



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

For the Years Ended June 30, 2017 and 2016

This page intentionally left blank.

UNIVERSITY SYSTEM OF MARYLAND

TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2017 AND 2016

| | |
|--------------------------------------------------------------------------------------------------------------------|--------|
| REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS | 1 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS | 3 |
| FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2017 AND 2016: | |
| Balance Sheets, University System of Maryland | 10 |
| Combining Balance Sheets, Component Units | 11 |
| Statements of Revenues, Expenses and Changes in Net Position, University System of Maryland | 13 |
| Combining Statements of Activities, Component Units | 14 |
| Statements of Cash Flows, University System of Maryland | 16 |
| Notes to Financial Statements | 18 |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions | 49 |
| SUPPLEMENTARY DATA: | |
| Balance Sheets, Statements of Revenues, Expenses and Changes in Net Position, and Statements of Cash Flows for: | |
| University of Maryland, Baltimore | 51 |
| University of Maryland, College Park | 54 |
| Bowie State University | 57 |
| Towson University | 60 |
| University of Maryland Eastern Shore | 63 |
| Frostburg State University | 66 |
| Coppin State University | 69 |
| University of Baltimore | 72 |
| Salisbury University | 75 |
| University of Maryland University College | 78 |
| University of Maryland, Baltimore County | 81 |
| University of Maryland Center for Environmental Science | 84 |
| University System of Maryland Office | 87 |
| Combining Balance Sheets, Nonmajor Component Units | 90 |
| Combining Statements of Activities, Nonmajor Component Units | 92 |
| Notes to Supplementary Data | 94 |



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Regents
University System of Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the University System of Maryland (the System), as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We audited the component unit financial statements of UMBC Research Park Corporation, Inc. and the Bowie State University Foundation, Inc. We did not audit the financial statements of the other component units, which represent 99 percent, 99 percent, and 99 percent, respectively, of the total assets, net assets and unrestricted revenue of the total component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

Opinion

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the System and its discretely presented component units as of June 30, 2017 and 2016, and the respective changes in their financial position and, where applicable, their cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of net pension liability, and the schedule of contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Hunt Valley, Maryland
November 1, 2017

UNIVERSITY SYSTEM OF MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2017 AND 2016

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, 2017 and 2016, with 2015 information for comparative purposes.

Financial Highlights

- Unrestricted net position increased by \$87,537,605 for the year ended June 30, 2017, compared to an increase of \$162,743,436 for the year ended June 30, 2016.
- State appropriations for the System increased by 3.0% for the year ended June 30, 2017. For the year ended June 30, 2016, State appropriations increased by 4.5% from the amount received in the year ended June 30, 2015.
- Tuition and fees, after deducting scholarship allowances, increased by \$46,887,482 or 3.6% for the year ended June 30, 2017. During the year ended June 30, 2016, net tuition and fees, increased by \$65,331,417 or 5.4%.
- For the year ended June 30, 2017, investment gain on Endowment assets was \$24,998,606, representing an investment return of 13%. Investment loss on Endowment assets amounted to \$3,619,687, a negative investment return of 2%, for the year ended June 30, 2016.

Overview of the Financial Statements

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

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

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

UNIVERSITY SYSTEM OF MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED JUNE 30, 2017 AND 2016

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

The System's financial statements include all accounts and balances of the System (considered the primary government, in accounting terms), as well as 19 legally-separate and distinct entities for which the System is financially accountable, which are considered component units. Of the 19 component units, three are considered major component units due to their significance in terms of size.

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

Financial Analysis

As of June 30, 2017, the System's financial health remains strong, with assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by \$6,130,490,901, shown on the Balance Sheet as total net position. This compares with total net position of \$5,774,898,378 as of June 30, 2016. As suggested earlier, when viewed over time, net position may be useful as an indicator of financial health.

For the year ended June 30, 2017, total net position increased by \$355,592,523. While net investment in capital assets increased by \$266,036,162, unrestricted net position increased by \$87,537,605 and restricted net position categories increased by \$2,018,756.

As of June 30, 2016, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$5,774,898,378, shown on the Balance Sheet as total net position. This compares with total net position of \$5,258,179,934 as of June 30, 2015.

For the year ended June 30, 2016, total net position increased by \$516,718,444. While net investment in capital assets increased by \$363,476,649, unrestricted net position increased by \$162,743,436 and restricted net position categories decreased by \$9,501,641.

UNIVERSITY SYSTEM OF MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2017 AND 2016

The table below presents summary-level information of the System's assets, liabilities, and net position as of June 30, 2017, 2016 and 2015.

| | 2017 | 2016 | 2015 |
|-------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| Current and other assets | \$ 2,898,981,768 | \$ 2,813,870,299 | \$ 2,577,274,912 |
| Capital assets, net | 6,270,469,058 | 6,014,590,059 | 5,618,391,771 |
| Total assets | 9,169,450,826 | 8,828,460,358 | 8,195,666,683 |
| Deferred outflows of resources | 603,156,888 | 380,912,045 | 137,469,855 |
| Total assets and deferred outflows of resources | <u>\$ 9,772,607,714</u> | <u>\$ 9,209,372,403</u> | <u>\$ 8,333,136,538</u> |
| LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | | | |
| Debt and capital lease obligations | \$ 1,297,820,817 | \$ 1,270,382,208 | \$ 1,199,533,574 |
| Other liabilities | 751,817,540 | 793,272,313 | 734,260,731 |
| Net pension liability | 1,216,808,542 | 966,400,173 | 718,516,394 |
| Total liabilities | 3,266,446,899 | 3,030,054,694 | 2,652,310,699 |
| Deferred inflows of resources | 375,669,914 | 404,419,331 | 422,645,905 |
| Total liabilities and deferred inflows of resources | <u>3,642,116,813</u> | <u>3,434,474,025</u> | <u>3,074,956,604</u> |
| NET POSITION | | | |
| Net investment in capital assets | 4,770,197,890 | 4,504,161,728 | 4,140,685,079 |
| Restricted | 240,589,769 | 238,571,013 | 248,072,654 |
| Unrestricted | 1,119,703,242 | 1,032,165,637 | 869,422,201 |
| Total net position | <u>6,130,490,901</u> | <u>5,774,898,378</u> | <u>5,258,179,934</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 9,772,607,714</u> | <u>\$ 9,209,372,403</u> | <u>\$ 8,333,136,538</u> |

UNIVERSITY SYSTEM OF MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2017 AND 2016

The table below presents summary-level information on revenues, expenses, and other changes in the System's net assets for the years ended June 30, 2017, 2016 and 2015.

| | 2017 | 2016 | 2015 |
|---------------------------------|-------------------------|-------------------------|-------------------------|
| Operating revenues | \$ 3,515,720,214 | \$ 3,386,707,426 | \$ 3,268,645,793 |
| Operating expenses | 4,919,209,000 | 4,707,649,099 | 4,569,251,634 |
| Operating loss | (1,403,488,786) | (1,320,941,673) | (1,300,605,841) |
| State appropriations | 1,295,338,118 | 1,257,323,499 | 1,203,572,985 |
| Other nonoperating revenue, net | 233,175,561 | 186,540,567 | 201,191,828 |
| Total nonoperating revenue | 1,528,513,679 | 1,443,864,066 | 1,404,764,813 |
| Income before other revenue | 125,024,893 | 122,922,393 | 104,158,972 |
| Other revenue | 230,567,630 | 393,796,051 | 256,885,072 |
| Increase in net position | 355,592,523 | 516,718,444 | 361,044,044 |
| Net position, beginning of year | 5,774,898,378 | 5,258,179,934 | 4,897,135,890 |
| Net position, end of year | <u>\$ 6,130,490,901</u> | <u>\$ 5,774,898,378</u> | <u>\$ 5,258,179,934</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, 2017, 2016 and 2015, operating revenues, which under the definitions used by GASB excludes state appropriations, are detailed below:

| | 2017 | | 2016 | | 2015 | |
|-----------------------------------------------|-------------------------|----------------|-------------------------|----------------|-------------------------|----------------|
| | \$ | % | \$ | % | \$ | % |
| Tuition and fees, net | \$ 1,333,344,269 | 37.9 % | \$ 1,286,456,787 | 38.0 % | \$ 1,221,125,370 | 37.4 % |
| Contracts and grants | 1,116,480,044 | 31.8 | 1,075,522,289 | 31.8 | 1,045,882,031 | 32.0 |
| Sales and services of educational departments | 344,781,319 | 9.8 | 342,146,755 | 10.1 | 331,889,848 | 10.1 |
| Auxiliary enterprises, net | 644,117,225 | 18.3 | 617,436,075 | 18.2 | 603,557,944 | 18.5 |
| Other operating | 76,997,357 | 2.2 | 65,145,520 | 1.9 | 66,190,600 | 2.0 |
| Total | <u>\$ 3,515,720,214</u> | <u>100.0 %</u> | <u>\$ 3,386,707,426</u> | <u>100.0 %</u> | <u>\$ 3,268,645,793</u> | <u>100.0 %</u> |

UNIVERSITY SYSTEM OF MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2017 AND 2016

For the years ended June 30, 2017, 2016 and 2015, operating expenses are detailed below:

| | 2017 | | 2016 | | 2015 | |
|---------------------------------------|-------------------------|----------------|-------------------------|----------------|-------------------------|----------------|
| | \$ | % | \$ | % | \$ | % |
| Instruction | \$ 1,304,339,999 | 26.6 % | \$ 1,247,404,365 | 26.5 % | \$ 1,224,231,147 | 26.7 % |
| Research | 1,006,751,565 | 20.5 | 964,465,402 | 20.5 | 936,234,104 | 20.5 |
| Public service | 159,815,026 | 3.2 | 164,703,932 | 3.5 | 152,294,821 | 3.3 |
| Academic support | 451,797,952 | 9.2 | 418,943,312 | 8.9 | 412,231,388 | 9.0 |
| Student services | 242,660,746 | 4.9 | 225,731,947 | 4.8 | 218,553,357 | 4.8 |
| Institutional support | 507,673,901 | 10.3 | 481,794,470 | 10.2 | 445,527,993 | 9.8 |
| Operation and maintenance of plant | 353,917,522 | 7.2 | 328,367,297 | 7.0 | 336,605,301 | 7.4 |
| Scholarships and fellowships | 110,187,780 | 2.2 | 110,541,568 | 2.3 | 104,239,654 | 2.3 |
| Auxiliary enterprises | 574,454,741 | 11.7 | 563,765,711 | 12.0 | 546,264,612 | 12.0 |
| Hospital | 207,609,768 | 4.2 | 201,931,095 | 4.3 | 193,069,257 | 4.2 |
| Total | \$ 4,919,209,000 | 100.0 % | \$ 4,707,649,099 | 100.0 % | \$ 4,569,251,634 | 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, 2017 and 2016, increases in total employee payments of \$140,367,528 and \$98,849,621, respectively, represent the largest component of the overall increase in operating expenses over the prior year. For 2017 and 2016 the largest increases associated with employee payments were for instruction activities.

Capital Asset and Debt Administration

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

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

UNIVERSITY SYSTEM OF MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2017 AND 2016

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

| | 2017 | 2016 | 2015 |
|--------------------------------------------------|----------------------|----------------------|----------------------|
| State of Maryland debt proceeds or cash balances | \$208,834,385 | \$358,198,458 | \$234,361,573 |
| System debt proceeds | 118,276,999 | 159,982,972 | 70,987,051 |
| System cash balances and donations | 247,571,537 | 179,908,421 | 161,385,074 |
| Total | \$574,682,921 | \$698,089,851 | \$466,733,698 |

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

| Project | Institution | Cost |
|---------------------------------------------------|-----------------------------------------|---------------|
| Year ended June 30, 2017 | | |
| Edward St. John Learning and Teaching Center | University of Maryland, College Park | \$119,156,000 |
| Natural Sciences Building | Bowie State University | 102,171,000 |
| New Academic Commons | Salisbury University | 117,088,000 |
| West Village Housing | Towson University | 100,150,000 |
| Year ended June 30, 2016 | | |
| Engineering and Aviation Sciences Facility | University of Maryland Eastern Shore | \$101,207,000 |
| New Science and Technology Center | Coppin State University | 126,020,000 |
| Year ended June 30, 2015 | | |
| Performing Arts and Humanities Facility | University of Maryland Baltimore County | \$ 71,931,000 |
| Harford Education Center | Towson University | 28,000,000 |
| Center for Communication & Information Technology | Frostburg State University | 69,328,000 |

In August 2003, the System issued Revolving Loan Program Bonds to provide a pool of funds to finance the acquisition of personal property on a revolving basis. On June 1, 2013, the remaining principal balance of \$35,000,000 was remarketed for five years at a multi-annual interest rate of 1.25% and will mature on July 1, 2023.

The System has issued Revenue Bonds to fund the construction, acquisition, and renewal and replacement of facilities, or refinance previously issued Revenue Bonds to realize lower current interest rates, during the years ended June 30, 2017, 2016 and 2015, and since, as follows:

| Debt issuance | Date of issue | Purpose | Total Par Value Issued | Present Value of Future Debt Service Savings |
|----------------------|----------------------|--------------------------------------------------|-------------------------------|-----------------------------------------------------|
| 2015 Series A | 3/4/2015 | Refinancing | \$ 93,690,000 | \$ 9,564,489 |
| 2016 Series A and B | 2/18/2016 | Refinancing, construction and facilities renewal | 201,735,000 | 5,010,945 |
| 2017 Series A and B | 2/15/2017 | Refinancing, construction and facilities renewal | 165,075,000 | 4,540,054 |

UNIVERSITY SYSTEM OF MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2017 AND 2016

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

Economic Factors and Next Year's Budget and Rates

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

Across all student categories, enrollment is expected to continue to increase over the next ten years, with approximately 8.3% more full-time equivalent students anticipated by the fall 2027. Preliminary fall 2017 enrollment indicates an increase in headcount enrollment of more than 1,300 students.

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

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

Personnel costs account for more than two-thirds of the System's noncapital spending. Healthcare costs and the adoption of a state-wide funding strategy for providing for retiree's healthcare costs are expected to be significant considerations for the System's future spending levels.

Requests for Information

This financial report is intended to provide a general overview of the System's finances. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the Office of the Vice Chancellor for Administration and Finance and Chief Operating Officer, 3300 Metzert Road, Adelphi, MD 20783.

**UNIVERSITY SYSTEM OF MARYLAND
BALANCE SHEETS
JUNE 30, 2017 AND 2016**

| | <u>2017</u> | <u>2016</u> |
|--------------------------------------------------------------------------|-------------------------|-------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 2,173,087,940 | \$ 2,158,518,807 |
| Accounts receivable, net | 275,273,036 | 239,163,750 |
| Notes receivable, current portion, net | 8,647,499 | 8,820,782 |
| Inventories | 10,659,675 | 10,722,032 |
| Prepaid expenses and other | <u>14,037,560</u> | <u>9,908,629</u> |
| Total current assets | <u>2,481,705,710</u> | <u>2,427,134,000</u> |
| Noncurrent assets: | | |
| Restricted cash and cash equivalents | 100,060,603 | 72,001,213 |
| Endowment investments | 264,216,610 | 244,736,560 |
| Other investments | 11,087,345 | 19,770,395 |
| Notes receivable, net | 41,911,500 | 50,228,131 |
| Capital assets, net | <u>6,270,469,058</u> | <u>6,014,590,059</u> |
| Total noncurrent assets | <u>6,687,745,116</u> | <u>6,401,326,358</u> |
| Total assets | 9,169,450,826 | 8,828,460,358 |
| DEFERRED OUTFLOWS OF RESOURCES | <u>603,156,888</u> | <u>380,912,045</u> |
| Total assets and deferred outflows of resources | <u>\$ 9,772,607,714</u> | <u>\$ 9,209,372,403</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 269,144,379 | \$ 336,820,908 |
| Accrued workers' compensation, current portion | 4,440,600 | 4,487,550 |
| Accrued vacation costs, current portion | 104,818,549 | 104,082,163 |
| Revenue bonds and notes payable, current portion | 93,370,871 | 91,997,237 |
| Obligations under capital lease agreements, current portion | 1,450,296 | 1,356,864 |
| Unearned revenues | <u>239,825,944</u> | <u>217,867,754</u> |
| Total current liabilities | <u>713,050,639</u> | <u>756,612,476</u> |
| Noncurrent liabilities: | | |
| Accrued workers' compensation | 25,163,400 | 25,429,450 |
| Accrued vacation costs | 108,424,668 | 104,584,488 |
| Revenue bonds and notes payable | 1,196,953,524 | 1,169,531,685 |
| Obligations under capital lease agreements | 6,046,126 | 7,496,422 |
| Net pension liability | <u>1,216,808,542</u> | <u>966,400,173</u> |
| Total noncurrent liabilities | <u>2,553,396,260</u> | <u>2,273,442,218</u> |
| Total liabilities | <u>3,266,446,899</u> | <u>3,030,054,694</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>375,669,914</u> | <u>404,419,331</u> |
| NET POSITION | | |
| Unrestricted | 1,119,703,242 | 1,032,165,637 |
| Net investment in capital assets | 4,770,197,890 | 4,504,161,728 |
| Restricted: | | |
| Nonexpendable | 37,625,121 | 37,230,670 |
| Expendable | <u>202,964,648</u> | <u>201,340,343</u> |
| Total net position | <u>6,130,490,901</u> | <u>5,774,898,378</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 9,772,607,714</u> | <u>\$ 9,209,372,403</u> |

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND
COMBINING BALANCE SHEETS, COMPONENT UNITS
JUNE 30, 2017**

| | Major Component Units | | | | Total |
|-----------------------------------------|-------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------|---------------------------------|------------------------|
| | University System of Maryland Foundation, Inc. | University of Maryland College Park Foundation, Inc. | University of Maryland Baltimore Foundation, Inc. | Nonmajor Component Units | |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash | \$ 142,000 | \$ 44,129,606 | \$ 2,293,563 | \$ 23,601,776 | \$ 70,166,945 |
| Accounts receivable, net | 4,704,000 | 42,532,144 | 20,193,234 | 9,857,648 | 77,287,026 |
| Other assets | 217,000 | 1,080,013 | | 829,036 | 2,126,049 |
| Total current assets | 5,063,000 | 87,741,763 | 22,486,797 | 34,288,460 | 149,580,020 |
| Investments | | | | | |
| Endowment investments | 267,408,000 | 316,109,344 | 186,009,211 | 224,466,827 | 993,993,382 |
| Other investments | 386,041,000 | 71,174,370 | 63,163,511 | 28,375,169 | 548,754,050 |
| Total investments | 653,449,000 | 387,283,714 | 249,172,722 | 252,841,996 | 1,542,747,432 |
| Noncurrent assets | | | | | |
| Accounts receivable, net | 11,831,000 | 46,300,159 | 22,814,961 | 7,048,577 | 87,994,697 |
| Capital assets, net | 13,349,000 | 20,160,075 | | 25,626,893 | 59,135,968 |
| Other assets | 435,000 | 580,367 | 4,120,505 | 2,633,960 | 7,769,832 |
| Total noncurrent assets | 25,615,000 | 67,040,601 | 26,935,466 | 35,309,430 | 154,900,497 |
| Total assets | \$ 684,127,000 | \$ 542,066,078 | \$ 298,594,985 | \$ 322,439,886 | \$1,847,227,949 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Accounts payable & accrued expenses | \$ 3,317,000 | \$ 10,508,561 | \$ 1,728,977 | \$ 3,919,248 | \$ 19,473,786 |
| Long-term debt, current | | | | 3,552,046 | 3,552,046 |
| Unearned revenues | 2,319,000 | 1,224,495 | | 7,497,737 | 11,041,232 |
| Total current liabilities | 5,636,000 | 11,733,056 | 1,728,977 | 14,969,031 | 34,067,064 |
| Noncurrent liabilities | | | | | |
| Other payables | 70,124,399 | 15,379,155 | 1,719,965 | 2,534,545 | 89,758,064 |
| Due to primary government | 264,107,601 | | | | 264,107,601 |
| Long-term debt, noncurrent | | | | 18,285,485 | 18,285,485 |
| Total noncurrent liabilities | 334,232,000 | 15,379,155 | 1,719,965 | 20,820,030 | 372,151,150 |
| Total liabilities | 339,868,000 | 27,112,211 | 3,448,942 | 35,789,061 | 406,218,214 |
| NET ASSETS | | | | | |
| Unrestricted | 62,829,000 | 9,025,894 | 31,413,762 | 40,363,353 | 143,632,009 |
| Temporarily restricted: | | | | | |
| Scholarships & fellowships | 18,359,000 | 44,407,000 | 15,160,430 | 33,098,754 | 111,025,184 |
| Research | 18,034,000 | 13,926,000 | 8,019,587 | 802,903 | 40,782,490 |
| Other | 44,512,000 | 174,857,630 | 61,421,211 | 68,481,871 | 349,272,712 |
| Permanently restricted: | | | | | |
| Scholarships & fellowships | 116,139,000 | 92,220,000 | 39,869,963 | 81,919,339 | 330,148,302 |
| Research | 2,439,000 | 3,172,000 | 3,377,158 | 493,643 | 9,481,801 |
| Other | 81,947,000 | 177,345,343 | 135,883,932 | 61,490,962 | 456,667,237 |
| Total net assets | 344,259,000 | 514,953,867 | 295,146,043 | 286,650,825 | 1,441,009,735 |
| Total liabilities and net assets | \$ 684,127,000 | \$ 542,066,078 | \$ 298,594,985 | \$ 322,439,886 | \$1,847,227,949 |

