u>
Cash and cash equivalents - beginning of year	<u>287,968,098</u>
Cash and cash equivalents - end of year	<u>\$ 310,175,526</u>

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
STATEMENT OF NET POSITION
JUNE 30, 2025**

	<u>Institution</u>	<u>Component Units</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 19,371,193	
Accounts receivable, net	7,754,244	\$ 525
Prepaid expenses and other	1,539,022	
Inter-institutional balances	7,175,089	
Total current assets	<u>35,839,548</u>	<u>525</u>
Noncurrent assets		
Endowment investments	533,047	5,136,196
Other investments	50,000	6,177,996
Capital assets, net	66,067,321	2,099
Total noncurrent assets	<u>66,650,368</u>	<u>11,316,291</u>
Total assets	<u>102,489,916</u>	<u>11,316,816</u>
DEFERRED OUTFLOWS OF RESOURCES		
Total assets and deferred outflows of resources	<u>\$ 108,230,832</u>	<u>\$ 11,316,816</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,644,227	
Accrued workers' compensation, current portion	8,250	
Compensated absences, current portion	1,995,889	
Revenue bonds and notes payable, current portion	469,905	
Unearned revenues	1,586,409	
Total current liabilities	<u>7,704,680</u>	
Noncurrent liabilities		
Accrued workers' compensation	46,750	
Compensated absences	2,230,943	
Endowments invested on behalf of primary government		\$ 533,047
Revenue bonds and notes payable	2,687,824	
Net pension liability	14,193,729	
Total noncurrent liabilities	<u>19,159,246</u>	<u>533,047</u>
Total liabilities	<u>26,863,926</u>	<u>533,047</u>
DEFERRED INFLOWS OF RESOURCES		
NET POSITION		
Unrestricted	16,764,754	814,071
Net investment in capital assets	62,910,246	
Restricted:		
Expendable:		
Net assets with donor restrictions		9,969,698
Total net position	<u>79,675,000</u>	<u>10,783,769</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 108,230,832</u>	<u>\$ 11,316,816</u>

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025**

	<u>Institution</u>	<u>Component Units</u>
OPERATING REVENUES		
Federal grants and contracts	\$ 16,333,765	
State and local grants and contracts	4,423,246	
Nongovernmental grants and contracts	4,599,116	
Sales and services of educational departments	4,335,714	
	<u>29,691,841</u>	
Total operating revenues		
OPERATING EXPENSES		
Research	67,059,807	
Operation and maintenance of plant	450,419	
	<u>67,510,226</u>	
Total operating expenses		
Operating loss		<u>(37,818,385)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	29,546,301	
Gifts	\$ 3,208,185	
Investment income	1,153,701	400,868
Interest on indebtedness	(99,738)	
Other affiliated foundation expenses	(1,395,064)	
Transfers from other University System of Maryland institutions	481,586	
	<u>31,081,850</u>	<u>2,213,989</u>
Total nonoperating revenues (expenses)		
Income (loss) before other revenues		<u>(6,736,535)</u>
OTHER REVENUES		
Capital appropriations	9,026,599	
	<u>9,026,599</u>	
Total other revenues		
Increase in net position	2,290,064	2,213,989
Net position - beginning of year	77,384,936	8,569,780
Net position - end of year	<u>\$ 79,675,000</u>	<u>\$ 10,783,769</u>

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Research contracts and grants	\$ 20,143,105
Payments to employees	(42,523,504)
Payments to suppliers and contractors	(39,828,606)
Other receipts	<u>18,608,437</u>
Net cash used by operating activities	<u>(43,600,568)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State appropriations	29,546,301
Net cash provided by noncapital financing activities	<u>29,546,301</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital appropriations	9,026,599
Purchases of capital assets	(9,457,387)
Principal paid on debt and leases	(587,068)
Interest paid on debt and leases	(142,628)
Transfers from other University System of Maryland institutions	<u>5,257,201</u>
Net cash provided (used) by capital and related financing activities	<u>4,096,717</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	1,131,678
Interest on investments	<u>1,131,678</u>
Net cash provided by investing activities	<u>1,131,678</u>
Net decrease in cash and cash equivalents	<u>(8,825,872)</u>
Cash and cash equivalents - beginning of year	<u>28,197,065</u>
Cash and cash equivalents - end of year	<u>\$ 19,371,193</u>