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND
COMBINING BALANCE SHEETS, COMPONENT UNITS
JUNE 30, 2016**

| | Major Component Units | | | | Total |
|-----------------------------------------|-------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------|---------------------------------|------------------------|
| | University System of Maryland Foundation, Inc. | University of Maryland College Park Foundation, Inc. | University of Maryland Baltimore Foundation, Inc. | Nonmajor Component Units | |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash | | \$ 33,180,745 | \$ 3,573,067 | \$ 24,270,316 | \$ 61,024,128 |
| Accounts receivable, net | \$ 5,862,000 | 42,020,389 | 15,508,116 | 7,185,381 | 70,575,886 |
| Other assets | 264,000 | 1,132,978 | | 866,759 | 2,263,737 |
| Total current assets | 6,126,000 | 76,334,112 | 19,081,183 | 32,322,456 | 133,863,751 |
| Investments | | | | | |
| Endowment investments | 241,363,000 | 280,322,737 | 158,291,436 | 199,856,008 | 879,833,181 |
| Other investments | 347,312,000 | 64,875,407 | 60,898,572 | 30,304,809 | 503,390,788 |
| Total investments | 588,675,000 | 345,198,144 | 219,190,008 | 230,160,817 | 1,383,223,969 |
| Noncurrent assets | | | | | |
| Accounts receivable, net | 10,893,000 | 49,614,388 | 25,368,725 | 6,236,237 | 92,112,350 |
| Capital assets, net | 13,303,000 | 20,414,191 | | 19,542,121 | 53,259,312 |
| Other assets | 445,000 | 595,610 | 4,670,238 | 2,787,976 | 8,498,824 |
| Total noncurrent assets | 24,641,000 | 70,624,189 | 30,038,963 | 28,566,334 | 153,870,486 |
| Total assets | \$ 619,442,000 | \$ 492,156,445 | \$ 268,310,154 | \$ 291,049,607 | \$1,670,958,206 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Accounts payable & accrued expenses | \$ 3,475,000 | \$ 3,773,687 | \$ 1,208,870 | \$ 5,530,311 | \$ 13,987,868 |
| Long-term debt, current | | | | 2,883,360 | 2,883,360 |
| Unearned revenues | 2,995,000 | 1,735,900 | | 7,103,780 | 11,834,680 |
| Total current liabilities | 6,470,000 | 5,509,587 | 1,208,870 | 15,517,451 | 28,705,908 |
| Noncurrent liabilities | | | | | |
| Other payables | 53,108,113 | 15,710,276 | 1,532,251 | 2,237,380 | 72,588,020 |
| Due to primary government | 244,654,887 | | | | 244,654,887 |
| Long-term debt, noncurrent | | | | 12,704,746 | 12,704,746 |
| Total noncurrent liabilities | 297,763,000 | 15,710,276 | 1,532,251 | 14,942,126 | 329,947,653 |
| Total liabilities | 304,233,000 | 21,219,863 | 2,741,121 | 30,459,577 | 358,653,561 |
| NET ASSETS | | | | | |
| Unrestricted | 60,765,000 | 9,358,898 | 31,158,426 | 37,965,689 | 139,248,013 |
| Temporarily restricted: | | | | | |
| Scholarships & fellowships | 17,327,000 | 37,273,000 | 10,705,993 | 25,732,946 | 91,038,939 |
| Research | 16,917,000 | 14,185,000 | 8,031,342 | 690,370 | 39,823,712 |
| Other | 39,889,000 | 153,835,635 | 52,090,142 | 55,857,561 | 301,672,338 |
| Permanently restricted: | | | | | |
| Scholarships & fellowships | 103,113,000 | 96,417,000 | 35,606,131 | 78,169,486 | 313,305,617 |
| Research | 2,282,000 | 1,637,000 | 3,377,419 | 460,176 | 7,756,595 |
| Other | 74,916,000 | 158,230,049 | 124,599,580 | 61,713,802 | 419,459,431 |
| Total net assets | 315,209,000 | 470,936,582 | 265,569,033 | 260,590,030 | 1,312,304,645 |
| Total liabilities and net assets | \$ 619,442,000 | \$ 492,156,445 | \$ 268,310,154 | \$ 291,049,607 | \$1,670,958,206 |

See accompanying notes.

UNIVERSITY SYSTEM OF MARYLAND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2017 AND 2016

| | 2017 | 2016 |
|-----------------------------------------------|--------------------------------|--------------------------------|
| OPERATING REVENUES: | | |
| Tuition and fees | \$ 1,628,712,485 | \$ 1,570,420,925 |
| Less: scholarship allowances | <u>(295,368,216)</u> | <u>(283,964,138)</u> |
| Federal grants and contracts | 677,154,092 | 648,929,406 |
| State and local grants and contracts | 205,676,639 | 211,097,694 |
| Nongovernmental grants and contracts | 233,649,313 | 215,495,189 |
| Sales and services of educational departments | 344,781,319 | 342,146,755 |
| Auxiliary enterprises | 668,971,168 | 641,513,844 |
| Less: scholarship allowances | <u>(24,853,943)</u> | <u>(24,077,769)</u> |
| Other operating revenues | <u>76,997,357</u> | <u>65,145,520</u> |
| Total operating revenues | <u>3,515,720,214</u> | <u>3,386,707,426</u> |
| OPERATING EXPENSES: | | |
| Instruction | 1,304,339,999 | 1,247,404,365 |
| Research | 1,006,751,565 | 964,465,402 |
| Public service | 159,815,026 | 164,703,932 |
| Academic support | 451,797,952 | 418,943,312 |
| Student services | 242,660,746 | 225,731,947 |
| Institutional support | 507,673,901 | 481,794,470 |
| Operation and maintenance of plant | 353,917,522 | 328,367,297 |
| Scholarships and fellowships | 110,187,780 | 110,541,568 |
| Auxiliary enterprises | 574,454,741 | 563,765,711 |
| Hospital | <u>207,609,768</u> | <u>201,931,095</u> |
| Total operating expenses | <u>4,919,209,000</u> | <u>4,707,649,099</u> |
| Operating loss | <u>(1,403,488,786)</u> | <u>(1,320,941,673)</u> |
| NONOPERATING REVENUES (EXPENSES) | | |
| State appropriations | 1,295,338,118 | 1,257,323,499 |
| Pell grants | 147,457,189 | 146,285,279 |
| Gifts | 50,652,089 | 51,213,357 |
| Investment Income | 65,280,437 | 21,283,109 |
| Less: investment expense | <u>(714,292)</u> | <u>(738,044)</u> |
| Interest on indebtedness | (42,826,529) | (44,791,417) |
| Other revenues and gains, net | <u>13,326,667</u> | <u>13,288,283</u> |
| Total nonoperating revenues | <u>1,528,513,679</u> | <u>1,443,864,066</u> |
| Income before other revenues | <u>125,024,893</u> | <u>122,922,393</u> |
| OTHER REVENUES: | | |
| Capital appropriations | 208,834,385 | 358,198,458 |
| Capital gifts and grants | 21,435,670 | 35,520,935 |
| Additions to permanent endowments | <u>297,575</u> | <u>76,658</u> |
| Total other revenues | <u>230,567,630</u> | <u>393,796,051</u> |
| Increase in net position | 355,592,523 | 516,718,444 |
| Net position - beginning of year | <u>5,774,898,378</u> | <u>5,258,179,934</u> |
| Net position - end of year | <u>\$ 6,130,490,901</u> | <u>\$ 5,774,898,378</u> |

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF ACTIVITIES, COMPONENT UNITS
YEAR ENDED JUNE 30, 2017**

| | Major Component Units | | | | Total |
|-----------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------|---------------------------------|------------------------|
| | University System of Maryland Foundation, Inc. | University of Maryland College Park Foundation, Inc. | University of Maryland Baltimore Foundation, Inc. | Nonmajor Component Units | |
| CHANGES IN UNRESTRICTED NET ASSETS | | | | | |
| Revenues | | | | | |
| Contributions & grants | \$ 1,890,000 | | \$ 3,265,507 | \$ 6,805,642 | \$ 11,961,149 |
| Investment income, net | 5,722,000 | \$ 5,889,280 | 3,191,578 | 4,720,742 | 19,523,600 |
| Other income | 6,762,000 | 2,505,048 | 414,605 | 9,274,206 | 18,955,859 |
| Assets released from restrictions | 19,514,000 | 50,349,206 | 18,992,785 | 20,773,375 | 109,629,366 |
| Total revenues | 33,888,000 | 58,743,534 | 25,864,475 | 41,573,965 | 160,069,974 |
| Expenses | | | | | |
| Program | 24,149,000 | 55,482,971 | 22,950,190 | 29,896,385 | 132,478,546 |
| General & administrative | 5,512,000 | 3,382,842 | 2,044,531 | 4,982,330 | 15,921,703 |
| Fundraising | 2,163,000 | 210,725 | 614,418 | 2,613,117 | 5,601,260 |
| Other expense | | | | 2,114,266 | 2,114,266 |
| Total expenses | 31,824,000 | 59,076,538 | 25,609,139 | 39,606,098 | 156,115,775 |
| Change in unrestricted net assets | 2,064,000 | (333,004) | 255,336 | 1,967,867 | 3,954,199 |
| CHANGES IN TEMPORARILY RESTRICTED NET ASSETS | | | | | |
| Contributions & grants | 16,443,000 | 46,839,871 | 13,041,706 | 16,570,755 | 92,895,332 |
| Investment income | 9,843,000 | 31,690,576 | 20,373,249 | 19,578,157 | 81,484,982 |
| Other income (loss) | | (284,246) | 66,440 | 2,084,385 | 1,866,579 |
| Assets released from restrictions | (19,514,000) | (50,349,206) | (19,707,644) | (18,130,646) | (107,701,496) |
| Change in temporarily restricted net assets | 6,772,000 | 27,896,995 | 13,773,751 | 20,102,651 | 68,545,397 |
| CHANGES IN PERMANENTLY RESTRICTED NET ASSETS | | | | | |
| Contributions & grants | 3,182,000 | 16,340,401 | 14,833,064 | 3,051,993 | 37,407,458 |
| Investment income | 17,031,000 | | | 3,551,063 | 20,582,063 |
| Other income | 1,000 | 112,893 | | 29,950 | 143,843 |
| Assets released from restrictions | | | 714,859 | (2,642,729) | (1,927,870) |
| Change in permanently restricted net assets | 20,214,000 | 16,453,294 | 15,547,923 | 3,990,277 | 56,205,494 |
| Total change in net assets | 29,050,000 | 44,017,285 | 29,577,010 | 26,060,795 | 128,705,090 |
| Net assets - beginning of year | 315,209,000 | 470,936,582 | 265,569,033 | 260,590,030 | 1,312,304,645 |
| Net assets - end of year | \$ 344,259,000 | \$ 514,953,867 | \$ 295,146,043 | \$ 286,650,825 | \$1,441,009,735 |

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF ACTIVITIES, COMPONENT UNITS
YEAR ENDED JUNE 30, 2016**

| | Major Component Units | | | | Total |
|-----------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------|---------------------------------|------------------------|
| | University System of Maryland Foundation, Inc. | University of Maryland College Park Foundation, Inc. | University of Maryland Baltimore Foundation, Inc. | Nonmajor Component Units | |
| CHANGES IN UNRESTRICTED NET ASSETS | | | | | |
| Revenues | | | | | |
| Contributions & grants | \$ 2,227,000 | | \$ 4,674,274 | \$ 12,405,433 | \$ 19,306,707 |
| Investment income, net | (812,000) | \$ 5,378,559 | (175,750) | 715,178 | 5,105,987 |
| Other income | 6,734,000 | 3,940,913 | 545,867 | 8,250,645 | 19,471,425 |
| Assets released from restrictions | 19,346,000 | 53,578,628 | 17,929,816 | 21,426,540 | 112,280,984 |
| Total revenues | 27,495,000 | 62,898,100 | 22,974,207 | 42,797,796 | 156,165,103 |
| Expenses | | | | | |
| Program | 23,245,000 | 61,771,701 | 22,535,664 | 35,028,954 | 142,581,319 |
| General & administrative | 5,794,000 | 2,471,512 | 2,150,872 | 4,567,998 | 14,984,382 |
| Fundraising | 2,528,000 | 219,323 | 47,838 | 2,920,988 | 5,716,149 |
| Other expense | | | | 1,585,931 | 1,585,931 |
| Total expenses | 31,567,000 | 64,462,536 | 24,734,374 | 44,103,871 | 164,867,781 |
| Change in unrestricted net assets | (4,072,000) | (1,564,436) | (1,760,167) | (1,306,075) | (8,702,678) |
| CHANGES IN TEMPORARILY RESTRICTED NET ASSETS | | | | | |
| Contributions & grants | 14,726,000 | 59,888,568 | 6,841,480 | 10,870,578 | 92,326,626 |
| Investment income | 6,559,000 | (9,125,910) | (3,100,459) | (1,570,511) | (7,237,880) |
| Other income (loss) | | (333,302) | 79,550 | 2,155,115 | 1,901,363 |
| Assets released from restrictions | (19,346,000) | (53,578,628) | (20,032,920) | (20,413,355) | (113,370,903) |
| Change in temporarily restricted net assets | 1,939,000 | (3,149,272) | (16,212,349) | (8,958,173) | (26,380,794) |
| CHANGES IN PERMANENTLY RESTRICTED NET ASSETS | | | | | |
| Contributions & grants | 3,487,000 | 18,655,249 | 11,678,262 | 5,290,478 | 39,110,989 |
| Investment income | (10,562,000) | | (780,000) | (30,166) | (11,372,166) |
| Other income | 1,000 | (3,430) | | 19,995 | 17,565 |
| Assets released from restrictions | | | 2,103,104 | (1,013,185) | 1,089,919 |
| Change in permanently restricted net assets | (7,074,000) | 18,651,819 | 13,001,366 | 4,267,122 | 28,846,307 |
| Total change in net assets | (9,207,000) | 13,938,111 | (4,971,150) | (5,997,126) | (6,237,165) |
| Net assets - beginning of year | 324,416,000 | 456,998,471 | 270,540,183 | 266,587,156 | 1,318,541,810 |
| Net assets - end of year | \$ 315,209,000 | \$ 470,936,582 | \$ 265,569,033 | \$ 260,590,030 | \$1,312,304,645 |

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

| | 2017 | 2016 |
|------------------------------------------------------------------------------------------|---------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Tuition and fees | \$ 1,335,300,377 | \$ 1,283,496,518 |
| Research contracts and grants | 1,091,125,237 | 1,096,457,894 |
| Payments to employees | (3,364,136,415) | (3,164,969,396) |
| Payments to suppliers and contractors | (1,290,493,960) | (1,225,882,879) |
| Loans issued to students | (4,448,769) | (7,502,966) |
| Collection of loans to students | 11,126,175 | 13,395,701 |
| Auxiliary enterprises | 634,864,394 | 611,315,730 |
| Other receipts | 491,888,890 | 477,468,152 |
| | (1,094,774,071) | (916,221,246) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State appropriations | 1,295,338,118 | 1,257,323,499 |
| Gifts and grants received for other than capital purposes: | | |
| Private gifts for endowment purposes | 297,575 | 76,658 |
| Pell grants | 147,457,189 | 146,285,279 |
| | 1,443,092,882 | 1,403,685,436 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Proceeds of capital debt | 185,096,688 | 230,377,536 |
| Capital appropriations | 208,161,938 | 358,198,458 |
| Capital grants and gifts received | 14,830,646 | 21,370,972 |
| Proceeds from sales of capital assets | 1,062,625 | 1,802,721 |
| Purchases of capital assets | (571,895,480) | (678,724,455) |
| Principal paid on debt and capital leases | (148,083,487) | (155,529,006) |
| Interest paid on debt and capital leases | (49,186,785) | (53,566,788) |
| | (360,013,855) | (276,070,562) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sales and maturities of investments | 18,831,467 | 10,578,494 |
| Interest on investments | 38,154,673 | 24,806,642 |
| Investment expense | (714,292) | (738,044) |
| Purchases of investments | (1,948,281) | (191,867) |
| | 54,323,567 | 34,455,225 |
| Net cash provided by investing activities | 54,323,567 | 34,455,225 |
| Net increase in cash and cash equivalents | 42,628,523 | 245,848,853 |
| Cash and cash equivalents - beginning of the year | 2,230,520,020 | 1,984,671,167 |
| Cash and cash equivalents - end the year | \$ 2,273,148,543 | \$ 2,230,520,020 |
| <hr/> | | |
| SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES: | | |
| Gifts and contributions of capital assets | \$ 5,446,880 | \$ 1,197,194 |
| Changes in unrealized appreciation (depreciation) on investments | 8,658,369 | (9,544,204) |
| <hr/> | | |
| RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES: | | |
| Operating loss | \$ (1,403,488,786) | \$ (1,320,941,673) |
| Adjustments to reconcile operating loss to net cash used by operating activities: | | |
| Depreciation expense | 315,275,618 | 297,232,491 |
| Amortization of deferred service concession arrangement receipts | (18,356,042) | (18,356,041) |
| Gifts and other revenues, (expenses), gains, and (losses) | 63,978,756 | 64,501,640 |
| Effect of changes in assets and liabilities: | | |
| Accounts receivable, net | (36,109,286) | (389,769) |
| Inventories | 62,357 | 29,222 |
| Prepaid expenses and other deferred charges | (4,128,931) | (1,106,167) |
| Notes receivable | 8,489,914 | 6,580,376 |
| Accounts payable and accrued liabilities | (61,229,349) | 36,538,303 |
| Unearned revenues | 21,958,190 | 24,538,965 |
| Accrued vacation | 4,576,566 | 3,497,732 |
| Accrued workers' compensation | (313,000) | (83,000) |
| Net pension liability and related deferred outflows and inflows of resources | 14,509,922 | (8,263,325) |
| | \$ (1,094,774,071) | \$ (916,221,246) |

See accompanying notes.

This page intentionally left blank.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2017 AND 2016

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 serve as support to 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 reflected.

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

The University System of Maryland Foundation, Inc., the 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 YEARS ENDED JUNE 30, 2017 AND 2016

The following affiliated foundations are considered nonmajor component units:

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

During the years ended June 30, 2017 and 2016, affiliated foundations distributed approximately \$103,695,000 and \$106,546,000, respectively, to the System and its institutions for both restricted and unrestricted purposes.

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

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

The University of Maryland, Baltimore provides services to hospital and critical care facilities under contractual arrangements with the State. The expenditures relating to these activities are reported within the hospital functional category. The revenue derived from these activities were reported primarily as contract and grant revenue.

Measurement Focus and Basis of Accounting

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

Application of Accounting Standards

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

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2017 AND 2016

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 revenue, expenses, gains and losses represent amounts that recur regularly but are not included in operating revenues and expenses. Accounting principles generally accepted in the United State of America defines State appropriations as nonoperating revenue.

Cash and Cash Equivalents

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

Investments

Investments are valued at fair market value.

Inventories

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

Capital Assets

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

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

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

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

Deferred Outflows/Inflows of Resources

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

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2017 AND 2016

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

Reclassifications

Certain amounts for the year ended June 30, 2016, have been reclassified to conform with the presentation for the year ended June 30, 2017.

Pensions

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

New Accounting Pronouncements

The Governmental Accounting Standards Board has issued GASB Statement No. 75 entitled, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; GASB Statement No. 80 entitled, *Blending Requirements for Certain Component Units*; GASB Statement No. 81 entitled, *Irrevocable Split-Interest Agreements*; GASB Statement No. 82 entitled, *Pension Issues*; GASB Statement No. 83 entitled, *Certain Asset Retirement Obligations*; GASB Statement No. 84 entitled, *Fiduciary Activities*; GASB Statement No. 85 entitled, *Omnibus 2017*; GASB Statement No. 86 entitled, *Certain Debt Extinguishment Issues*; and GASB Statement No. 87 entitled, *Leases*. Some of these statements may have a material effect on the System's financial statements once implemented. The System will be analyzing the effects of these pronouncements and plans to adopt them, as applicable, by the effective date for each new accounting pronouncement.

3. CASH AND INVESTMENTS

Cash and cash equivalents

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

| | <u>2017</u> | <u>2016</u> |
|---------------------------------------------------------------------|------------------------|------------------------|
| Cash and short-term investments on deposit with the State Treasurer | \$2,125,272,255 | \$2,121,230,643 |
| Demand and time deposits | 47,815,685 | 37,288,164 |
| Total | <u>\$2,173,087,940</u> | <u>\$2,158,518,807</u> |

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

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2017 AND 2016

As of June 30, 2017 and 2016, the carrying amount of the System's demand and time deposits was \$47,815,685 and \$37,288,164, respectively, as compared to bank balances of \$47,541,772 and \$33,310,863, respectively. The difference is primarily due to items in-transit. Of the bank balances, \$28,631,862 and \$24,689,027 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 \$18,909,910 and \$8,621,836 was uninsured and uncollateralized as of June 30, 2017 and 2016, respectively.

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

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

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

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

| | <u>2017</u> | <u>2016</u> |
|--------------------------------------------------------|----------------------|----------------------|
| Money market accounts – endowment fund uninvested cash | \$ 47,280 | \$ 47,280 |
| Money market accounts – unspent proceeds of debt | 100,013,323 | 71,953,933 |
| Total | <u>\$100,060,603</u> | <u>\$ 72,001,213</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.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2017 AND 2016

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 University System of Maryland Foundation, Inc. (USMF), in exchange for an equivalent proportionate interest in the long-term investment portfolio managed by the USMF.

In June 2011, the System entered into a new agreement with the USMF. 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 University System of Maryland Foundation, Inc., to maintain investments for certain minimum time periods may not be returned to the System until those constraints have been satisfied. Beginning with fiscal year 2015, the per annum fee to be paid to the USMF for investment management services is 0.35% of the value of the managed funds as of December 31 of the previous fiscal year.

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

The System discloses investment risks, below.

Interest rate risk

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

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

Custodial credit risk

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

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

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

Credit risk

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

Foreign currency risk

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

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

Endowment investments

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

| | <u>2017</u> | <u>2016</u> |
|---------------------------|----------------------|----------------------|
| Corporate debt | \$ 7,200 | \$ 7,200 |
| Corporate equities | 101,809 | 74,473 |
| Assets invested with USMF | <u>264,107,601</u> | <u>244,654,887</u> |
| Total | <u>\$264,216,610</u> | <u>\$244,736,560</u> |

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

| | <u>2017</u> | <u>2016</u> |
|---------------------------------|----------------------|----------------------|
| Pure endowments | \$133,919,384 | \$121,750,314 |
| Funds functioning as endowments | 126,255,779 | 119,368,488 |
| Term endowments | <u>4,041,447</u> | <u>3,617,758</u> |
| Total | <u>\$264,216,610</u> | <u>\$244,736,560</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 4.35% of a rolling twelve-quarter average market value of the endowment fund. The spending rule is reviewed periodically by the Finance Committee of the Board.

Net appreciation on investments of the pure endowment funds totaled \$92,252,817 and \$84,519,645 as of June 30, 2017 and 2016, respectively. Reinvestments of net appreciation are considered to be subject to donor spending restrictions, and accordingly, are reflected as a component of restricted, expendable net assets.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2017 AND 2016

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 a for-profit entity created and owned by the University of Maryland University College, which provides data analytics services to colleges and universities. The carrying value of other investments is assessed on an annual basis by reference to the reported value of the University's interest.

Allocation of investment income

Investment income is assigned to the accounting funds, including endowments, in proportions associated with investments held by the various accounting funds. As of June 30, investment income attributed to unrestricted funds and restricted funds was:

| | <u>2017</u> | <u>2016</u> |
|--------------------|----------------------|----------------------|
| Unrestricted funds | \$ 51,600,985 | \$ 21,385,240 |
| Restricted funds | 13,679,452 | (102,131) |
| Total | <u>\$ 65,280,437</u> | <u>\$ 21,283,109</u> |

4. FAIR VALUE MEASUREMENTS

GASB No. 72, *Fair Value Measurement and Application*, defines 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.

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

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. At June 30, 2017 and 2016, respectively, the System holds corporate debt investments of \$7,200 and \$7,200 that are classified as level 3 investments, and corporate equity investments of \$101,809 and \$74,473 that are classified as level 1 investments.

Major component units

The USMF invests funds on behalf of the System and several other System component units. The majority of the amounts reported as investments by the University of Maryland College Park Foundation, Inc., and the University of Maryland Baltimore Foundation, Inc. are invested by the USMF.

The following table shows the USMF's investments using the fair value hierarchy as of June 30, 2017:

| Investments by fair value level | June 30, 2017 | Fair Value Measurements | | |
|-------------------------------------------------------------|--------------------------|--------------------------------|----------------------|-----------------------|
| | | Level 1 | Level 2 | Level 3 |
| Money market funds and short-term investments | \$ 21,389,000 | \$ 21,389,000 | | |
| Corporate and municipal bonds | 11,941,000 | | \$ 11,941,000 | |
| Equities and mutual funds | 366,411,000 | 356,311,000 | 10,100,000 | |
| U.S. treasury notes and bonds | 10,028,000 | | 10,028,000 | |
| U.S. agency securities | 200,000 | | 200,000 | |
| Collateralized mortgage obligations/asset backed securities | 7,000 | | 7,000 | |
| Absolute return | 131,704,000 | | | \$ 131,704,000 |
| Long and short equity hedge funds | 84,861,000 | | | 84,861,000 |
| Private capital | 340,722,000 | | | 340,722,000 |
| Total investments by fair value level | 967,263,000 | \$ 377,700,000 | \$ 32,276,000 | \$ 557,287,000 |
| Investments measured at net asset value (NAV) | | | | |
| Absolute return | 118,062,000 | | | |
| Long and short equity hedge funds | 136,673,000 | | | |
| Private capital | 69,099,000 | | | |
| Total investments measured at the NAV | 323,834,000 | | | |
| Total investments | 1,291,097,000 | | | |
| Due to the System | (264,107,601) | | | |
| Due to other USM affiliated foundations | (637,648,000) | | | |
| Total USMF investments | \$ 389,341,399 | | | |

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016

The following table shows the USMF's investments using the fair value hierarchy as of June 30, 2016:

| Investments by fair value level | June 30, 2016 | Fair Value Measurements | | |
|-------------------------------------------------------------|--------------------------|--------------------------------|----------------------|-----------------------|
| | | Level 1 | Level 2 | Level 3 |
| Money market funds and short-term investments | \$ 37,702,000 | \$ 37,702,000 | | |
| Corporate and municipal bonds | 11,376,000 | | \$ 11,376,000 | |
| Equities and mutual funds | 199,599,000 | 199,599,000 | | |
| U.S. treasury notes and bonds | 5,851,000 | | 5,851,000 | |
| U.S. agency securities | 474,000 | | 474,000 | |
| Collateralized mortgage obligations/asset backed securities | 8,000 | | 8,000 | |
| Absolute return | 115,127,000 | | | \$ 115,127,000 |
| Long and short equity hedge funds | 126,864,000 | | | 126,864,000 |
| Private capital | 264,833,000 | | | 264,833,000 |
| Total investments by fair value level | 761,834,000 | \$ 237,301,000 | \$ 17,709,000 | \$ 506,824,000 |
| Investments measured at net asset value (NAV) | | | | |
| Absolute return | 173,739,000 | | | |
| Long and short equity hedge funds | 152,540,000 | | | |
| Private capital | 68,891,000 | | | |
| Total investments measured at the NAV | 395,170,000 | | | |
| Total investments | 1,157,004,000 | | | |
| Due to the System | (244,654,887) | | | |
| Due to other USM affiliated foundations | (568,329,000) | | | |
| Total USMF investments | \$ 344,020,113 | | | |

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2017 AND 2016

Investments measured at net asset value

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

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

Private capital consists of private equity and venture capital investments. Private equity investments represent purchases of all or a portion of the equity interest in a company and the arrangement allows the purchasing group to take control. Venture capital investments are made in non-marketable securities of new companies or companies considered to be in the early stages of growth. Investments in private capital are presented at fair value as approved by the USMF's management based, in part, on information and valuations provided by the general partner of the partnerships or investment manager. The general partner or investment manager generally values their investments at fair value. Securities with no readily available market are initially valued at cost, with subsequent adjustment to values which reflect either the basis of meaningful third party transactions in the private market or the fair value deemed appropriate by the USMF's management. In such instances, consideration is also given to the financial condition and operating results of the issuer, the amount that the investment company/fund can reasonably expect to realize upon the sale of the securities, and any other factors deemed relevant. Such value represents the USMF's proportionate share of the capital in the investment company/fund. Accordingly, the value of the investment is generally increased by additional contributions and the share of net earnings from the investments and decreased by distributions from the partnerships and the partner's share of net losses. A portion of these assets are classified as Level 3 based upon their lock up periods and the transparency of their assets. Redemption of these investments is left to the discretion of the general partner/manager of the funds. Distributions from each fund will be received as the underlying investments are liquidated. As of June 30, 2017 and 2016 unfunded commitments within the private capital category equaled approximately \$355 million and \$304 million, respectively.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016

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

Accounts receivable as of June 30, 2017 and 2016, were comprised of:

| | <u>2017</u> | <u>2016</u> |
|--------------------------------------------|----------------------|----------------------|
| Tuition and fees | \$ 77,293,060 | \$ 63,211,455 |
| Contracts and grants | 199,223,274 | 170,336,297 |
| Other | 15,933,163 | 19,321,631 |
| Subtotal | 292,449,497 | 252,869,383 |
| Allowance for doubtful accounts receivable | (17,176,461) | (13,705,633) |
| Accounts receivable, net | <u>\$275,273,036</u> | <u>\$239,163,750</u> |

Notes receivable as of June 30, 2017 and 2016, were comprised of:

| | <u>2017</u> | <u>2016</u> |
|--------------------------------------------|----------------------|----------------------|
| Student loans | \$ 63,162,494 | \$ 70,018,507 |
| Business development loans | 6,217,027 | 6,972,970 |
| Subtotal | 69,379,521 | 76,991,477 |
| Allowance for doubtful accounts receivable | (18,820,522) | (17,942,564) |
| Notes receivable, net | <u>\$ 50,558,999</u> | <u>\$ 59,048,913</u> |

Accounts payable and accrued liabilities as of June 30, 2017 and 2016, were comprised of:

| | <u>2017</u> | <u>2016</u> |
|------------------------------------------|----------------------|----------------------|
| Payroll and benefits | \$ 94,402,878 | \$ 171,576,104 |
| Suppliers and contractors | 122,912,325 | 117,011,309 |
| Accrued interest payable | 11,757,042 | 11,580,818 |
| Other | 40,072,134 | 36,652,677 |
| Accounts payable and accrued liabilities | <u>\$269,144,379</u> | <u>\$336,820,908</u> |

Major component units

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

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

As of June 30, 2017 and 2016, contributions receivable were due as follows:

University System of Maryland Foundation, Inc.

| Due | Discount Rates | 2017 | 2016 |
|------------------------------|-----------------------|----------------------|----------------------|
| Within one year | Not applicable | \$ 4,577,000 | \$ 5,727,000 |
| One to five years | 3.25% | 12,078,000 | 10,866,000 |
| Subtotal | | 16,655,000 | 16,593,000 |
| Pledge discount | | (1,155,000) | (1,099,000) |
| Net contributions receivable | | <u>\$ 15,500,000</u> | <u>\$ 15,494,000</u> |

University of Maryland, College Park Foundation, Inc.

| Due | Discount Rates | 2017 | 2016 |
|---------------------------------|-----------------------|----------------------|----------------------|
| Within one year | 3.22% | \$ 48,133,237 | \$ 47,993,697 |
| Two to five years | 3.22% | 46,694,852 | 53,074,027 |
| More than five years | 4.25% | 12,352,388 | 7,513,563 |
| Subtotal | | 107,180,477 | 108,581,287 |
| Allowance for doubtful accounts | | (13,520,351) | (13,491,226) |
| Pledge discount | | (5,258,310) | (3,647,770) |
| Net contributions receivable | | <u>\$ 88,401,816</u> | <u>\$ 91,442,291</u> |

University of Maryland, Baltimore Foundation, Inc.

| Due | Discount Rates | 2017 | 2016 |
|---------------------------------|-----------------------|----------------------|----------------------|
| Within one year | 1.5% | \$ 20,659,935 | \$ 15,896,394 |
| One to five years | 1.5% | 25,290,191 | 28,332,525 |
| More than five years | 1.5% | 130,770 | 52,200 |
| Subtotal | | 46,080,896 | 44,281,119 |
| Allowance for doubtful accounts | | (336,302) | (311,798) |
| Pledge discount | | (2,754,932) | (3,110,420) |
| Net contributions receivable | | <u>\$ 42,989,662</u> | <u>\$ 40,858,901</u> |

This page intentionally left blank.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016

6. CHANGES IN NET CAPITAL ASSETS

Changes in net capital assets for the years ended June 30, 2017 and 2016:

| | June 30, 2015 | Additions | Decreases | June 30, 2016 | Additions | Decreases | June 30, 2017 |
|----------------------------------------------------|------------------------|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|------------------------|
| Capital assets being depreciated: | | | | | | | |
| Infrastructure & land improvements | \$ 392,188,334 | \$ 15,791,648 | | \$ 407,979,982 | \$ 49,876,698 | \$ 133,162 | \$ 457,723,518 |
| Buildings & improvements | 6,828,416,167 | 310,457,116 | \$ 287,940 | 7,138,585,343 | 567,505,422 | 5,948,375 | 7,700,142,390 |
| Contents | 1,372,853,884 | 78,806,186 | 31,772,202 | 1,419,887,868 | 81,060,473 | 31,023,160 | 1,469,925,181 |
| Buildings recorded under capital lease agreements | 14,629,140 | | | 14,629,140 | | | 14,629,140 |
| Total capital assets being depreciated | 8,608,087,525 | 405,054,950 | 32,060,142 | 8,981,082,333 | 698,442,593 | 37,104,697 | 9,642,420,229 |
| Less accumulated depreciation for: | | | | | | | |
| Infrastructure & land improvements | 209,598,267 | 14,494,574 | | 224,092,841 | 19,056,222 | 143,938 | 243,005,125 |
| Buildings & improvements | 2,496,187,133 | 194,385,091 | 1,236,316 | 2,689,335,908 | 209,352,796 | 5,809,064 | 2,892,879,640 |
| Contents | 988,729,540 | 87,165,647 | 26,169,554 | 1,049,725,633 | 85,679,421 | 27,623,391 | 1,107,781,663 |
| Buildings recorded under capital lease agreements | 6,594,787 | 1,187,179 | | 7,781,966 | 1,187,179 | | 8,969,145 |
| Total accumulated depreciation | 3,701,109,727 | 297,232,491 | 27,405,870 | 3,970,936,348 | 315,275,618 | 33,576,393 | 4,252,635,573 |
| Total capital assets being depreciated, net | 4,906,977,798 | 107,822,459 | 4,654,272 | 5,010,145,985 | 383,166,975 | 3,528,304 | 5,389,784,656 |
| Capital assets not being depreciated: | | | | | | | |
| Land | 157,288,954 | 401,000 | | 157,689,954 | 9,823,066 | | 167,513,020 |
| Contents | 29,591,033 | 499,669 | 4,800 | 30,085,902 | 1,553,215 | | 31,639,117 |
| Construction in progress | 524,533,986 | 589,075,805 | 296,941,573 | 816,668,218 | 294,517,628 | 429,653,581 | 681,532,265 |
| Total capital assets not being depreciated | 711,413,973 | 589,976,474 | 296,946,373 | 1,004,444,074 | 305,893,909 | 429,653,581 | 880,684,402 |
| Capital assets, net | \$5,618,391,771 | \$ 697,798,933 | \$ 301,600,645 | \$6,014,590,059 | \$ 689,060,884 | \$ 433,181,885 | \$6,270,469,058 |

Interest expense of \$368,417 associated with projects not yet completed was capitalized and recorded as construction in progress during the year ended June 30, 2017.

This page intentionally left blank.

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

7. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The composition of deferred outflows of resources as of June 30, 2017 and 2016, is summarized as follows:

| | <u>2017</u> | <u>2016</u> |
|----------------------------------------------------|----------------------|----------------------|
| Unamortized loss on refundings of debt | \$ 19,798,069 | \$ 23,058,298 |
| Deferred outflows related to the pension liability | 583,358,819 | 357,853,747 |
| Total deferred outflows of resources | <u>\$603,156,888</u> | <u>\$380,912,045</u> |

The composition of deferred inflows of resources as of June 30, 2017 and 2016, is summarized as follows:

| | <u>2017</u> | <u>2016</u> |
|---------------------------------------------------|----------------------|----------------------|
| Deferred service concession arrangement receipts | \$307,287,513 | \$325,643,555 |
| Deferred inflows related to the pension liability | 68,382,401 | 78,775,776 |
| Total deferred inflows of resources | <u>\$375,669,914</u> | <u>\$404,419,331</u> |

8. SERVICE CONCESSION ARRANGEMENTS FOR STUDENT HOUSING

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

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

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

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

As of June 30, 2017 and 2016, the following amounts associated with service concession arrangements are reflected on the Balance Sheet:

| | <u>2017</u> | <u>2016</u> |
|--------------------------------------------------|---------------|---------------|
| Capital assets, net – Buildings & improvements | \$334,077,988 | \$347,968,950 |
| Deferred service concession arrangement receipts | 307,287,513 | 325,643,555 |

9. RESTRICTED NET POSITION

Restricted net position as of June 30, 2017 and 2016, are as follows:

| | <u>2017</u> | <u>2016</u> |
|---------------------------------------------|----------------------|----------------------|
| Nonexpendable | | |
| Scholarships and fellowships | \$ 16,488,037 | \$ 16,294,246 |
| Research | 4,266,455 | 4,071,544 |
| Other | 16,870,629 | 16,864,880 |
| Total restricted nonexpendable net position | <u>\$ 37,625,121</u> | <u>\$ 37,230,670</u> |
| Expendable | | |
| Scholarships and fellowships | \$ 35,299,757 | \$ 33,122,293 |
| Research | 75,456,300 | 69,268,236 |
| Loans | 59,618,603 | 67,723,793 |
| Capital projects | 6,351,336 | 7,146,977 |
| Other | 26,238,652 | 24,079,044 |
| Total restricted expendable net position | <u>\$202,964,648</u> | <u>\$201,340,343</u> |

10. REVENUE BONDS AND NOTES PAYABLE

The System finances the construction, renovation and acquisition of certain facilities and equipment through the issuance of debt obligations. State law limits the aggregate principal amount of debt outstanding and the present value of future minimum lease payments on capital lease obligations for real property to no more than \$1,400,000,000.

As of June 30, 2017 and 2016, revenue bonds and notes payable consisted of the following:

| | <u>2017</u> | <u>2016</u> |
|--------------------------------------|------------------------|------------------------|
| Revenue Bonds, net | \$1,231,321,136 | \$1,197,967,084 |
| Revolving Loan Program Bonds | 35,000,000 | 35,000,000 |
| Other | 24,003,259 | 28,561,838 |
| Revenue bonds and notes payable, net | <u>\$1,290,324,395</u> | <u>\$1,261,528,922</u> |

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

Auxiliary Facility and Tuition Revenue Bonds

As of June 30, 2017, Auxiliary Facility and Tuition Revenue Bonds (Revenue Bonds) consisted of the following:

| | <u>Interest Rates</u> | <u>Maturity Dates</u> | <u>Principal Outstanding</u> |
|------------------------------------|-----------------------|-----------------------|----------------------------------|
| 2006 Series A | 5.00% | 2017 | \$ 3,920,000 |
| 2008 Series A | 5.00% | 2018-2019 | 8,780,000 |
| 2009 Series A & B | 4.00% - 6.00% | 2018-2029 | 58,660,000 |
| 2009 Refunding Series C | 4.00% | 2017-2019 | 18,340,000 |
| 2009 Refunding Series D | 3.00% - 4.00% | 2018-2022 | 21,815,000 |
| 2010 Series A & B | 4.00% - 5.40% | 2018-2030 | 86,830,000 |
| 2010 Series C | 2.50% - 4.00% | 2018-2023 | 37,490,000 |
| 2010 Series D & E | 3.75% - 5.85% | 2018-2030 | 86,320,000 |
| 2011 Series A | 3.00% - 5.00% | 2018-2031 | 42,810,000 |
| 2011 Refunding Series B | 3.00% - 5.00% | 2018-2024 | 25,140,000 |
| 2012 Refunding Series A & B | 2.00% - 4.00% | 2018-2024 | 36,200,000 |
| 2012 Series C & D | 2.00% - 5.00% | 2017-2032 | 147,340,000 |
| 2014 Series A & B | 3.00% - 5.00% | 2018-2034 | 126,185,000 |
| 2015 Series A | 3.00% - 5.00% | 2018-2028 | 67,550,000 |
| 2016 Series A | 3.00% - 5.00% | 2018-2036 | 136,330,000 |
| 2016 Refunding Series B | 2.00% - 5.00% | 2018-2030 | 61,730,000 |
| 2017 Series A | 4.00% - 5.00% | 2018-2037 | 115,000,000 |
| 2017 Refunding Series B | 5.00% | 2018-2023 | <u>50,075,000</u> |
| Subtotal | | | 1,130,515,000 |
| Unamortized discounts and premiums | | | <u>100,806,136</u> |
| Revenue Bonds, net | | | <u><u>\$1,231,321,136</u></u> |

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

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 annual debt service on Revenue Bonds.