**UNIVERSITY SYSTEM OF MARYLAND OFFICE
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Institution	Component Units
ASSETS		
Current assets		
Cash and cash equivalents	\$ 282,591,150	\$ 15,242,564
Accounts receivable, net	1,080,115	392,055
Prepaid expenses and other		1,458,702
Inter-institutional balances	(41,605,637)	
Total current assets	242,065,628	17,093,321
Noncurrent assets		
Restricted cash and cash equivalents	33,916,295	
Accounts receivable, net		274
Endowment investments	38,971,541	24,948,572
Other investments	7,394,393	164,944,203
Other assets		553,000
Capital assets, net	307,552,103	2,610,266
Total noncurrent assets	387,834,332	193,055,767
Total assets	629,899,960	210,149,088
DEFERRED OUTFLOWS OF RESOURCES		
Total assets and deferred outflows of resources	\$ 640,782,713	\$ 210,149,088
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 11,277,605	\$ 3,382,335
Accrued workers' compensation, current portion	7,950	
Compensated absences, current portion	11,291,898	
Obligations under subscription arrangements, current portion	1,554,357	
Obligations under lease arrangements, current portion	357,446	
Revenue bonds and notes payable, current portion	2,407,067	
Unearned revenues	3,790,165	2,034,000
Total current liabilities	30,686,488	5,416,335
Noncurrent liabilities		
Accrued workers' compensation	45,050	
Compensated absences	1,859,072	
Endowments invested on behalf of primary government		38,971,541
Other payables		114,830,982
Obligations under subscription arrangements	9,046,978	
Obligations under lease arrangements	4,461,923	
Revenue bonds and notes payable	35,972,527	
Net pension liability	12,442,191	
Total noncurrent liabilities	63,827,741	153,802,523
Total liabilities	94,514,229	159,218,858
DEFERRED INFLOWS OF RESOURCES		
NET POSITION		
Unrestricted	247,694,553	6,896,938
Net investment in capital assets	281,932,384	
Restricted:		
Nonexpendable:		
Scholarships and fellowships	347,604	
Other	471,330	
Expendable:		
Capital projects	5,611,307	
Net assets with donor restrictions		44,278,693
Total net position	536,057,178	51,175,631
Total liabilities, deferred inflows of resources and net position	\$ 640,782,713	\$ 210,394,489

**UNIVERSITY SYSTEM OF MARYLAND OFFICE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025**

	Institution	Component Units
OPERATING REVENUES		
Federal grants and contracts	\$ 766,028	
State and local grants and contracts	344,607	
Nongovernmental grants and contracts	7,500	
Other operating revenues	<u>2,068,514</u>	
Total operating revenues	<u>3,186,649</u>	
OPERATING EXPENSES		
Academic support	13,744,661	
Institutional support	<u>59,010,142</u>	
Total operating expenses	<u>72,754,803</u>	
Operating loss	<u>(69,568,154)</u>	
NONOPERATING REVENUES (EXPENSES)		
State appropriations	27,950,363	
Gifts	\$ 1,671,773	
Investment income	1,259,169	
Less: investment expense	<u>(101,452)</u>	
Interest on indebtedness	19,081,626	
Other revenues, (expenses), gains and (losses)	(3,476,188)	
Other affiliated foundation revenues	7,211,623	
Other affiliated foundation expenses	(7,219,990)	
Transfers from other University System of Maryland institutions	<u>6,235,786</u>	
Total nonoperating revenues	<u>49,791,587</u>	<u>2,922,575</u>
Income (loss) before other revenues	<u>(19,776,567)</u>	<u>2,922,575</u>
OTHER REVENUES		
Capital appropriations	<u>1,086,583</u>	
Total other revenues	<u>1,086,583</u>	
Increase (decrease) in net position	<u>(18,689,984)</u>	<u>2,922,575</u>
Net position - beginning of year	<u>554,747,162</u>	<u>48,253,056</u>
Net position - end of year	<u>\$ 536,057,178</u>	<u>\$ 51,175,631</u>