Revenue Bonds issued during the years ended June 30, 2017 and 2016, including the results of any advance refunding of previously-issued debt, were as follows:

| Debt issuance | Date of issue | Par value of debt issued | Premium on issuance | Par value of debt refunded | Reduction in future debt service | Deferred amount on refunding | Economic gain |
|-------------------------|----------------------|---------------------------------|----------------------------|-----------------------------------|-----------------------------------------|-------------------------------------|----------------------|
| 2016 Series A | 2/18/2016 | \$ 140,000,000 | \$ 21,401,958 | | | | |
| 2016 Refunding Series B | 2/18/2016 | 61,735,000 | 12,299,390 | \$ 62,890,000 | \$ 5,624,308 | \$ 6,520,386 | \$ 5,010,945 |
| 2017 Series A | 2/15/2017 | 115,000,000 | 13,756,261 | | | | |
| 2017 Refunding Series B | 2/15/2017 | 50,075,000 | 5,730,041 | 54,455,000 | 4,873,036 | 752,661 | 4,540,054 |

The System has issued series of Revenue Bonds that qualify for participation in the Build America Bonds program, a provision of the American Recovery and Reinvestment Act of 2009. The provisions of the Build America Bonds provide that the Federal government will reimburse issuers of Build America Bonds an amount equal to 35% of the interest payments made to bondholders. On March 1, 2013, the Budget Control Act of 2011 went into effect. The Federal government has reduced the amount of interest reimbursement by 6.9% and 6.8% in Federal fiscal year 2017 and 2016, respectively. The 2009 Series B, the 2010 Series B, and 2010 Series E bonds have been issued to comply with the requirements of the Build America Bonds program, the System has been receiving the interest payment reimbursements from the Federal government, and the System expects that these bonds will continue to qualify under the program in the future. The interest amounts reflected in the future principal and interest payments schedule on the following page reflect the System's obligations to bondholders, and have not been reduced for any expectation of interest reimbursement from the Federal government under the Build America Bonds program.

As of June 30, 2017, previously issued debt removed from the System's financial statements through advance refunding transactions still outstanding was \$109,025,000.

As of June 30, 2017 and 2016, cash and cash equivalents and investments restricted by the terms of the Indenture of Trust totaled \$80,404,575 and \$49,471,923, respectively.

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

Revolving Loan Program Bonds

Revolving Loan Program Bonds include debt issued pursuant to an Indenture of Trust, an agreement entered into with a trustee for the benefit of holders of the debt, dated April 1, 1995.

On August 8, 2003, the System issued \$65,000,000 of University System of Maryland Revolving Loan Program Bonds, 2003 Series A. The 2003 Series A Bonds were initially issued as auction rate reset securities, meaning interest is calculated on outstanding Revolving Loan Program Bonds using a rate of interest determined through a weekly auction process. In April, 2008, the System purchased \$15,000,000 of the auction rate reset securities in response to failed auctions that were occurring for most issuers of auction rate reset securities as a result of the collapse of the credit insurance market. On June 26, 2008, the 2003 Series A Bonds in a principal amount of \$50,000,000 were converted from an auction rate mode to a Multiannual Rate. On June 1, 2013 the System redeemed \$15,000,000 of the 2003 Series A Bonds. The remaining principal balance of \$35,000,000 of the 2003 Series A Bonds was remarketed for five years at a multi-annual interest rate of 1.25%.

As of June 30, 2017 and 2016, cash and cash equivalents in the amount of \$19,608,821 and \$22,314,360, respectively, was held by the trustee as unspent proceeds of the Revolving Loan Program Bonds.

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, 2017, were 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 | |
| 2018 | \$ 88,415,000 | \$ 49,318,141 | \$ 4,900,006 | \$ 1,211,253 | \$ 143,844,400 |
| 2019 | 89,705,000 | 44,313,433 | 3,916,219 | 1,546,174 | 139,480,826 |
| 2020 | 88,650,000 | 40,314,440 | 3,119,909 | 1,493,288 | 133,577,637 |
| 2021 | 86,190,000 | 36,512,235 | 3,027,853 | 1,439,186 | 127,169,274 |
| 2022 | 77,335,000 | 32,564,330 | 15,437,048 | 982,793 | 126,319,171 |
| 2023 - 2027 | 352,125,000 | 112,904,312 | 28,602,224 | 562,114 | 494,193,650 |
| 2028 - 2032 | 250,890,000 | 45,408,714 | | | 296,298,714 |
| 2033 - 2037 | 97,205,000 | 9,211,200 | | | 106,416,200 |
| Total | \$1,130,515,000 | \$ 370,546,805 | \$ 59,003,259 | \$ 7,234,808 | \$1,567,299,872 |

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016

11. LEASES

Obligations under capital lease agreements

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

Future minimum payments on obligations under capital lease agreements as of June 30, 2017, were as follows:

| <u>Years ending June 30,</u> | <u>Total</u> |
|--------------------------------------------|---------------------|
| 2018 | \$ 1,739,862 |
| 2019 | 1,776,697 |
| 2020 | 1,814,640 |
| 2021 | 1,597,726 |
| 2022 | <u>1,381,986</u> |
| Total future lease payments | 8,310,911 |
| Less: Interest component | <u>(814,489)</u> |
| Obligations under capital lease agreements | <u>\$ 7,496,422</u> |

Operating leases

The System and its institutions lease facilities and equipment under agreements accounted for as operating leases. Many of the leases provide for an optional extension of the terms of the agreements and increases in payment amounts based on changes in indices such as the Consumer Price Index.

Future minimum payments on operating leases as of June 30, 2017, were as follows:

| <u>Years ending June 30,</u> | <u>Minimum Annual Lease Payments</u> |
|------------------------------|----------------------------------------------|
| 2018 | \$ 16,816,688 |
| 2019 | 13,728,314 |
| 2020 | 12,830,365 |
| 2021 | 9,535,072 |
| 2022 | 6,810,895 |
| 2023 - 2027 | <u>15,993,222</u> |
| Total | <u>\$ 75,714,556</u> |

Operating lease expenditures for the years ended June 30, 2017 and 2016, were \$19,413,735 and \$18,379,508, respectively.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016

12. AUXILIARY ENTERPRISES

Auxiliary enterprises revenues for the years ended June 30, 2017 and 2016, are as follows:

| | <u>2017</u> | | <u>2016</u> | |
|--------------------------------------|---------------------|----------------------|---------------------|----------------------|
| Residential facilities | \$ 195,806,549 | | \$ 185,658,461 | |
| Less scholarship allowance | <u>(11,150,722)</u> | \$ 184,655,827 | <u>(10,566,689)</u> | \$ 175,091,772 |
| Dining facilities | 130,336,470 | | 125,508,850 | |
| Less scholarship allowance | <u>(6,381,458)</u> | 123,955,012 | <u>(6,855,337)</u> | 118,653,513 |
| Intercollegiate athletics | 131,608,613 | | 117,349,742 | |
| Less scholarship allowance | <u>(5,662,790)</u> | 125,945,823 | <u>(5,024,672)</u> | 112,325,070 |
| Bookstore | 18,113,990 | | 19,470,103 | |
| Less scholarship allowance | <u>(1,421,595)</u> | 16,692,395 | <u>(1,352,834)</u> | 18,117,269 |
| Parking facilities | 44,068,363 | | 42,620,914 | |
| Less scholarship allowance | <u>(207,745)</u> | 43,860,618 | <u>(251,798)</u> | 42,369,116 |
| Other | 149,037,183 | | 150,905,774 | |
| Less scholarship allowance | <u>(29,633)</u> | 149,007,550 | <u>(26,439)</u> | 150,879,335 |
| Total auxiliary enterprises revenues | | <u>\$644,117,225</u> | | <u>\$617,436,075</u> |

Auxiliary enterprises expenses for the years ended June 30, 2017 and 2016 are as follows:

| | <u>2017</u> | <u>2016</u> |
|--------------------------------------|----------------------|----------------------|
| Residential facilities | \$ 164,714,199 | \$ 164,975,772 |
| Dining facilities | 116,287,542 | 113,635,915 |
| Intercollegiate athletics | 121,791,690 | 117,138,225 |
| Bookstore | 18,098,762 | 19,555,868 |
| Parking facilities | 31,198,308 | 28,965,954 |
| Other | <u>122,364,240</u> | <u>119,493,977</u> |
| Total auxiliary enterprises expenses | <u>\$574,454,741</u> | <u>\$563,765,711</u> |

This page intentionally left blank.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016

13. CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for the years ended June 30, 2017 and 2016, were as follows:

| | June 30, 2015 | Additions | Decreases | June 30, 2016 | Additions | Decreases | June 30, 2017 | Due Within One Year |
|--------------------------------------------|------------------------|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| Accrued vacation costs | \$ 205,168,919 | \$ 105,547,380 | \$ 102,049,648 | \$ 208,666,651 | \$ 105,886,047 | \$ 101,309,481 | \$ 213,243,217 | \$ 104,818,549 |
| Accrued workers' compensation | 30,000,000 | 6,665,634 | 6,748,634 | 29,917,000 | 4,705,262 | 5,018,262 | 29,604,000 | 4,440,600 |
| Revenue bonds and notes payable, net | 1,189,412,063 | 236,796,961 | 164,680,102 | 1,261,528,922 | 185,096,688 | 156,301,215 | 1,290,324,395 | 93,370,871 |
| Obligations under capital lease agreements | 10,121,511 | | 1,268,225 | 8,853,286 | | 1,356,864 | 7,496,422 | 1,450,296 |
| Net pension liability | 718,516,394 | 247,883,779 | | 966,400,173 | 250,408,369 | | 1,216,808,542 | |
| Total long-term liabilities | \$2,153,218,887 | \$ 596,893,754 | \$ 274,746,609 | \$2,475,366,032 | \$ 546,096,366 | \$ 263,985,822 | \$2,757,476,576 | \$ 204,080,316 |

14. OPERATING EXPENSES BY OBJECT

The System reports operating expenses in the Statement of Revenues, Expenses and Changes in Net Assets by program category. Operating expenses, grouped by object classification for the years ended June 30, 2017 and 2016, were as follows:

| | 2017 | | | | 2016 | | | |
|------------------------------------|------------------------|-----------------------------------------------|-----------------------|------------------------|------------------------|-----------------------------------------------|-----------------------|------------------------|
| | Employee | Payments to Suppliers, Contractors and Others | Depreciation | Total | Employee | Payments to Suppliers, Contractors and Others | Depreciation | Total |
| Instruction | \$1,122,238,287 | \$ 125,939,633 | \$ 56,162,079 | \$1,304,339,999 | \$1,079,467,554 | \$ 116,320,005 | \$ 51,616,806 | \$1,247,404,365 |
| Research | 625,959,843 | 352,405,691 | 28,386,031 | 1,006,751,565 | 607,678,368 | 328,391,716 | 28,395,318 | 964,465,402 |
| Public service | 97,703,623 | 58,203,744 | 3,907,659 | 159,815,026 | 99,568,920 | 61,285,203 | 3,849,809 | 164,703,932 |
| Academic support | 323,947,651 | 93,097,020 | 34,753,281 | 451,797,952 | 299,972,559 | 83,461,918 | 35,508,835 | 418,943,312 |
| Student services | 151,510,416 | 83,270,484 | 7,879,846 | 242,660,746 | 141,780,961 | 76,512,734 | 7,438,252 | 225,731,947 |
| Institutional support | 391,438,212 | 99,750,594 | 16,485,095 | 507,673,901 | 371,965,039 | 94,796,187 | 15,033,244 | 481,794,470 |
| Operation and maintenance of plant | 149,094,370 | 142,161,608 | 62,661,544 | 353,917,522 | 137,828,100 | 136,130,280 | 54,408,917 | 328,367,297 |
| Scholarships and fellowships | 6,926,193 | 103,261,587 | | 110,187,780 | 7,039,223 | 103,502,345 | | 110,541,568 |
| Auxiliary enterprises: | | | | | | | | |
| Residential facilities | 51,395,148 | 59,934,366 | 53,384,685 | 164,714,199 | 49,253,549 | 65,367,033 | 50,355,190 | 164,975,772 |
| Dining facilities | 39,220,604 | 70,591,337 | 6,475,601 | 116,287,542 | 35,417,882 | 72,105,837 | 6,112,196 | 113,635,915 |
| Intercollegiate athletics | 62,405,439 | 50,421,853 | 8,964,398 | 121,791,690 | 62,313,704 | 45,619,316 | 9,205,205 | 117,138,225 |
| Bookstore | 4,284,327 | 13,729,478 | 84,957 | 18,098,762 | 4,199,726 | 15,269,712 | 86,430 | 19,555,868 |
| Parking facilities | 16,343,544 | 8,999,860 | 5,854,904 | 31,198,308 | 14,503,063 | 8,755,021 | 5,707,870 | 28,965,954 |
| Other auxiliary enterprises | 54,181,497 | 37,913,497 | 30,269,246 | 122,364,240 | 52,031,295 | 37,953,916 | 29,508,766 | 119,493,977 |
| Hospital | 207,603,476 | | 6,292 | 207,609,768 | 200,865,159 | 1,060,283 | 5,653 | 201,931,095 |
| Total | \$3,304,252,630 | \$1,299,680,752 | \$ 315,275,618 | \$4,919,209,000 | \$3,163,885,102 | \$1,246,531,506 | \$ 297,232,491 | \$4,707,649,099 |

This page intentionally left blank.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2017 AND 2016

15. RETIREMENT AND PENSION PLANS

General Information about the Pension Plan

Plan description

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

www.sra.state.md.us/Agency/Downloads/CAFR/.

Benefits provided

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

Disability and Death Benefits

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

Contributions

The Article sets contribution requirements of the active employees and the participating governmental units are established and may be amended by the MSRPS Board. Members of the ERS are required to

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

contribute 6% of their annual pay. Members of the TPS are required to contribute 7% of their annual pay. The State of Maryland is responsible for the net pension liability of TPS. The System's required contribution is for the normal cost and does not include any contribution for past service cost. As such, the State of Maryland is responsible for 100% of the net pension liability related to TPS and qualifies as a special funding situation.

The System's contractually required contribution for the years ended June 30, 2017 and 2016, was \$127,341,536 and \$108,699,493, respectively, actuarially determined as an amount that, when combined with the State of Maryland and employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability (State only).

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

As of June 30, 2017 and 2016, the System reported a liability of \$1,216,808,542 and \$966,400,173, respectively, as its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and 2015, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The System's proportion of the net pension liability was a ratio of the System's long-term share of contributions to the pension plan relative to the contributions of all participating government units, actuarially determined. As of June 30, 2017 and 2016, the System's proportion for the net pension liability was 5.580% and 5.120%, respectively.

For the years ended June 30, 2017 and 2016, the System recognized pension expense of \$141,851,447 and \$116,962,820, respectively. As of June 30, 2017 and 2016, the System reported deferred outflows of resources and deferred inflows of resources related to the net pension liability of the following sources:

| | 2017 | | 2016 | |
|----------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Changes in actuarial assumptions | \$ 43,639,461 | | \$ 56,171,399 | |
| Net difference between projected and actual earnings on pension plan investments | 184,538,605 | \$ 39,323,157 | 85,119,725 | \$ 58,984,734 |
| Contributions made subsequent to the measurement date | 127,341,536 | | 108,699,493 | |
| Change in proportionate share | 227,839,217 | | 107,863,130 | |
| Net difference between actual and expected experience | | 29,059,244 | | 19,791,042 |
| Total | \$583,358,819 | \$ 68,382,401 | \$357,853,747 | \$ 78,775,776 |

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

The System reported \$127,341,536 as deferred outflows of resources related to the pension resulting from the System's contributions subsequent to the measurement date that will be recognized as a reduction of the pension liability in the year ended June 30, 2018

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

| <u>Years ending June 30,</u> | <u>Deferred outflows</u> | <u>Deferred inflows</u> |
|------------------------------|--------------------------|-------------------------|
| 2018 | \$ 115,378,800 | \$ 26,468,670 |
| 2019 | 115,378,800 | 26,468,670 |
| 2020 | 112,780,328 | 6,807,093 |
| 2021 | 87,329,743 | 6,278,790 |
| 2022 | 25,149,612 | 2,359,178 |
| Total | <u>\$456,017,283</u> | <u>\$ 68,382,401</u> |

Information included in the MSRPS financial statements

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

[www.sra.state.md.us/ Agency/Downloads/CAFR/](http://www.sra.state.md.us/Agency/Downloads/CAFR/).

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 7.55 percent is \$1,216,808,542. The System's proportionate share of the net pension liability, if it were calculated using a discount rate that is 1-percentage-point lower (6.55 percent) is \$1,671,303,406, or 1-percentage-point higher (8.55 percent) is \$838,482,457.

Optional Retirement Program

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

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

State legislation provides that the System contribute 7.25% of covered employees' annual salaries each month. The employee does not have to contribute to the plan in order to receive the System's contribution. The System's contribution along with that of the employee is immediately and fully vested.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2017 AND 2016

Payroll for employees covered in the ORP for the years ended June 30, 2017 and 2016, was \$1,243,784,835 and \$1,212,032,097, respectively.

The amount contributed by the System for employees participating in the ORP for the years ended June 30, 2017 and 2016 was \$90,174,401 and \$87,872,327, respectively.

Major Component Units

The USMF maintains a defined contribution plan for certain personnel provided by TIAA-CREF. The USMF contributes 7.25% of the employees' compensation to the plan. In addition, eligible employees are entitled to make voluntary contributions to the plan. Total pension expense for the years ended June 30, 2017 and 2016, was approximately \$171,000 and \$151,000, respectively.

16. 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. The State does not distinguish employees by employer/State agency. Instead, the State allocates the postemployment health care costs to all participating employers.

Financial information for the Plan is included in the State of Maryland Comprehensive Annual Financial Report, which can be obtained from the Comptroller of Maryland, Louis L. Goldstein Treasury Building, Annapolis, MD 21404.

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 year ended June 30, 2017. The amount contributed for the years ended June 30, 2017 and 2016, was \$96,216,009 and \$87,381,590, respectively.

17. CONSTRUCTION COMMITMENTS

The estimated costs to complete construction in progress as of June 30, 2017 is \$471,179,000 of which \$84,866,000 is to be funded from Revenue Bond proceeds, \$202,432,000 is to be derived from State capital appropriations and grants, and \$183,881,000 to be provided from System funds.

18. 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, 2017, the System had entered into open contracts for the purchase of \$3,486,050 of natural gas to be delivered through June 2018. Future purchase commitments for electricity to be supplied through June 2018 totaled \$12,578,416 as of June 30, 2017. The System and its institutions generally take delivery of the natural gas and electricity purchased through future purchase contracts.

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

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

19. RISK MANAGEMENT

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

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

The System records a liability when it is probable that a loss has been incurred and the amount of that loss can be reasonably estimated. Liabilities recorded include a provision for claims incurred but not reported. Because actual claims liabilities depend on such complex factors such as inflation, changes in legal doctrines, and damage awards, actual claims could differ from estimates. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Liabilities for incurred workers' compensation losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using a 4% discount rate. The provision for workers' compensation is based upon a separately determined actuarial valuation for the fiscal years ended June 30, 2017 and 2016. Settlement amounts have not exceeded insurance coverage levels for the years ended June 30, 2017, 2016 and 2015. As of June 30, 2017 and 2016, the System has recorded \$29,604,000 and \$29,917,000, in liabilities associated with workers' compensation, respectively.

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

UNIVERSITY SYSTEM OF MARYLAND

**REQUIRED SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2017 AND 2016**

SCHEDULE OF PROPORTIONATE SHARE OF PENSION LIABILITY

| | 2017 | 2016 | 2015 |
|---------------------------------------------------------------------------------------------------------------|-----------------|----------------|----------------|
| The System's proportion of the net pension liability | 5.580% | 5.120% | 4.049% |
| The System's proportionate share of the net pension liability | \$1,216,808,542 | \$ 966,400,173 | \$ 718,516,394 |
| The System's covered-employee payroll | 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 | 190% | 160% | 115% |
| Plan fiduciary net position as a percentage of the total pension liability | 65.79% | 68.78% | 71.87% |

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

SCHEDULE OF CONTRIBUTIONS

| | 2017 | 2016 | 2015 |
|----------------------------------------------------------------------|----------------|----------------|----------------|
| Contractually required contribution | \$ 127,341,536 | \$ 108,699,493 | \$ 107,709,938 |
| Contributions in relation to the contractually required contribution | (127,341,536) | (108,699,493) | (107,709,938) |
| Contribution deficiency (excess) | None | None | None |
| System's covered-employee payroll | \$ 640,734,064 | \$ 602,991,802 | \$ 625,011,000 |
| Contributions as a percentage of covered-employee payroll | 19.87% | 18.03% | 17.23% |

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

SUPPLEMENTARY DATA

**UNIVERSITY OF MARYLAND, BALTIMORE
BALANCE SHEETS
JUNE 30, 2017 AND 2016**

| | 2017 | | 2016 | |
|--------------------------------------------------------------------------|------------------------|-----------------------|------------------------|-----------------------|
| | Institution | Component Units | Institution | Component Units |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 343,503,853 | \$ 4,442,116 | \$ 351,686,001 | \$ 4,948,538 |
| Accounts receivable, net | 84,316,242 | 20,198,117 | 69,310,003 | 15,517,248 |
| Notes receivable, current portion, net | 1,782,329 | | 1,910,536 | |
| Inventories | 232,415 | | 216,075 | |
| Prepaid expenses and other | 569,054 | 172,454 | 574,815 | 167,376 |
| Inter-institutional balances | 490,904 | | 854,799 | |
| Total current assets | 430,894,797 | 24,812,687 | 424,552,229 | 20,633,162 |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | 508,227 | | 1,094,763 | |
| Accounts receivable, net | | 23,181,305 | | 25,637,004 |
| Endowment investments | 93,730,936 | 203,316,476 | 85,741,601 | 173,854,375 |
| Other investments | 350,000 | 159,180,633 | 250,000 | 148,894,164 |
| Notes receivable, net | 16,776,232 | | 20,334,597 | |
| Other assets | | 4,120,505 | | 4,670,238 |
| Capital assets, net | 849,050,307 | | 807,790,847 | |
| Total noncurrent assets | 960,415,702 | 389,798,919 | 915,211,808 | 353,055,781 |
| Total assets | 1,391,310,499 | 414,611,606 | 1,339,764,037 | 373,688,943 |
| DEFERRED OUTFLOWS OF RESOURCES | 126,070,287 | | 79,559,154 | |
| Total assets and deferred outflows of resources | \$1,517,380,786 | \$ 414,611,606 | \$1,419,323,191 | \$ 373,688,943 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 62,962,844 | \$ 1,738,253 | \$ 82,363,579 | \$ 1,241,568 |
| Accrued workers' compensation, current portion | 1,140,450 | | 1,156,200 | |
| Accrued vacation costs, current portion | 41,449,471 | | 40,993,383 | |
| Revenue bonds and notes payable, current portion | 11,226,940 | | 11,438,032 | |
| Unearned revenues | 57,923,476 | | 55,937,653 | 800 |
| Total current liabilities | 174,703,181 | 1,738,253 | 191,888,847 | 1,242,368 |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 6,462,550 | | 6,551,800 | |
| Accrued vacation costs | 41,533,160 | | 37,665,895 | |
| Endowments invested on behalf of primary government | | 93,730,937 | | 85,741,601 |
| Other payables | | 1,719,965 | | 1,532,251 |
| Revenue bonds and notes payable | 97,079,719 | | 99,504,706 | |
| Net pension liability | 261,393,336 | | 208,807,579 | |
| Total noncurrent liabilities | 406,468,765 | 95,450,902 | 352,529,980 | 87,273,852 |
| Total liabilities | 581,171,946 | 97,189,155 | 544,418,827 | 88,516,220 |
| DEFERRED INFLOWS OF RESOURCES | 43,471,559 | | 47,406,135 | |
| NET POSITION | | | | |
| Unrestricted | 87,093,138 | 36,979,450 | 66,689,423 | 36,091,042 |
| Net investment in capital assets | 715,729,687 | | 670,663,106 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | 9,350,631 | 46,614,542 | 9,232,640 | 41,523,056 |
| Research | 706,391 | 3,518,799 | 522,543 | 3,508,367 |
| Other | 10,295,992 | 140,642,868 | 10,295,892 | 128,898,479 |
| Expendable | | | | |
| Scholarships and fellowships | 23,420,211 | 16,225,308 | 22,306,443 | 11,700,297 |
| Research | 6,903,542 | 9,065,614 | 5,125,173 | 9,002,118 |
| Loans | 23,519,996 | | 27,462,272 | |
| Capital projects | 508,227 | | 1,094,763 | |
| Other | 15,209,466 | 64,375,870 | 14,105,974 | 54,449,364 |
| Total net position | 892,737,281 | 317,422,451 | 827,498,229 | 285,172,723 |
| Total liabilities, deferred inflows of resources and net position | \$1,517,380,786 | \$ 414,611,606 | \$1,419,323,191 | \$ 373,688,943 |

UNIVERSITY OF MARYLAND, BALTIMORE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2017 AND 2016

| | 2017 | | 2016 | |
|-----------------------------------------------------------------|---------------------|-----------------------|-----------------------|-----------------------|
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$ 135,909,966 | | \$ 128,016,904 | |
| Less: scholarship allowances | <u>(22,875,765)</u> | \$ 113,034,201 | <u>(20,131,145)</u> | \$ 107,885,759 |
| Federal grants and contracts | | 228,388,561 | | 201,466,744 |
| State and local grants and contracts | | 81,491,063 | | 81,019,930 |
| Nongovernmental grants and contracts | | 106,531,108 | | 91,382,398 |
| Sales and services of educational departments | | 293,184,817 | | 287,618,646 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 2,478,018 | | 2,579,999 |
| Parking facilities | | 13,790,034 | | 13,732,838 |
| Other auxiliary enterprises revenues | | <u>14,744,930</u> | | <u>14,320,005</u> |
| Total operating revenues | | <u>853,642,732</u> | | <u>800,006,319</u> |
| OPERATING EXPENSES: | | | | |
| Instruction | | 196,828,957 | | 194,982,357 |
| Research | | 407,417,685 | | 377,291,990 |
| Public service | | 4,794,836 | | 4,151,911 |
| Academic support | | 64,704,802 | | 59,823,568 |
| Student services | | 9,247,446 | | 10,561,147 |
| Institutional support | | 81,038,655 | | 74,524,274 |
| Operation and maintenance of plant | | 86,322,883 | | 81,803,046 |
| Scholarships and fellowships | | 4,376,047 | | 4,194,898 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 1,955,316 | | 1,863,965 |
| Parking facilities | | 9,671,133 | | 9,539,403 |
| Other auxiliary enterprises expenses | | 13,846,304 | | 12,554,906 |
| Hospital | | <u>207,609,768</u> | | <u>201,931,095</u> |
| Total operating expenses | | <u>1,087,813,832</u> | | <u>1,033,222,560</u> |
| Operating loss | | <u>(234,171,100)</u> | | <u>(233,216,241)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| State appropriations | | 219,951,944 | | 217,008,902 |
| Pell grants | | 974,364 | | 825,522 |
| Gifts | | 19,999,760 | \$ 33,432,747 | 18,338,886 |
| Investment Income | 16,941,350 | | 25,942,119 | \$ 24,868,996 |
| Less: investment expense | <u>(283,958)</u> | 16,657,392 | <u>(292,716)</u> | <u>(4,470,545)</u> |
| Interest on indebtedness | | (3,167,355) | | (3,611,567) |
| Other revenues, (expenses), gains and (losses) | | 4,264,988 | | (160,368) |
| Other affiliated foundation revenues | | 761,757 | | 902,811 |
| Other affiliated foundation expenses | | (27,886,895) | | (27,158,863) |
| Transfers (to) other University System of Maryland institutions | | <u>(451,730)</u> | | <u>(659,324)</u> |
| Total nonoperating revenues (expenses) | | <u>258,229,363</u> | | <u>234,170,065</u> |
| Income (loss) before other revenues | | <u>24,058,263</u> | | <u>953,824</u> |
| | | <u>32,249,728</u> | | <u>(5,857,601)</u> |
| OTHER REVENUES: | | | | |
| Capital appropriations | | 40,974,790 | | 85,563,518 |
| Capital gifts and grants | | | | 803,517 |
| Additions to permanent endowments | | <u>205,999</u> | | <u>1,390</u> |
| Total other revenues | | <u>41,180,789</u> | | <u>86,368,425</u> |
| Increase (decrease) in net position | | <u>65,239,052</u> | <u>32,249,728</u> | <u>87,322,249</u> |
| Net position - beginning of year | | <u>827,498,229</u> | <u>285,172,723</u> | <u>740,175,980</u> |
| Net position - end of year | | <u>\$ 892,737,281</u> | <u>\$ 317,422,451</u> | <u>\$ 827,498,229</u> |
| | | | | <u>\$ 285,172,723</u> |

**UNIVERSITY OF MARYLAND, BALTIMORE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

| | <u>2017</u> | <u>2016</u> |
|-----------------------------------------------------------------------------|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Tuition and fees | \$ 111,843,607 | \$ 109,049,357 |
| Research contracts and grants | 401,187,189 | 392,051,010 |
| Payments to employees | (795,515,758) | (740,284,856) |
| Payments to suppliers and contractors | (250,336,593) | (225,682,270) |
| Loans issued to students | (876,130) | (2,074,628) |
| Collection of loans to students | 4,055,858 | 3,889,369 |
| Auxiliary enterprises: | | |
| Residence halls | 726,052 | 828,033 |
| Parking | 13,790,034 | 13,732,838 |
| Other | 14,737,027 | 14,315,649 |
| Other receipts | <u>321,996,322</u> | <u>306,023,586</u> |
| Net cash provided (used) by operating activities | <u>(178,392,392)</u> | <u>(128,151,912)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State appropriations | 219,951,944 | 217,008,902 |
| Gifts and grants received for other than capital purposes: | | |
| Private gifts for endowment purposes | 205,999 | 1,390 |
| Pell grants | <u>974,364</u> | <u>825,522</u> |
| Net cash provided by noncapital financing activities | <u>221,132,307</u> | <u>217,835,814</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Proceeds of capital debt | 8,850,629 | 6,628,146 |
| Capital appropriations | 40,974,790 | 85,563,518 |
| Proceeds from sales of capital assets | 23,443 | 10,497 |
| Purchases of capital assets | (95,740,397) | (126,105,792) |
| Principal paid on debt and capital leases | (17,267,265) | (12,408,991) |
| Interest paid on debt and capital leases | (3,872,447) | (4,420,255) |
| Transfers from other University System of Maryland institutions | <u>6,954,591</u> | <u>1,044,492</u> |
| Net cash provided (used) by capital and related financing activities | <u>(60,076,656)</u> | <u>(49,688,385)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sales and maturities of investments | 4,067,975 | 3,975,364 |
| Interest on investments | 6,514,655 | 4,206,875 |
| Investment expense | (283,958) | (292,716) |
| Purchases of investments | <u>(1,730,615)</u> | <u>(51,390)</u> |
| Net cash provided by investing activities | <u>8,568,057</u> | <u>7,838,133</u> |
| Net increase (decrease) in cash and cash equivalents | (8,768,684) | 47,833,650 |
| Cash and cash equivalents - beginning of the year | <u>352,780,764</u> | <u>304,947,114</u> |
| Cash and cash equivalents - end the year | <u>\$ 344,012,080</u> | <u>\$ 352,780,764</u> |

**UNIVERSITY OF MARYLAND, COLLEGE PARK
BALANCE SHEETS
JUNE 30, 2017 AND 2016**

| | 2017 | | 2016 | |
|--------------------------------------------------------------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| | Institution | Component Units | Institution | Component Units |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 608,168,154 | \$ 46,414,772 | \$ 655,256,831 | \$ 35,495,099 |
| Accounts receivable, net | 102,207,923 | 43,468,685 | 92,225,387 | 43,302,480 |
| Notes receivable, current portion, net | 2,021,190 | | 1,889,115 | |
| Inventories | 3,104,341 | | 3,228,373 | |
| Prepaid expenses and other | 2,490,589 | 1,093,597 | 1,936,715 | 1,182,858 |
| Inter-institutional balances | (2,178,776) | | (4,412,040) | |
| Total current assets | 715,813,421 | 90,977,054 | 750,124,381 | 79,980,437 |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | 870,857 | | 3,431,530 | |
| Accounts receivable, net | | 46,864,421 | | 50,187,286 |
| Endowment investments | 118,210,636 | 430,538,934 | 110,192,357 | 383,143,694 |
| Other investments | 10,737,345 | 214,368,144 | 11,025,091 | 203,889,964 |
| Notes receivable, net | 7,221,701 | | 7,237,260 | |
| Other assets | | 580,367 | | 613,767 |
| Capital assets, net | 2,004,096,078 | 22,463,578 | 1,895,900,025 | 24,401,835 |
| Total noncurrent assets | 2,141,136,617 | 714,815,444 | 2,027,786,263 | 662,236,546 |
| Total assets | 2,856,950,038 | 805,792,498 | 2,777,910,644 | 742,216,983 |
| DEFERRED OUTFLOWS OF RESOURCES | 201,606,010 | | 127,429,953 | |
| Total assets and deferred outflows of resources | \$ 3,058,556,048 | \$ 805,792,498 | \$ 2,905,340,597 | \$ 742,216,983 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 85,419,727 | \$ 11,918,250 | \$ 123,106,862 | \$ 5,770,469 |
| Accrued workers' compensation, current portion | 1,811,400 | | 1,838,400 | |
| Accrued vacation costs, current portion | 23,925,806 | | 24,122,903 | |
| Revenue bonds and notes payable, current portion | 28,950,877 | | 30,382,441 | |
| Obligations under capital lease agreements, current portion | 412,858 | | 386,390 | |
| Unearned revenues | 96,172,603 | 2,291,728 | 88,134,933 | 3,825,316 |
| Total current liabilities | 236,693,271 | 14,209,978 | 267,971,929 | 9,595,785 |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 10,264,600 | | 10,417,600 | |
| Accrued vacation costs | 39,682,655 | | 40,154,747 | |
| Endowments invested on behalf of primary government | | 118,203,430 | | 110,192,357 |
| Other payables | | 15,379,155 | | 15,710,276 |
| Revenue bonds and notes payable | 298,237,135 | | 317,388,560 | |
| Obligations under capital lease agreements | 1,160,144 | | 1,573,002 | |
| Net pension liability | 405,248,167 | | 322,613,407 | |
| Total noncurrent liabilities | 754,592,701 | 133,582,585 | 692,147,316 | 125,902,633 |
| Total liabilities | 991,285,972 | 147,792,563 | 960,119,245 | 135,498,418 |
| DEFERRED INFLOWS OF RESOURCES | 160,036,167 | | 171,176,095 | |
| NET POSITION | | | | |
| Unrestricted | 258,305,703 | 46,852,667 | 263,930,774 | 44,566,001 |
| Net investment in capital assets | 1,543,610,522 | | 1,407,909,501 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | 5,903,492 | 133,631,645 | 5,847,597 | 136,015,322 |
| Research | 3,560,064 | 4,041,673 | 3,549,001 | 2,513,353 |
| Other | 5,113,182 | 208,604,000 | 5,107,533 | 189,378,147 |
| Expendable | | | | |
| Scholarships and fellowships | 9,134,280 | 51,478,320 | 8,384,806 | 43,927,224 |
| Research | 65,229,622 | 20,872,140 | 61,929,574 | 20,681,768 |
| Loans | 8,829,752 | | 10,111,521 | |
| Capital projects | 791,438 | | 1,163,651 | |
| Other | 6,755,854 | 192,519,490 | 6,111,299 | 169,636,750 |
| Total net position | 1,907,233,909 | 657,999,935 | 1,774,045,257 | 606,718,565 |
| Total liabilities, deferred inflows of resources and net position | \$ 3,058,556,048 | \$ 805,792,498 | \$ 2,905,340,597 | \$ 742,216,983 |

UNIVERSITY OF MARYLAND, COLLEGE PARK
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2017 AND 2016

| | 2017 | | 2016 | |
|----------------------------------------------------------------------|----------------|--------------------|----------------|--------------------|
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$ 595,707,636 | | \$ 558,809,236 | |
| Less: scholarship allowances | (97,526,186) | \$ 498,181,450 | (92,446,334) | \$ 466,362,902 |
| Federal grants and contracts | | 358,927,492 | | 358,355,035 |
| State and local grants and contracts | | 59,127,537 | | 60,283,400 |
| Nongovernmental grants and contracts | | 96,234,730 | | 93,646,768 |
| Sales and services of educational departments | | 34,275,380 | | 34,670,756 |
| Auxiliary enterprises: | | | | |
| Residential facilities | 75,156,734 | | 70,622,591 | |
| Less: scholarship allowances | (2,995,212) | 72,161,522 | (3,105,970) | 67,516,621 |
| Dining facilities | 57,008,108 | | 52,369,395 | |
| Less: scholarship allowances | (1,423,571) | 55,584,537 | (1,839,104) | 50,530,291 |
| Intercollegiate athletics | | 78,254,614 | | 66,941,358 |
| Parking facilities | | 15,785,448 | | 15,005,823 |
| Other auxiliary enterprises revenues | | 47,349,332 | | 51,567,682 |
| Other operating revenues | | 39,009,392 | | 30,179,658 |
| Total operating revenues | | 1,354,891,434 | | 1,295,060,294 |
| OPERATING EXPENSES: | | | | |
| Instruction | | 521,845,823 | | 496,374,910 |
| Research | | 461,242,784 | | 448,315,596 |
| Public service | | 93,934,005 | | 96,142,274 |
| Academic support | | 198,027,717 | | 166,377,674 |
| Student services | | 59,294,914 | | 58,058,345 |
| Institutional support | | 128,186,978 | | 130,393,592 |
| Operation and maintenance of plant | | 110,998,628 | | 104,682,859 |
| Scholarships and fellowships | | 32,027,981 | | 31,562,930 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 83,377,372 | | 80,170,528 |
| Dining facilities | | 56,534,827 | | 54,758,617 |
| Intercollegiate athletics | | 74,105,207 | | 71,770,136 |
| Parking facilities | | 12,648,979 | | 10,849,196 |
| Other auxiliary enterprises expenses | | 55,226,188 | | 55,714,393 |
| Total operating expenses | | 1,887,451,403 | | 1,805,171,050 |
| Operating loss | | (532,559,969) | | (510,110,756) |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| State appropriations | | 497,187,314 | | 484,438,471 |
| Pell grants | | 24,775,697 | | 23,867,491 |
| Gifts | | 29,311,090 | \$ 70,322,550 | 31,483,358 |
| Investment income | 23,400,652 | | 46,867,806 | |
| Less: investment expense | (350,521) | 23,050,131 | 7,182,482 | 6,818,776 |
| Interest on indebtedness | | (10,766,783) | | (11,756,289) |
| Other revenues, (expenses), gains and (losses) | | (1,382,054) | | 15,967 |
| Other affiliated foundation revenues | | | 8,860,798 | 9,770,111 |
| Other affiliated foundation expenses | | | (74,769,784) | (81,883,864) |
| Transfers (to) from other University System of Maryland institutions | | 4,670,415 | | (2,644,220) |
| Total nonoperating revenues | | 566,845,810 | 51,281,370 | 532,223,554 |
| Income before other revenues | | 34,285,841 | 51,281,370 | 22,112,798 |
| OTHER REVENUES: | | | | |
| Capital appropriations | | 87,611,050 | | 96,104,571 |
| Capital gifts and grants | | 11,220,090 | | 15,279,337 |
| Additions to permanent endowments | | 71,671 | | 75,268 |
| Total other revenues | | 98,902,811 | | 111,459,176 |
| Increase in net position | | 133,188,652 | 51,281,370 | 133,571,974 |
| Net position - beginning of year | | 1,774,045,257 | 606,718,565 | 1,640,473,283 |
| Net position - end of year | | \$ 1,907,233,909 | \$ 657,999,935 | \$ 1,774,045,257 |
| | | | | \$ 606,718,565 |