**UNIVERSITY SYSTEM OF MARYLAND OFFICE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Research contracts and grants	\$ 831,310
Payments to employees	(17,093,425)
Payments to suppliers and contractors	(32,943,834)
Other receipts (payments)	<u>(1,508,092)</u>
Net cash used by operating activities	<u>(50,714,041)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State appropriations	<u>27,950,363</u>
Net cash provided by noncapital financing activities	<u>27,950,363</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital appropriations	1,086,583
Purchases of capital assets	(5,973,693)
Principal paid on debt and leases	(5,762,288)
Interest paid on debt and leases	(4,000,327)
Transfers (to) other University System of Maryland institutions	<u>(84,181,891)</u>
Net cash used by capital and related financing activities	<u>(98,831,616)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	1,055,035
Interest on investments	15,288,476
Investment expense	(101,452)
Purchases of investments	<u>(588,546)</u>
Net cash provided by investing activities	<u>15,653,513</u>
Net decrease in cash and cash equivalents	<u>(105,941,781)</u>
Cash and cash equivalents - beginning of year	<u>422,449,226</u>
Cash and cash equivalents - end of year	<u>\$ 316,507,445</u>

UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF FINANCIAL POSITION, NONMAJOR COMPONENT UNITS
JUNE 30, 2025

	University of Maryland Pediatric Associates, P.A.	University of Maryland Orthopaedic Associates, P.A.	Bowie State University Foundation, Inc.	Towson University Foundation, Inc.	Frostburg State University Foundation, Inc.	Coppin State University Development Foundation, Inc.	University of Baltimore Foundation, Inc. and University Properties, Inc.	Salisbury University Foundation, Inc.	Total Nonmajor Component Units
ASSETS									
Current Assets									
Cash	\$ 25,185,366	\$ 11,295,264	\$ 12,098,247	\$ 7,937,868	\$ 632,894	\$ 4,477,128	\$ 18,817,404	\$ 374,457	\$ 80,818,628
Accounts receivable, net	24,809,625	31,180,866		319,082	233,007	7,814,801		2,155,983	66,513,364
Other assets	3,455,911	73,912		343,531	14,081	704		38,932	3,927,071
Total current assets	53,450,902	42,550,042	12,098,247	8,600,481	879,982	12,292,633	18,817,404	2,569,372	151,259,063
Investments									
Endowment investments									
Other investments		979,795		49,385,391	120,988,364	43,734,590	13,481,889	91,926,111	132,079,355
				7,575,598				1,120,940	451,595,700
Total investments	979,795	49,385,391	120,988,364	51,310,188	13,481,889	91,926,111	133,200,295	461,272,033	
Noncurrent assets									
Accounts receivable, net			3,347,850	5,119,736					
Capital assets, net	115,885	5,688,602		663,890			4,594,525	7,707,135	21,433,136
Other assets		6,406,008		8,550	3,817,477		1,874,653	83,104	11,588,271
				475,212			176,341	2,144,179	9,201,740
Total noncurrent assets	115,885	12,094,610	3,347,850	5,119,736	1,147,652	3,817,477	6,645,519	9,934,418	42,223,147
Total assets	\$ 53,566,787	\$ 55,624,447	\$ 64,831,488	\$ 134,708,581	\$ 53,337,822	\$ 29,591,999	\$ 117,389,034	\$ 145,704,085	\$ 654,754,243
LIABILITIES									
Current liabilities									
Accounts payable & accrued expenses	\$ 29,517,725	\$ 17,829,207	\$ 3,116,419	\$ 2,988,465	\$ 31,300	\$ 2,320,264	\$ 1,376,432	\$ 164,580	\$ 57,344,392
Long-term debt, current								1,752,486	1,752,486
Unearned revenues					2,820		1,305,554	104,945	1,413,319
Total current liabilities	29,517,725	17,829,207	3,116,419	2,988,465	34,120	2,320,264	2,681,986	2,022,011	60,510,197
Noncurrent liabilities									
Other payables	3,819,295	8,050,746			11,845	6,414		467,186	12,355,486
Total noncurrent liabilities	3,819,295	8,050,746			11,845	6,414		467,186	12,355,486
Total liabilities	33,337,020	25,879,953	3,116,419	2,988,465	45,965	2,326,678	2,681,986	2,489,197	72,865,683
NET ASSETS									
Without donor restrictions	20,229,767	29,744,494	30,789,466	6,582,229	3,801,056	27,265,321	16,691,231	13,541,469	148,645,033
With donor restrictions			30,925,603	125,137,887	49,490,801		98,015,817	129,673,419	433,243,527
Total net assets	20,229,767	29,744,494	61,715,069	131,720,116	53,291,857	27,265,321	114,707,048	143,214,888	581,888,560
Total liabilities and net assets	\$ 53,566,787	\$ 55,624,447	\$ 64,831,488	\$ 134,708,581	\$ 53,337,822	\$ 29,591,999	\$ 117,389,034	\$ 145,704,085	\$ 654,754,243

This page intentionally left blank.

UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF ACTIVITIES, NONMAJOR COMPONENT UNITS
YEAR ENDED JUNE 30, 2025

	University of Maryland Pediatric Associates, P.A.	University of Maryland Orthopaedic Associates, P.A.	Bowie State University Foundation, Inc.	Towson University Foundation, Inc.	Frostburg State University Foundation, Inc.	Coppin State University Development Foundation, Inc.	University of Baltimore Foundation, Inc. and University Properties, Inc.	Salisbury University Foundation, Inc.	Total Nonmajor Component Units
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS									
Revenues									
Contributions & grants	\$ 1,132,339	\$ 275,742	\$ 2,224,818	\$ 789,645	\$ 110,914	\$ 8,878,969	\$ 1,507,786	\$ 117,580	\$ 11,404,894
Investment income	37,345,034	47,208,104	490,313	1,601,273	128,158	1,757,785	1,594,603	1,145,170	9,859,888
Other income				3,131	17,775	22,567,417	7,957	315,052	107,954,783
Assets released from restrictions			6,572,248	9,520,790	3,036,101		5,556,236	6,663,322	31,348,697
Total revenues	38,477,373	47,483,846	9,287,379	11,914,839	3,292,948	33,204,171	8,666,582	8,241,124	160,568,262
Expenses									
Program	16,294,191	23,258,449	5,297,350	8,943,349	2,752,191	6,289,275	5,925,447	68,760,252	
General & administrative	11,156,418	6,721,549	402,205	1,116,626	345,659	5,938,850	823,260	944,871	27,449,438
Fundraising			18,025	540,726			287,156	640,603	1,486,510
Other expense	3,444,090	7,622,176							11,066,266
Total expenses	30,894,699	37,602,174	5,717,580	10,600,701	3,097,850	5,938,850	7,399,691	7,510,921	108,762,466
Change in net assets without donor restrictions	7,582,674	9,881,672	3,569,799	1,314,138	195,098	27,265,321	1,266,891	730,203	51,805,796
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS									
Contributions & grants			5,934,587	8,757,414	5,417,633		4,015,170	11,683,411	35,808,215
Investment income			1,348,529	10,655,855	3,456,561		6,744,922	14,340,869	36,546,736
Other income			957,975	938,596	340,909		34,116	258,470	2,530,066
Assets released from restrictions			(6,572,248)	(9,520,790)	(3,036,101)		(5,556,236)	(6,663,322)	(31,348,697)
Change in net assets with donor restrictions			1,668,843	10,831,075	6,179,002		5,237,972	19,619,428	43,536,320
Total change in net assets	7,582,674	9,881,672	5,238,642	12,145,213	6,374,100	27,265,321	6,504,863	20,349,631	95,342,116
Net assets - beginning of year	12,647,093	19,862,822	56,476,427	119,574,903	46,917,757		108,202,185	122,865,257	486,546,444
Net assets - end of year	\$ 20,229,767	\$ 29,744,494	\$ 61,715,069	\$ 131,720,116	\$ 53,291,857	\$ 27,265,321	\$ 114,707,048	\$ 143,214,888	\$ 581,888,560

This page intentionally left blank.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2025

ACCOUNTING AND REPORTING PRACTICES

Supplementary data reporting units

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

Facilities maintenance expenses

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

System-wide financing arrangements

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

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

Component Unit information included in Supplementary Information Institutional Financial Statements

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

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

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

This page intentionally left blank.



Certified Public
Accountants &
Business Advisors

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

To the Board of Regents
University System of Maryland

We have audited, in accordance with 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 (*Government Auditing Standards*), the 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, 2025, 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 9, 2025.

Our report includes a reference to other auditors who audited the financial statements of University System of Maryland Foundation, Inc., University of Maryland College Park Foundation, Inc., University of Maryland Baltimore Foundation, Inc., University of Maryland Faculty Physicians, Inc., University of Maryland Pediatric Associates, P.A., University of Maryland Orthopaedic Associates, P.A., Towson University Foundation, Inc., Frostburg State University Foundation, Inc., University of Baltimore Foundation Inc. and University Properties Inc., and Salisbury University Foundation, Inc. (the discretely presented component units), as described in our report on the System's financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Report on Internal Controls Over Financial Reporting

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

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



Certified Public
Accountants &
Business Advisors

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Owings Mills, Maryland
December 9, 2025

SB + Company, LLC