**UNIVERSITY OF MARYLAND, COLLEGE PARK
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

| | <u>2017</u> | <u>2016</u> |
|-----------------------------------------------------------------------------|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Tuition and fees | \$ 494,696,682 | \$ 466,399,185 |
| Research contracts and grants | 505,100,111 | 510,702,895 |
| Payments to employees | (1,332,518,075) | (1,222,819,705) |
| Payments to suppliers and contractors | (476,995,723) | (454,071,380) |
| Loans issued to students | (2,440,094) | (1,041,608) |
| Collection of loans to students | 2,323,578 | 3,658,988 |
| Auxiliary enterprises: | | |
| Residence halls | 64,451,407 | 59,806,506 |
| Dining facilities | 55,584,537 | 50,530,291 |
| Intercollegiate athletics | 90,307,825 | 77,558,064 |
| Parking | 15,785,448 | 15,005,823 |
| Other | 42,551,163 | 51,478,696 |
| Other receipts | 104,430,330 | 99,274,599 |
| Net cash provided (used) by operating activities | <u>(436,722,811)</u> | <u>(343,517,646)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State appropriations | 497,187,314 | 484,438,471 |
| Gifts and grants received for other than capital purposes: | | |
| Private gifts for endowment purposes | 71,671 | 75,268 |
| Pell grants | 24,775,697 | 23,867,491 |
| Net cash provided by noncapital financing activities | <u>522,034,682</u> | <u>508,381,230</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Proceeds of capital debt | 27,806,259 | 54,295,376 |
| Capital appropriations | 87,611,050 | 96,104,571 |
| Capital grants and gifts received | 11,220,090 | 15,279,337 |
| Proceeds from sales of capital assets | 715,667 | 1,710,829 |
| Purchases of capital assets | (222,512,273) | (200,952,991) |
| Principal paid on debt and capital leases | (54,090,062) | (51,883,453) |
| Interest paid on debt and capital leases | (11,811,871) | (14,430,614) |
| Transfers from other University System of Maryland institutions | 10,780,321 | 3,230,933 |
| Net cash provided (used) by capital and related financing activities | <u>(150,280,819)</u> | <u>(96,646,012)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sales and maturities of investments | 5,086,315 | 5,135,341 |
| Interest on investments | 10,674,418 | 7,283,089 |
| Investment expense | (350,521) | (363,706) |
| Purchases of investments | (90,614) | (75,268) |
| Net cash provided by investing activities | <u>15,319,598</u> | <u>11,979,456</u> |
| Net increase (decrease) in cash and cash equivalents | (49,649,350) | 80,197,028 |
| Cash and cash equivalents - beginning of the year | <u>658,688,361</u> | <u>578,491,333</u> |
| Cash and cash equivalents - end the year | <u>\$ 609,039,011</u> | <u>\$ 658,688,361</u> |

**BOWIE STATE UNIVERSITY
BALANCE SHEETS
JUNE 30, 2017 AND 2016**

| | 2017 | | 2016 | |
|--------------------------------------------------------------------------|-----------------------|----------------------|-----------------------|---------------------|
| | Institution | Component Units | Institution | Component Units |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 80,978,620 | \$ 684,141 | \$ 71,107,850 | \$ 956,220 |
| Accounts receivable, net | 2,139,643 | 1,067,878 | 1,485,808 | 681,684 |
| Notes receivable, current portion, net | 97,671 | | 93,916 | |
| Inter-institutional balances | 451,921 | | 947,313 | |
| Total current assets | 83,667,855 | 1,752,019 | 73,634,887 | 1,637,904 |
| Noncurrent assets: | | | | |
| Endowment investments | 956,447 | 7,826,931 | 909,490 | 6,816,682 |
| Other investments | | 956,447 | | 909,490 |
| Notes receivable, net | 145,461 | | 534,756 | |
| Other assets | | 1,938 | | |
| Capital assets, net | 292,162,650 | 704 | 261,636,545 | 1,883 |
| Total noncurrent assets | 293,264,558 | 8,786,020 | 263,080,791 | 7,728,055 |
| Total assets | 376,932,413 | 10,538,039 | 336,715,678 | 9,365,959 |
| DEFERRED OUTFLOWS OF RESOURCES | 17,922,371 | | 11,260,163 | |
| Total assets and deferred outflows of resources | \$ 394,854,784 | \$ 10,538,039 | \$ 347,975,841 | \$ 9,365,959 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 10,236,868 | \$ 142,390 | \$ 9,775,632 | \$ 51,060 |
| Accrued workers' compensation, current portion | 151,350 | | 137,100 | |
| Accrued vacation costs, current portion | 1,644,773 | | 1,625,104 | |
| Revenue bonds and notes payable, current portion | 2,129,061 | 3,902 | 2,162,537 | 11,128 |
| Unearned revenues | 3,971,220 | 184,044 | 5,331,653 | 170,739 |
| Total current liabilities | 18,133,272 | 330,336 | 19,032,026 | 232,927 |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 857,650 | | 776,900 | |
| Accrued vacation costs | 1,263,712 | | 1,241,621 | |
| Endowments invested on behalf of primary government | | 956,447 | | 909,490 |
| Other payables | | | | 2,134 |
| Revenue bonds and notes payable | 42,977,873 | | 43,837,183 | |
| Net pension liability | 34,495,239 | | 26,982,988 | |
| Total noncurrent liabilities | 79,594,474 | 956,447 | 72,838,692 | 911,624 |
| Total liabilities | 97,727,746 | 1,286,783 | 91,870,718 | 1,144,551 |
| DEFERRED INFLOWS OF RESOURCES | 25,778,517 | | 27,686,781 | |
| NET POSITION | | | | |
| Unrestricted | 46,774,686 | 649,404 | 36,921,454 | 559,385 |
| Net investment in capital assets | 223,749,807 | | 190,801,163 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | | 4,257,141 | | 4,037,245 |
| Other | | 834,160 | | 833,535 |
| Expendable: | | | | |
| Loans | 824,028 | | 695,725 | |
| Other | | 3,510,551 | | 2,791,243 |
| Total net position | 271,348,521 | 9,251,256 | 228,418,342 | 8,221,408 |
| Total liabilities, deferred inflows of resources and net position | \$ 394,854,784 | \$ 10,538,039 | \$ 347,975,841 | \$ 9,365,959 |

BOWIE STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2017 AND 2016

| | <u>2017</u> | | <u>2016</u> | |
|-----------------------------------------------------------------|---------------------|----------------------------|---------------------|----------------------------|
| | <u>Institution</u> | <u>Component Units</u> | <u>Institution</u> | <u>Component Units</u> |
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$ 38,934,395 | | \$ 36,360,210 | |
| Less: scholarship allowances | <u>(14,481,916)</u> | \$ 24,452,479 | <u>(13,547,461)</u> | \$ 22,812,749 |
| Federal grants and contracts | | 8,107,069 | | 8,080,189 |
| State and local grants and contracts | | 2,160,857 | | 2,014,359 |
| Nongovernmental grants and contracts | | 234,140 | | 390,879 |
| Sales and services of educational departments | | 30,643 | | 99,451 |
| Auxiliary enterprises: | | | | |
| Residential facilities | 6,612,437 | | 6,418,881 | |
| Less: scholarship allowances | <u>(26,177)</u> | 6,586,260 | <u>(47,144)</u> | 6,371,737 |
| Dining facilities | 4,609,028 | | 4,183,854 | |
| Less: scholarship allowances | <u>(662,319)</u> | 3,946,709 | <u>(750,167)</u> | 3,433,687 |
| Intercollegiate athletics | 3,788,975 | | 3,505,906 | |
| Less: scholarship allowances | <u>(455,951)</u> | 3,333,024 | <u>(447,975)</u> | 3,057,931 |
| Parking facilities | | 305,636 | | 246,152 |
| Other auxiliary enterprises revenues | | <u>7,330,903</u> | | <u>6,280,528</u> |
| Total operating revenues | | <u>56,487,720</u> | | <u>52,787,662</u> |
| OPERATING EXPENSES: | | | | |
| Instruction | | 35,785,633 | | 33,708,342 |
| Research | | 294,864 | | 827,188 |
| Public service | | 140,033 | | 109,281 |
| Academic support | | 13,248,988 | | 13,283,127 |
| Student services | | 9,997,643 | | 8,934,339 |
| Institutional support | | 15,835,947 | | 16,647,452 |
| Operation and maintenance of plant | | 8,711,163 | | 8,773,333 |
| Scholarships and fellowships | | 1,651,671 | | 1,684,495 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 5,857,628 | | 5,389,923 |
| Dining facilities | | 4,677,457 | | 4,170,559 |
| Intercollegiate athletics | | 3,566,647 | | 3,360,096 |
| Other auxiliary enterprises expenses | | <u>3,499,638</u> | | <u>3,075,657</u> |
| Total operating expenses | | <u>103,267,312</u> | | <u>99,963,792</u> |
| Operating loss | | <u>(46,779,592)</u> | | <u>(47,176,130)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| State appropriations | | 43,848,695 | | 41,695,005 |
| Pell grants | | 11,106,282 | | 10,192,525 |
| Gifts | | \$ 1,915,596 | | \$ 1,475,122 |
| Investment Income | | 753,362 | | (145,214) |
| Interest on indebtedness | | 1,315,264 | | 771,013 |
| Other revenues, (expenses), gains and (losses) | | (1,421,617) | | (1,556,738) |
| Other affiliated foundation revenues | | 550,180 | | (370,888) |
| Other affiliated foundation expenses | | 313,356 | | 317,841 |
| Transfers (to) other University System of Maryland institutions | | (1,952,466) | | (1,571,594) |
| Total nonoperating revenues | | <u>54,417,809</u> | <u>1,029,848</u> | <u>49,903,414</u> |
| Income before other revenues | | <u>7,638,217</u> | <u>1,029,848</u> | <u>2,727,284</u> |
| OTHER REVENUES: | | | | |
| Capital appropriations | | 35,291,962 | | 47,010,217 |
| Capital gifts and grants | | | | <u>422,080</u> |
| Total other revenues | | <u>35,291,962</u> | | <u>47,432,297</u> |
| Increase in net position | | <u>42,930,179</u> | <u>1,029,848</u> | <u>50,159,581</u> |
| Net position - beginning of year | | <u>228,418,342</u> | <u>8,221,408</u> | <u>178,258,761</u> |
| Net position - end of year | | <u>\$ 271,348,521</u> | <u>\$ 9,251,256</u> | <u>\$ 228,418,342</u> |

**BOWIE STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

| | <u>2017</u> | <u>2016</u> |
|----------------------------------------------------------------------|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Tuition and fees | \$ 23,991,056 | \$ 22,412,172 |
| Research contracts and grants | 8,949,221 | 9,942,658 |
| Payments to employees | (64,551,741) | (64,583,826) |
| Payments to suppliers and contractors | (28,241,375) | (26,098,136) |
| Loans issued to students | | (29,259) |
| Collection of loans to students | 80,057 | 108,716 |
| Auxiliary enterprises: | | |
| Residence halls | 4,989,797 | 4,775,274 |
| Dining facilities | 3,946,709 | 3,433,687 |
| Intercollegiate athletics | 3,333,024 | 3,057,931 |
| Parking | 305,636 | 246,152 |
| Other | 7,854,673 | 6,280,528 |
| Other receipts | 591,681 | 258,248 |
| | <u>(38,751,262)</u> | <u>(40,195,855)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State appropriations | 43,848,695 | 41,695,005 |
| Pell grants | 11,106,282 | 10,192,525 |
| | <u>54,954,977</u> | <u>51,887,530</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Proceeds of capital debt | 476,912 | 5,962,393 |
| Capital appropriations | 35,291,962 | 47,010,217 |
| Purchases of capital assets | (40,134,012) | (50,288,285) |
| Principal paid on debt and capital leases | (2,566,599) | (7,599,519) |
| Interest paid on debt and capital leases | (1,669,925) | (2,160,868) |
| Transfers (to) from other University System of Maryland institutions | 1,000,412 | (388,332) |
| | <u>(7,601,250)</u> | <u>(7,464,394)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest on investments | 1,268,305 | 776,021 |
| | <u>1,268,305</u> | <u>776,021</u> |
| Net cash provided by investing activities | | |
| | <u>1,268,305</u> | <u>776,021</u> |
| Net increase in cash and cash equivalents | 9,870,770 | 5,003,302 |
| Cash and cash equivalents - beginning of the year | <u>71,107,850</u> | <u>66,104,548</u> |
| Cash and cash equivalents - end the year | <u>\$ 80,978,620</u> | <u>\$ 71,107,850</u> |

**TOWSON UNIVERSITY
BALANCE SHEETS
JUNE 30, 2017 AND 2016**

| | 2017 | | 2016 | |
|--------------------------------------------------------------------------|------------------------|----------------------|------------------------|----------------------|
| | Institution | Component Units | Institution | Component Units |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 228,867,330 | \$ 5,078,352 | \$ 205,824,768 | \$ 5,711,869 |
| Accounts receivable, net | 12,136,207 | 381,636 | 12,590,965 | 300,359 |
| Notes receivable, current portion, net | 2,710,718 | | 2,457,117 | |
| Inventories | 4,083,451 | | 4,081,588 | |
| Prepaid expenses and other | 3,258,799 | 277,097 | 2,126,862 | 324,630 |
| Inter-institutional balances | (131,385) | | 201,031 | |
| Total current assets | 250,925,120 | 5,737,085 | 227,282,331 | 6,336,858 |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | 47,280 | | 47,280 | |
| Accounts receivable, net | | 1,622,888 | | 1,480,768 |
| Endowment investments | 8,301,844 | 67,607,364 | 7,797,755 | 60,851,837 |
| Other investments | | 8,225,681 | | 7,727,026 |
| Notes receivable, net | 10,343,186 | | 13,347,734 | |
| Capital assets, net | 841,693,592 | 1,624 | 817,634,211 | 368 |
| Total noncurrent assets | 860,385,902 | 77,457,557 | 838,826,980 | 70,059,999 |
| Total assets | 1,111,311,022 | 83,194,642 | 1,066,109,311 | 76,396,857 |
| DEFERRED OUTFLOWS OF RESOURCES | 62,339,536 | | 40,575,652 | |
| Total assets and deferred outflows of resources | \$1,173,650,558 | \$ 83,194,642 | \$1,106,684,963 | \$ 76,396,857 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 30,772,991 | \$ 761,410 | \$ 29,296,449 | \$ 1,654,526 |
| Accrued workers' compensation, current portion | 273,150 | | 271,200 | |
| Accrued vacation costs, current portion | 8,092,216 | | 8,487,851 | |
| Revenue bonds and notes payable, current portion | 18,392,084 | | 17,326,089 | |
| Obligations under capital lease agreements, current portion | 1,037,438 | | 970,474 | |
| Unearned revenues | 9,579,899 | | 7,452,595 | |
| Total current liabilities | 68,147,778 | 761,410 | 63,804,658 | 1,654,526 |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 1,547,850 | | 1,536,800 | |
| Accrued vacation costs | 2,923,498 | | 2,840,693 | |
| Endowments invested on behalf of primary government | | 8,200,598 | | 7,716,080 |
| Revenue bonds and notes payable | 324,067,929 | | 309,928,070 | |
| Obligations under capital lease agreements | 4,885,982 | | 5,923,420 | |
| Net pension liability | 122,450,128 | | 97,409,291 | |
| Total noncurrent liabilities | 455,875,387 | 8,200,598 | 417,638,274 | 7,716,080 |
| Total liabilities | 524,023,165 | 8,962,008 | 481,442,932 | 9,370,606 |
| DEFERRED INFLOWS OF RESOURCES | 50,147,550 | | 53,753,793 | |
| NET POSITION | | | | |
| Unrestricted | 127,204,068 | 3,684,760 | 110,455,700 | 3,587,072 |
| Net investment in capital assets | 454,349,715 | | 442,409,108 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | 265,025 | 24,017,447 | 265,025 | 23,391,884 |
| Research | | 124,062 | | 106,013 |
| Other | | 17,314,045 | | 16,682,403 |
| Expendable: | | | | |
| Scholarships and fellowships | 25,469 | 12,689,822 | 5,687 | 10,055,124 |
| Research | 1,602,533 | 21,363 | 1,180,306 | 8,005 |
| Loans | 13,481,299 | | 14,793,913 | |
| Other | 2,551,734 | 16,381,135 | 2,378,499 | 13,195,750 |
| Total net position | 599,479,843 | 74,232,634 | 571,488,238 | 67,026,251 |
| Total liabilities, deferred inflows of resources and net position | \$1,173,650,558 | \$ 83,194,642 | \$1,106,684,963 | \$ 76,396,857 |

TOWSON UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2017 AND 2016

| | 2017 | | 2016 | |
|-----------------------------------------------------------------|---------------------|-----------------------|----------------------|-----------------------|
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$ 184,554,790 | | \$ 181,600,599 | |
| Less: scholarship allowances | <u>(47,092,383)</u> | \$ 137,462,407 | <u>(45,852,187)</u> | \$ 135,748,412 |
| Federal grants and contracts | | 2,881,701 | | 3,774,305 |
| State and local grants and contracts | | 3,980,731 | | 6,133,893 |
| Nongovernmental grants and contracts | | 487,568 | | 893,890 |
| Sales and services of educational departments | | 6,704,205 | | 6,813,570 |
| Auxiliary enterprises: | | | | |
| Residential facilities | 32,475,489 | | 28,026,450 | |
| Less: scholarship allowances | <u>(947,027)</u> | 31,528,462 | <u>(1,029,545)</u> | 26,996,905 |
| Dining facilities | 22,246,342 | | 22,847,013 | |
| Less: scholarship allowances | <u>(526,172)</u> | 21,720,170 | <u>(590,784)</u> | 22,256,229 |
| Intercollegiate athletics | 19,538,965 | | 18,303,466 | |
| Less: scholarship allowances | <u>(3,997,214)</u> | 15,541,751 | <u>(3,266,097)</u> | 15,037,369 |
| Bookstore | 6,992,350 | | 7,502,271 | |
| Less: scholarship allowances | <u>(1,415,644)</u> | 5,576,706 | <u>(1,341,425)</u> | 6,160,846 |
| Parking facilities | | 8,839,130 | | 8,288,099 |
| Other auxiliary enterprises revenues | | <u>36,752,038</u> | | <u>36,766,873</u> |
| Total operating revenues | | <u>271,474,869</u> | | <u>268,870,391</u> |
| OPERATING EXPENSES: | | | | |
| Instruction | | 126,836,279 | | 118,455,980 |
| Research | | 4,577,410 | | 4,200,008 |
| Public service | | 11,250,000 | | 12,771,101 |
| Academic support | | 41,260,786 | | 45,989,545 |
| Student services | | 23,167,416 | | 21,423,864 |
| Institutional support | | 49,770,525 | | 42,612,660 |
| Operation and maintenance of plant | | 27,763,601 | | 27,065,501 |
| Scholarships and fellowships | | 10,223,115 | | 13,614,188 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 21,625,508 | | 19,086,522 |
| Dining facilities | | 17,406,470 | | 17,892,267 |
| Intercollegiate athletics | | 15,810,097 | | 16,190,882 |
| Bookstore | | 7,033,194 | | 7,803,256 |
| Parking facilities | | 6,184,818 | | 5,789,393 |
| Other auxiliary enterprises expenses | | <u>21,844,225</u> | | <u>21,976,963</u> |
| Total operating expenses | | <u>384,753,444</u> | | <u>374,872,130</u> |
| Operating loss | | <u>(113,278,575)</u> | | <u>(106,001,739)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| State appropriations | | 115,130,791 | | 110,087,654 |
| Pell grants | | 23,092,164 | | 22,067,596 |
| Gifts | | 126,558 | \$ 6,635,749 | 150,369 |
| Investment Income | 4,802,156 | | 7,408,678 | \$ 6,809,823 |
| Less: investment expense | <u>(14,980)</u> | 4,787,176 | <u>(15,559)</u> | 424,746 |
| Interest on indebtedness | | (11,749,438) | | (9,946,099) |
| Other revenues, (expenses), gains and (losses) | | 9,380,231 | | 12,608,823 |
| Other affiliated foundation revenues | | | 1,995,224 | 1,405,205 |
| Other affiliated foundation expenses | | | (8,833,268) | (10,768,021) |
| Transfers (to) other University System of Maryland institutions | | <u>(5,883,002)</u> | | <u>(6,309,816)</u> |
| Total nonoperating revenues (expenses) | | <u>134,884,480</u> | <u>7,206,383</u> | <u>131,123,510</u> |
| Income (loss) before other revenues | | <u>21,605,905</u> | <u>7,206,383</u> | <u>25,121,771</u> |
| OTHER REVENUES: | | | | |
| Capital appropriations | | 3,448,303 | | 2,319,044 |
| Capital gifts and grants | | <u>2,937,397</u> | | <u>1,312,360</u> |
| Total other revenues | | <u>6,385,700</u> | | <u>3,631,404</u> |
| Increase (decrease) in net position | | 27,991,605 | 7,206,383 | 28,753,175 |
| Net position - beginning of year | | <u>571,488,238</u> | <u>67,026,251</u> | <u>542,735,063</u> |
| Net position - end of year | | <u>\$ 599,479,843</u> | <u>\$ 74,232,634</u> | <u>\$ 571,488,238</u> |

**TOWSON UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

| | <u>2017</u> | <u>2016</u> |
|-----------------------------------------------------------------------------|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Tuition and fees | \$ 138,005,839 | \$ 136,129,534 |
| Research contracts and grants | 6,844,042 | 9,431,555 |
| Payments to employees | (243,103,103) | (240,957,781) |
| Payments to suppliers and contractors | (97,582,763) | (99,010,381) |
| Loans issued to students | | (3,571,877) |
| Collection of loans to students | 2,750,947 | 2,064,233 |
| Auxiliary enterprises: | | |
| Residence halls | 28,915,683 | 26,995,269 |
| Dining facilities | 21,736,807 | 22,210,892 |
| Intercollegiate athletics | 17,301,119 | 14,362,830 |
| Bookstores | 5,553,724 | 6,292,833 |
| Parking | 8,795,731 | 8,302,911 |
| Other | 36,678,855 | 36,587,423 |
| Other receipts | 17,990,102 | 20,506,515 |
| Net cash provided (used) by operating activities | <u>(56,113,017)</u> | <u>(60,656,044)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State appropriations | 115,130,791 | 110,087,654 |
| Pell grants | 23,092,164 | 22,067,596 |
| Net cash provided by noncapital financing activities | <u>138,222,955</u> | <u>132,155,250</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Proceeds of capital debt | 33,085,988 | 91,389,852 |
| Capital appropriations | 3,448,303 | 2,319,044 |
| Purchases of capital assets | (64,687,714) | (101,355,328) |
| Principal paid on debt and capital leases | (27,816,546) | (39,777,218) |
| Interest paid on debt and capital leases | (12,957,072) | (12,488,081) |
| Transfers from other University System of Maryland institutions | 5,576,578 | 3,895,924 |
| Net cash provided (used) by capital and related financing activities | <u>(63,350,463)</u> | <u>(56,015,807)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sales and maturities of investments | 225,064 | 230,691 |
| Interest on investments | 4,073,003 | 2,683,986 |
| Investment expense | (14,980) | (15,559) |
| Net cash provided by investing activities | <u>4,283,087</u> | <u>2,899,118</u> |
| Net increase in cash and cash equivalents | 23,042,562 | 18,382,517 |
| Cash and cash equivalents - beginning of the year | <u>205,872,048</u> | <u>187,489,531</u> |
| Cash and cash equivalents - end the year | <u>\$ 228,914,610</u> | <u>\$ 205,872,048</u> |

**UNIVERSITY OF MARYLAND EASTERN SHORE
BALANCE SHEETS
JUNE 30, 2017 AND 2016**

| | <u>2017</u> | | <u>2016</u> | |
|--------------------------------------------------------------------------|-----------------------|----------------------------|-----------------------|----------------------------|
| | <u>Institution</u> | <u>Component Units</u> | <u>Institution</u> | <u>Component Units</u> |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 3,692,061 | \$ 30,915 | \$ 13,699,022 | \$ 257,440 |
| Accounts receivable, net | 7,045,020 | 376,561 | 6,994,395 | 942,947 |
| Notes receivable, current portion, net | 1,003,941 | | 1,120,125 | |
| Prepaid expenses and other | 222,842 | | 134,817 | |
| Inter-institutional balances | 1,210,061 | | 777,929 | |
| Total current assets | <u>13,173,925</u> | <u>407,476</u> | <u>22,726,288</u> | <u>1,200,387</u> |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | 89,723 | | 21,401 | |
| Accounts receivable, net | | 1,234,957 | | 779,712 |
| Endowment investments | 6,088,973 | 21,713,570 | 5,515,223 | 19,509,696 |
| Other investments | | 7,166,808 | | 6,798,773 |
| Notes receivable, net | 830,394 | | 1,144,931 | |
| Other assets | | 41,246 | | 310,767 |
| Capital assets, net | 227,349,677 | 12,058,271 | 232,437,724 | 12,518,898 |
| Total noncurrent assets | <u>234,358,767</u> | <u>42,214,852</u> | <u>239,119,279</u> | <u>39,917,846</u> |
| Total assets | 247,532,692 | 42,622,328 | 261,845,567 | 41,118,233 |
| DEFERRED OUTFLOWS OF RESOURCES | <u>17,721,132</u> | | <u>11,072,760</u> | |
| Total assets and deferred outflows of resources | <u>\$ 265,253,824</u> | <u>\$ 42,622,328</u> | <u>\$ 272,918,327</u> | <u>\$ 41,118,233</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 4,776,264 | \$ 553,312 | \$ 7,304,267 | \$ 503,158 |
| Accrued workers' compensation, current portion | 193,350 | | 201,600 | |
| Accrued vacation costs, current portion | 1,805,798 | | 1,446,500 | |
| Revenue bonds and notes payable, current portion | 4,362,044 | 173,886 | 3,925,923 | 174,005 |
| Unearned revenues | 1,504,545 | | 1,712,849 | |
| Total current liabilities | <u>12,642,001</u> | <u>727,198</u> | <u>14,591,139</u> | <u>677,163</u> |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 1,095,650 | | 1,142,400 | |
| Accrued vacation costs | 2,918,121 | | 3,273,207 | |
| Endowments invested on behalf of primary government | | 6,088,973 | | 5,515,222 |
| Revenue bonds and notes payable | 27,567,542 | 12,542,350 | 32,302,971 | 12,544,822 |
| Net pension liability | 33,638,557 | | 26,126,306 | |
| Total noncurrent liabilities | <u>65,219,870</u> | <u>18,631,323</u> | <u>62,844,884</u> | <u>18,060,044</u> |
| Total liabilities | <u>77,861,871</u> | <u>19,358,521</u> | <u>77,436,023</u> | <u>18,737,207</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>1,737,803</u> | | <u>2,049,604</u> | |
| NET POSITION | | | | |
| Unrestricted | (19,026,156) | 3,224,472 | (11,266,149) | 4,370,039 |
| Net investment in capital assets | 195,945,936 | | 196,857,875 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | 28,009 | 8,244,032 | 28,009 | 7,294,820 |
| Research | | 173,130 | | 161,442 |
| Other | | 5,816,941 | | 5,299,998 |
| Expendable: | | | | |
| Scholarships and fellowships | 2,627,937 | 1,315,033 | 2,350,046 | 1,225,818 |
| Research | | 1,291,754 | | 1,196,813 |
| Loans | 4,543,267 | | 4,147,633 | |
| Capital projects | 89,723 | | 21,401 | |
| Other | 1,445,434 | 3,198,445 | 1,293,885 | 2,832,096 |
| Total net position | <u>185,654,150</u> | <u>23,263,807</u> | <u>193,432,700</u> | <u>22,381,026</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 265,253,824</u> | <u>\$ 42,622,328</u> | <u>\$ 272,918,327</u> | <u>\$ 41,118,233</u> |

UNIVERSITY OF MARYLAND EASTERN SHORE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2017 AND 2016

| | 2017 | | 2016 | |
|-----------------------------------------------------------------|---------------------|-----------------------|----------------------|-----------------------|
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$ 28,224,411 | | \$ 30,011,013 | |
| Less: scholarship allowances | <u>(12,586,600)</u> | \$ 15,637,811 | <u>(13,667,140)</u> | \$ 16,343,873 |
| Federal grants and contracts | | 9,299,334 | | 10,212,737 |
| State and local grants and contracts | | 8,239,139 | | 8,646,272 |
| Nongovernmental grants and contracts | | 1,711,724 | | 1,492,058 |
| Sales and services of educational departments | | 128,845 | | 97,572 |
| Auxiliary enterprises: | | | | |
| Residential facilities | 12,057,917 | | 12,835,090 | |
| Less: scholarship allowances | <u>(717,337)</u> | 11,340,580 | <u>(949,104)</u> | 11,885,986 |
| Dining facilities | 6,162,394 | | 7,077,943 | |
| Less: scholarship allowances | <u>(1,035,163)</u> | 5,127,231 | <u>(1,134,124)</u> | 5,943,819 |
| Intercollegiate athletics | | 3,461,447 | | 3,746,111 |
| Parking facilities | | 141,920 | | 136,682 |
| Other auxiliary enterprises revenues | | 6,619,328 | | 7,076,036 |
| Other operating revenues | | <u>406,551</u> | | <u>437,783</u> |
| Total operating revenues | | <u>62,113,910</u> | | <u>66,018,929</u> |
| OPERATING EXPENSES: | | | | |
| Instruction | | 41,062,823 | | 35,883,399 |
| Research | | 10,029,208 | | 10,424,622 |
| Public service | | 2,621,974 | | 2,906,905 |
| Academic support | | 10,604,918 | | 11,709,914 |
| Student services | | 5,706,467 | | 5,702,423 |
| Institutional support | | 14,632,800 | | 12,584,327 |
| Operation and maintenance of plant | | 12,888,666 | | 13,107,676 |
| Scholarships and fellowships | | 612,876 | | 568,327 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 9,911,527 | | 10,520,395 |
| Dining facilities | | 5,292,014 | | 5,065,809 |
| Intercollegiate athletics | | 4,712,897 | | 3,976,902 |
| Other auxiliary enterprises expenses | | <u>4,740,735</u> | | <u>4,796,062</u> |
| Total operating expenses | | <u>122,816,905</u> | | <u>117,246,761</u> |
| Operating loss | | <u>(60,702,995)</u> | | <u>(51,227,832)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| State appropriations | | 41,124,261 | | 39,014,311 |
| Pell grants | | 7,868,035 | | 9,274,452 |
| Gifts | | 174,948 | \$ 1,812,583 | \$ 1,707,313 |
| Investment Income | 913,450 | | 2,653,347 | 151,335 |
| Less: investment expense | <u>(16,110)</u> | 897,340 | <u>(16,121)</u> | \$ 118,038 |
| Interest on indebtedness | | (968,259) | | (1,215,828) |
| Other revenues, (expenses), gains and (losses) | | 189,877 | | (1,914,696) |
| Other affiliated foundation revenues | | | 855,775 | 1,277,295 |
| Other affiliated foundation expenses | | | (4,438,924) | (4,456,821) |
| Transfers (to) other University System of Maryland institutions | | <u>(95,641)</u> | | <u>(2,430)</u> |
| Total nonoperating revenues (expenses) | | <u>49,190,561</u> | <u>882,781</u> | <u>45,538,103</u> |
| Income (loss) before other revenues | | <u>(11,512,434)</u> | <u>882,781</u> | <u>(5,689,729)</u> |
| OTHER REVENUES: | | | | |
| Capital appropriations | | <u>3,733,884</u> | | <u>24,957,001</u> |
| Total other revenues | | <u>3,733,884</u> | | <u>24,957,001</u> |
| Increase (decrease) in net position | | <u>(7,778,550)</u> | <u>882,781</u> | <u>19,267,272</u> |
| Net position - beginning of year | | <u>193,432,700</u> | <u>22,381,026</u> | <u>174,165,428</u> |
| Net position - end of year | | <u>\$ 185,654,150</u> | <u>\$ 23,263,807</u> | <u>\$ 193,432,700</u> |

**UNIVERSITY OF MARYLAND EASTERN SHORE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

| | <u>2017</u> | <u>2016</u> |
|-----------------------------------------------------------------------------|---------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Tuition and fees | \$ 15,378,882 | \$ 15,904,182 |
| Research contracts and grants | 19,250,197 | 20,949,213 |
| Payments to employees | (77,316,504) | (75,760,592) |
| Payments to suppliers and contractors | (35,015,689) | (34,791,699) |
| Loans issued to students | (67,500) | (60,000) |
| Collection of loans to students | 498,221 | 2,161,295 |
| Auxiliary enterprises: | | |
| Residence halls | 11,340,580 | 11,885,986 |
| Dining facilities | 5,127,231 | 5,943,819 |
| Intercollegiate athletics | 3,461,447 | 3,746,111 |
| Parking | 141,920 | 136,682 |
| Other | 6,619,328 | 7,113,309 |
| Other receipts/(payments) | 940,979 | (1,137,141) |
| Net cash provided (used) by operating activities | <u>(49,640,908)</u> | <u>(43,908,835)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State appropriations | 41,124,261 | 39,014,311 |
| Pell grants | 7,868,035 | 9,274,452 |
| Net cash provided by noncapital financing activities | <u>48,992,296</u> | <u>48,288,763</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Proceeds of capital debt | 4,414,950 | 476,524 |
| Capital appropriations | 3,733,884 | 24,957,001 |
| Purchases of capital assets | (6,877,817) | (32,319,966) |
| Principal paid on debt and capital leases | (8,665,180) | (4,633,491) |
| Interest paid on debt and capital leases | (2,108,148) | (1,528,883) |
| Transfers (to) from other University System of Maryland institutions | (201,029) | 4,184,732 |
| Net cash provided (used) by capital and related financing activities | <u>(9,703,340)</u> | <u>(8,864,083)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sales and maturities of investments | 49,503 | 262,982 |
| Interest on investments | 379,920 | 334,522 |
| Investment expense | (16,110) | (16,121) |
| Purchases of investments | (65,000) | (65,000) |
| Net cash provided by investing activities | <u>413,313</u> | <u>516,383</u> |
| Net (decrease) in cash and cash equivalents | (9,938,639) | (3,967,772) |
| Cash and cash equivalents - beginning of the year | <u>13,720,423</u> | <u>17,688,195</u> |
| Cash and cash equivalents - end the year | <u>\$ 3,781,784</u> | <u>\$ 13,720,423</u> |

**FROSTBURG STATE UNIVERSITY
BALANCE SHEETS
JUNE 30, 2017 AND 2016**

| | 2017 | | 2016 | |
|--------------------------------------------------------------------------|-----------------------|----------------------|-----------------------|----------------------|
| | Institution | Component Units | Institution | Component Units |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 35,240,647 | \$ 647,446 | \$ 30,857,153 | \$ 516,293 |
| Accounts receivable, net | 1,731,705 | 87,011 | 2,064,788 | 124,216 |
| Notes receivable, current portion, net | 129,522 | | 109,326 | |
| Inventories | 1,093,596 | | 1,121,966 | |
| Prepaid expenses and other | 1,807,541 | 31,121 | 1,287,937 | 21,162 |
| Inter-institutional balances | 268,349 | | 457,626 | |
| Total current assets | 40,271,360 | 765,578 | 35,898,796 | 661,671 |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | 1,386 | | 11,397 | |
| Accounts receivable, net | | 621,786 | | 489,724 |
| Endowment investments | 2,726,192 | 21,533,280 | 2,434,589 | 19,385,723 |
| Other investments | | 4,532,922 | | 4,023,372 |
| Notes receivable, net | 632,374 | | 671,574 | |
| Other assets | | 328,676 | | 309,574 |
| Capital assets, net | 165,981,142 | 285,318 | 166,077,271 | 290,985 |
| Total noncurrent assets | 169,341,094 | 27,301,982 | 169,194,831 | 24,499,378 |
| Total assets | 209,612,454 | 28,067,560 | 205,093,627 | 25,161,049 |
| DEFERRED OUTFLOWS OF RESOURCES | 22,921,896 | | 14,164,437 | |
| Total assets and deferred outflows of resources | \$ 232,534,350 | \$ 28,067,560 | \$ 219,258,064 | \$ 25,161,049 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 8,820,674 | \$ 20,040 | \$ 7,965,681 | \$ 14,456 |
| Accrued workers' compensation, current portion | 101,400 | | 96,600 | |
| Accrued vacation costs, current portion | 3,326,943 | | 3,430,880 | |
| Revenue bonds and notes payable, current portion | 1,552,938 | | 1,406,222 | |
| Unearned revenues | 1,764,644 | 55,720 | 1,767,330 | 38,143 |
| Total current liabilities | 15,566,599 | 75,760 | 14,666,713 | 52,599 |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 574,600 | | 547,400 | |
| Accrued vacation costs | 236,221 | | 145,893 | |
| Endowments invested on behalf of primary government | | 2,726,192 | | 2,434,594 |
| Revenue bonds and notes payable | 18,134,737 | | 18,547,188 | |
| Net pension liability | 45,826,473 | | 35,810,138 | |
| Total noncurrent liabilities | 64,772,031 | 2,726,192 | 55,050,619 | 2,434,594 |
| Total liabilities | 80,338,630 | 2,801,952 | 69,717,332 | 2,487,193 |
| DEFERRED INFLOWS OF RESOURCES | 21,184,085 | | 22,772,338 | |
| NET POSITION | | | | |
| Unrestricted | (505,774) | 709,374 | (2,756,020) | 600,143 |
| Net investment in capital assets | 127,775,832 | | 126,470,549 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | | 16,151,990 | | 13,776,038 |
| Research | | 44,856 | | 29,438 |
| Other | 750,000 | 5,341,145 | 750,000 | 5,520,356 |
| Expendable: | | | | |
| Scholarships and fellowships | 34,933 | 518,404 | 13,285 | 336,803 |
| Research | 1,720,603 | 13,359 | 1,033,183 | 20,475 |
| Loans | 958,491 | | 1,056,613 | |
| Capital projects | 1,386 | | 11,397 | |
| Other | 276,164 | 2,486,480 | 189,387 | 2,390,603 |
| Total net position | 131,011,635 | 25,265,608 | 126,768,394 | 22,673,856 |
| Total liabilities, deferred inflows of resources and net position | \$ 232,534,350 | \$ 28,067,560 | \$ 219,258,064 | \$ 25,161,049 |

FROSTBURG STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2017 AND 2016

| | 2017 | | 2016 | |
|-----------------------------------------------------------------|---------------|-----------------------|----------------------|-----------------------|
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$ 38,662,114 | | \$ 39,457,794 | |
| Less: scholarship allowances | (9,101,617) | \$ 29,560,497 | (8,699,066) | \$ 30,758,728 |
| Federal grants and contracts | | 1,602,808 | | 1,874,020 |
| State and local grants and contracts | | 2,739,216 | | 2,795,544 |
| Nongovernmental grants and contracts | | 148,850 | | 119,426 |
| Sales and services of educational departments | | 1,253,176 | | 1,299,248 |
| Auxiliary enterprises: | | | | |
| Residential facilities | 7,503,115 | | 7,824,526 | |
| Less: scholarship allowances | (43,660) | 7,459,455 | (36,811) | 7,787,715 |
| Dining facilities | 8,052,528 | | 8,332,084 | |
| Less: scholarship allowances | (13,819) | 8,038,709 | (14,363) | 8,317,721 |
| Intercollegiate athletics | 3,923,295 | | 3,737,790 | |
| Less: scholarship allowances | (46,741) | 3,876,554 | (41,467) | 3,696,323 |
| Bookstore | 1,574,983 | | 1,702,144 | |
| Less: scholarship allowances | (5,150) | 1,569,833 | (7,576) | 1,694,568 |
| Other auxiliary enterprises revenues | 5,236,014 | | 5,125,451 | |
| Less: scholarship allowances | (29,633) | 5,206,381 | (26,439) | 5,099,012 |
| Other operating revenues | | 577,239 | | 736,297 |
| Total operating revenues | | 62,032,718 | | 64,178,602 |
| OPERATING EXPENSES: | | | | |
| Instruction | | 37,039,858 | | 35,776,645 |
| Research | | 358,840 | | 464,613 |
| Public service | | 3,709,993 | | 4,049,957 |
| Academic support | | 10,338,187 | | 10,090,035 |
| Student services | | 5,582,245 | | 5,484,113 |
| Institutional support | | 15,471,142 | | 14,616,745 |
| Operation and maintenance of plant | | 10,048,578 | | 10,095,642 |
| Scholarships and fellowships | | 7,793,135 | | 7,406,423 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 5,756,585 | | 5,384,475 |
| Dining facilities | | 5,615,928 | | 5,515,230 |
| Intercollegiate athletics | | 4,373,127 | | 4,041,010 |
| Bookstore | | 1,635,691 | | 1,599,421 |
| Other auxiliary enterprises expenses | | 4,209,907 | | 4,218,398 |
| Total operating expenses | | 111,933,216 | | 108,742,707 |
| Operating loss | | (49,900,498) | | (44,564,105) |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| State appropriations | | 40,567,944 | | 39,281,169 |
| Pell grants | | 8,239,537 | | 7,945,511 |
| Gifts | | 1,035,808 | \$ 1,888,577 | 1,087,233 |
| Investment Income | 891,462 | | 2,779,050 | \$ 4,145,410 |
| Less: investment expense | (5,611) | 885,851 | 390,675 | (110,516) |
| Interest on indebtedness | | (638,413) | (5,540) | 385,135 |
| Other revenues, (expenses), gains and (losses) | | (134,261) | | (692,634) |
| Other affiliated foundation revenues | | | 429,440 | (220,633) |
| Other affiliated foundation expenses | | | (2,505,315) | 530,221 |
| Transfers (to) other University System of Maryland institutions | | (846,694) | | (2,501,140) |
| | | (846,694) | | (813,064) |
| Total nonoperating revenues | | 49,109,772 | 2,591,752 | 46,972,717 |
| Income (loss) before other revenues | | (790,726) | 2,591,752 | 2,408,612 |
| OTHER REVENUES: | | | | |
| Capital appropriations | | 5,018,149 | | 2,275,975 |
| Capital gifts and grants | | 15,818 | | 2,076,157 |
| Total other revenues | | 5,033,967 | | 4,352,132 |
| Increase in net position | | 4,243,241 | 2,591,752 | 6,760,744 |
| Net position - beginning of year | | 126,768,394 | 22,673,856 | 120,007,650 |
| Net position - end of year | | \$ 131,011,635 | \$ 25,265,608 | \$ 126,768,394 |
| | | | | \$ 22,673,856 |

**FROSTBURG STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

| | <u>2017</u> | <u>2016</u> |
|-----------------------------------------------------------------------------|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Tuition and fees | \$ 29,774,341 | \$ 30,436,565 |
| Research contracts and grants | 4,641,289 | 4,711,162 |
| Payments to employees | (71,675,439) | (71,983,095) |
| Payments to suppliers and contractors | (30,918,874) | (30,227,055) |
| Loans issued to students | (301,862) | (94,750) |
| Collection of loans to students | 320,866 | 408,522 |
| Auxiliary enterprises: | | |
| Residence halls | 6,286,937 | 6,615,197 |
| Dining facilities | 8,026,440 | 8,338,221 |
| Intercollegiate athletics | 3,849,627 | 3,696,423 |
| Bookstores | 1,470,570 | 1,838,615 |
| Other | 5,193,213 | 5,117,456 |
| Other receipts | 2,644,761 | 2,641,096 |
| | <u>(40,688,131)</u> | <u>(38,501,643)</u> |
| Net cash provided (used) by operating activities | | |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State appropriations | 40,567,944 | 39,281,169 |
| Pell grants | 8,239,537 | 7,945,511 |
| | <u>48,807,481</u> | <u>47,226,680</u> |
| Net cash provided by noncapital financing activities | | |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Proceeds of capital debt | 657,230 | 904,862 |
| Capital appropriations | 5,018,149 | 2,275,975 |
| Purchases of capital assets | (7,825,410) | (4,397,942) |
| Principal paid on debt and capital leases | (1,594,461) | (2,003,827) |
| Interest paid on debt and capital leases | (725,689) | (803,682) |
| Transfers (to) from other University System of Maryland institutions | 130,066 | (724,832) |
| | <u>(4,340,115)</u> | <u>(4,749,446)</u> |
| Net cash provided (used) by capital and related financing activities | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sales and maturities of investments | 71,118 | 56,622 |
| Interest on investments | 635,888 | 424,146 |
| Investment expense | (5,611) | (5,540) |
| Purchases of investments | (107,147) | (209) |
| | <u>594,248</u> | <u>475,019</u> |
| Net cash provided by investing activities | | |
| Net increase in cash and cash equivalents | 4,373,483 | 4,450,610 |
| Cash and cash equivalents - beginning of the year | <u>30,868,550</u> | <u>26,417,940</u> |
| Cash and cash equivalents - end the year | <u>\$ 35,242,033</u> | <u>\$ 30,868,550</u> |

**COPPIN STATE UNIVERSITY
BALANCE SHEETS
JUNE 30, 2017 AND 2016**

| | <u>2017</u> | | <u>2016</u> | |
|--------------------------------------------------------------------------|-----------------------|----------------------------|-----------------------|----------------------------|
| | <u>Institution</u> | <u>Component Units</u> | <u>Institution</u> | <u>Component Units</u> |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 11,433,232 | \$ 1,841,804 | \$ 8,626,696 | \$ 1,740,200 |
| Accounts receivable, net | 2,877,432 | 307,592 | 1,923,997 | 267,485 |
| Notes receivable, current portion, net | 129,241 | | 155,264 | |
| Prepaid expenses and other | 24,886 | 4,155 | 131,540 | 6,140 |
| Inter-institutional balances | <u>(1,429,428)</u> | | <u>(1,264,693)</u> | |
| Total current assets | <u>13,035,363</u> | <u>2,153,551</u> | <u>9,572,804</u> | <u>2,013,825</u> |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | 13,074 | | 6,933 | |
| Endowment investments | 1,636,908 | 9,046,348 | 1,521,292 | 8,496,724 |
| Other investments | | 1,636,908 | | 1,521,292 |
| Notes receivable, net | 1,069,999 | | 912,578 | |
| Capital assets, net | <u>335,661,021</u> | <u>40,332</u> | <u>347,463,465</u> | <u>40,332</u> |
| Total noncurrent assets | <u>338,381,002</u> | <u>10,723,588</u> | <u>349,904,268</u> | <u>10,058,348</u> |
| Total assets | <u>351,416,365</u> | <u>12,877,139</u> | <u>359,477,072</u> | <u>12,072,173</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>17,861,697</u> | | <u>11,436,035</u> | |
| Total assets and deferred outflows of resources | <u>\$ 369,278,062</u> | <u>\$ 12,877,139</u> | <u>\$ 370,913,107</u> | <u>\$ 12,072,173</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 5,825,049 | \$ 84,789 | \$ 7,000,049 | \$ 58,208 |
| Accrued workers' compensation, current portion | 145,950 | | 164,550 | |
| Accrued vacation costs, current portion | 1,781,084 | | 1,814,089 | |
| Revenue bonds and notes payable, current portion | 2,751,778 | | 2,757,206 | |
| Unearned revenues | <u>3,864,731</u> | | <u>4,257,968</u> | |
| Total current liabilities | <u>14,368,592</u> | <u>84,789</u> | <u>15,993,862</u> | <u>58,208</u> |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 827,050 | | 932,450 | |
| Accrued vacation costs | 1,022,174 | | 1,138,956 | |
| Endowments invested on behalf of primary government | | 1,636,908 | | 1,521,292 |
| Other payables | | 4,442 | | 8,016 |
| Revenue bonds and notes payable | 40,281,245 | | 41,625,851 | |
| Net pension liability | <u>40,453,154</u> | | <u>32,940,903</u> | |
| Total noncurrent liabilities | <u>82,583,623</u> | <u>1,641,350</u> | <u>76,638,160</u> | <u>1,529,308</u> |
| Total liabilities | <u>96,952,215</u> | <u>1,726,139</u> | <u>92,632,022</u> | <u>1,587,516</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>2,483,705</u> | | <u>2,795,506</u> | |
| NET POSITION | | | | |
| Unrestricted | (25,140,710) | 160,173 | (30,425,298) | 132,226 |
| Net investment in capital assets | 293,007,707 | | 303,536,829 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | 433,379 | | 413,474 | |
| Other | 240,125 | 7,515,741 | 240,125 | 7,304,850 |
| Expendable: | | | | |
| Scholarships and fellowships | 12,886 | | 4,483 | |
| Loans | 1,275,681 | | 1,709,032 | |
| Capital projects | 13,074 | | 6,934 | |
| Other | | <u>3,475,086</u> | | <u>3,047,581</u> |
| Total net position | <u>269,842,142</u> | <u>11,151,000</u> | <u>275,485,579</u> | <u>10,484,657</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 369,278,062</u> | <u>\$ 12,877,139</u> | <u>\$ 370,913,107</u> | <u>\$ 12,072,173</u> |

COPPIN STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2017 AND 2016

| | 2017 | | 2016 | |
|-----------------------------------------------------------------|--------------------|-----------------------|----------------------|-----------------------|
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$ 14,986,393 | | \$ 15,434,857 | |
| Less: scholarship allowances | <u>(9,987,335)</u> | \$ 4,999,058 | <u>(10,622,397)</u> | \$ 4,812,460 |
| Federal grants and contracts | | 4,925,928 | | 4,357,766 |
| State and local grants and contracts | | 1,833,553 | | 1,076,494 |
| Nongovernmental grants and contracts | | 746,474 | | 674,234 |
| Sales and services of educational departments | | 384,128 | | 724,544 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 3,533,338 | | 3,237,970 |
| Dining facilities | | 2,511,103 | | 2,320,466 |
| Intercollegiate athletics | 2,936,739 | | 3,046,531 | |
| Less: scholarship allowances | <u>(1,162,884)</u> | 1,773,855 | <u>(1,269,133)</u> | 1,777,398 |
| Parking facilities | 1,512,827 | | 1,598,552 | |
| Less: scholarship allowances | <u>(207,745)</u> | 1,305,082 | <u>(251,798)</u> | 1,346,754 |
| Other auxiliary enterprises revenues | | <u>3,898,146</u> | | <u>3,107,841</u> |
| Total operating revenues | | <u>25,910,665</u> | | <u>23,435,927</u> |
| OPERATING EXPENSES: | | | | |
| Instruction | | 25,423,346 | | 27,309,491 |
| Research | | 500,024 | | 449,947 |
| Public service | | 6,889 | | 4,331 |
| Academic support | | 8,045,024 | | 7,830,022 |
| Student services | | 4,908,143 | | 5,212,184 |
| Institutional support | | 22,561,149 | | 20,644,856 |
| Operation and maintenance of plant | | 12,361,894 | | 10,265,786 |
| Scholarships and fellowships | | 477,718 | | 534,943 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 2,407,341 | | 2,304,484 |
| Dining facilities | | 2,542,970 | | 2,770,842 |
| Intercollegiate athletics | | 4,100,338 | | 4,065,558 |
| Parking facilities | | 573,377 | | 449,418 |
| Other auxiliary enterprises expenses | | <u>2,350,311</u> | | <u>2,389,317</u> |
| Total operating expenses | | <u>86,258,524</u> | | <u>84,231,179</u> |
| Operating loss | | <u>(60,347,859)</u> | | <u>(60,795,252)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| State appropriations | | 46,282,760 | | 44,755,130 |
| Pell grants | | 6,493,811 | | 7,172,266 |
| Gifts | | | \$ 1,157,603 | \$ 1,535,719 |
| Investment Income | 352,384 | | 1,098,541 | (73,240) |
| Less: investment expense | <u>(2,807)</u> | 349,577 | <u>(2,915)</u> | 116,378 |
| Interest on indebtedness | | (1,470,329) | | (2,289,394) |
| Other revenues, (expenses), gains and (losses) | | (1,005,318) | | (811,143) |
| Other affiliated foundation revenues | | 249,213 | | 216,743 |
| Other affiliated foundation expenses | | (1,839,014) | | (2,102,730) |
| Transfers from other University System of Maryland institutions | | <u>2,083,153</u> | | <u>2,265,392</u> |
| Total nonoperating revenues (expenses) | | <u>52,733,654</u> | <u>666,343</u> | <u>(423,508)</u> |
| Income (loss) before other revenues | | <u>(7,614,205)</u> | <u>666,343</u> | <u>(9,586,623)</u> |
| OTHER REVENUES: | | | | |
| Capital appropriations | | 1,950,863 | | 16,798,668 |
| Additions to permanent endowments | | <u>19,905</u> | | |
| Total other revenues | | <u>1,970,768</u> | | <u>16,798,668</u> |
| Increase (decrease) in net position | | (5,643,437) | 666,343 | (423,508) |
| Net position - beginning of year | | <u>275,485,579</u> | <u>10,484,657</u> | <u>268,273,534</u> |
| Net position - end of year | | <u>\$ 269,842,142</u> | <u>\$ 11,151,000</u> | <u>\$ 275,485,579</u> |

**COPPIN STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

| | <u>2017</u> | <u>2016</u> |
|-----------------------------------------------------------------------------|----------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Tuition and fees | \$ 4,045,622 | \$ 4,582,640 |
| Research contracts and grants | 7,112,719 | 7,101,559 |
| Payments to employees | (48,454,327) | (47,881,735) |
| Payments to suppliers and contractors | (23,196,056) | (23,972,513) |
| Loans issued to students | (195,514) | (44,339) |
| Collection of loans to students | 64,117 | 69,982 |
| Auxiliary enterprises: | | |
| Residence halls | 3,533,338 | 3,237,970 |
| Dining facilities | 2,511,103 | 2,320,466 |
| Intercollegiate athletics | 1,773,855 | 1,777,398 |
| Parking | 1,305,081 | 1,346,754 |
| Other | 3,898,146 | 3,107,840 |
| Other payments | (621,189) | (15,460) |
| Net cash provided (used) by operating activities | <u>(48,223,105)</u> | <u>(48,369,438)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State appropriations | 46,282,760 | 44,755,130 |
| Gifts and grants received for other than capital purposes: | | |
| Private gifts for endowment purposes | 19,905 | |
| Pell grants | 6,493,811 | 7,172,266 |
| Net cash provided by noncapital financing activities | <u>52,796,476</u> | <u>51,927,396</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Proceeds of capital debt | 2,435,354 | 1,958,731 |
| Capital appropriations | 1,950,863 | 16,798,668 |
| Purchases of capital assets | (3,449,755) | (18,128,922) |
| Principal paid on debt and capital leases | (5,172,353) | (4,288,941) |
| Interest paid on debt and capital leases | (1,701,698) | (2,550,479) |
| Transfers from other University System of Maryland institutions | 3,942,934 | 4,584,419 |
| Net cash provided (used) by capital and related financing activities | <u>(1,994,655)</u> | <u>(1,626,524)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sales and maturities of investments | 42,162 | 44,165 |
| Interest on investments | 214,511 | 66,526 |
| Investment expense | (2,807) | (2,915) |
| Purchases of investments | (19,905) | |
| Net cash provided by investing activities | <u>233,961</u> | <u>107,776</u> |
| Net increase in cash and cash equivalents | 2,812,677 | 2,039,210 |
| Cash and cash equivalents - beginning of the year | <u>8,633,629</u> | <u>6,594,419</u> |
| Cash and cash equivalents - end the year | <u>\$ 11,446,306</u> | <u>\$ 8,633,629</u> |

**UNIVERSITY OF BALTIMORE
BALANCE SHEETS
JUNE 30, 2017 AND 2016**

| | 2017 | | 2016 | |
|--------------------------------------------------------------------------|-----------------------|----------------------|-----------------------|----------------------|
| | Institution | Component Units | Institution | Component Units |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 39,464,180 | \$ 9,810,517 | \$ 36,039,837 | \$ 10,509,879 |
| Accounts receivable, net | 6,936,078 | 5,123,423 | 3,944,033 | 2,748,959 |
| Notes receivable, current portion, net | 168,807 | | 413,922 | |
| Prepaid expenses and other | 359,867 | | 494,361 | |
| Inter-institutional balances | (5,672,668) | | (6,056,114) | |
| Total current assets | 41,256,264 | 14,933,940 | 34,836,039 | 13,258,838 |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | 1,608 | | | |
| Endowment investments | 1,117,190 | 46,082,445 | 1,062,341 | 41,950,031 |
| Other investments | | 7,182,954 | | 8,247,538 |
| Notes receivable, net | 994,415 | | 2,171,966 | |
| Other assets | | 61,199 | | 10,014 |
| Capital assets, net | 182,158,898 | 687,925 | 183,047,999 | 730,264 |
| Total noncurrent assets | 184,272,111 | 54,014,523 | 186,282,306 | 50,937,847 |
| Total assets | 225,528,375 | 68,948,463 | 221,118,345 | 64,196,685 |
| DEFERRED OUTFLOWS OF RESOURCES | 18,381,027 | | 11,788,534 | |
| Total assets and deferred outflows of resources | \$ 243,909,402 | \$ 68,948,463 | \$ 232,906,879 | \$ 64,196,685 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 7,337,423 | \$ 508,925 | \$ 5,649,485 | \$ 851,948 |
| Accrued workers' compensation, current portion | 101,700 | | 104,250 | |
| Accrued vacation costs, current portion | 2,366,017 | | 2,434,022 | |
| Revenue bonds and notes payable, current portion | 2,505,178 | | 1,793,059 | |
| Unearned revenues | 6,827,074 | 1,485,814 | 6,853,257 | 708,244 |
| Total current liabilities | 19,137,392 | 1,994,739 | 16,834,073 | 1,560,192 |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 576,300 | | 590,750 | |
| Accrued vacation costs | 1,614,341 | | 1,732,333 | |
| Endowments invested on behalf of primary government | | 1,117,190 | | 1,062,341 |
| Revenue bonds and notes payable | 17,249,695 | | 19,473,049 | |
| Net pension liability | 40,683,522 | | 33,171,271 | |
| Total noncurrent liabilities | 60,123,858 | 1,117,190 | 54,967,403 | 1,062,341 |
| Total liabilities | 79,261,250 | 3,111,929 | 71,801,476 | 2,622,533 |
| DEFERRED INFLOWS OF RESOURCES | 2,508,920 | | 2,820,721 | |
| NET POSITION | | | | |
| Unrestricted | (2,214,825) | 6,321,667 | (7,048,025) | 6,010,216 |
| Net investment in capital assets | 162,839,753 | | 162,295,430 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | | 25,119,022 | | 24,771,484 |
| Other | | 14,117,718 | | 13,258,076 |
| Expendable: | | | | |
| Scholarships and fellowships | | 9,464,316 | | 7,715,992 |
| Loans | 1,512,696 | | 3,037,277 | |
| Capital projects | 1,608 | | | |
| Other | | 10,813,811 | | 9,818,384 |
| Total net position | 162,139,232 | 65,836,534 | 158,284,682 | 61,574,152 |
| Total liabilities, deferred inflows of resources and net position | \$ 243,909,402 | \$ 68,948,463 | \$ 232,906,879 | \$ 64,196,685 |

UNIVERSITY OF BALTIMORE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2017 AND 2016

| | <u>2017</u> | | <u>2016</u> | |
|-----------------------------------------------------------------|---------------------|----------------------------|----------------------|----------------------------|
| | <u>Institution</u> | <u>Component Units</u> | <u>Institution</u> | <u>Component Units</u> |
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$ 64,148,902 | | \$ 67,440,504 | |
| Less: scholarship allowances | <u>(15,279,495)</u> | \$ 48,869,407 | <u>(15,992,350)</u> | \$ 51,448,154 |
| Federal grants and contracts | | 1,708,062 | | 897,867 |
| State and local grants and contracts | | 7,611,651 | | 7,236,128 |
| Nongovernmental grants and contracts | | 2,645,855 | | 2,571,497 |
| Sales and services of educational departments | | 303,856 | | 1,296,034 |
| Auxiliary enterprises: | | | | |
| Parking facilities | | 1,106,834 | | 1,084,512 |
| Other auxiliary enterprises revenues | | 6,367,638 | | 6,211,685 |
| Other operating revenues | | <u>16,054</u> | | <u>104,178</u> |
| Total operating revenues | | <u>68,629,357</u> | | <u>70,850,055</u> |
| OPERATING EXPENSES: | | | | |
| Instruction | | 44,257,034 | | 44,222,131 |
| Research | | 7,728,253 | | 6,756,654 |
| Academic support | | 12,580,747 | | 14,114,513 |
| Student services | | 10,347,692 | | 9,286,406 |
| Institutional support | | 17,882,375 | | 20,819,848 |
| Operation and maintenance of plant | | 8,841,094 | | 7,769,768 |
| Scholarships and fellowships | | 3,127,863 | | 3,080,636 |
| Auxiliary enterprises: | | | | |
| Parking facilities | | 325,791 | | 690,486 |
| Other auxiliary enterprises expenses | | <u>3,955,703</u> | | <u>3,002,205</u> |
| Total operating expenses | | <u>109,046,552</u> | | <u>109,742,647</u> |
| Operating loss | | <u>(40,417,195)</u> | | <u>(38,892,592)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| State appropriations | | 36,481,794 | | 35,022,983 |
| Pell grants | | 5,553,734 | | 6,063,144 |
| Gifts | | | | \$ 3,724,785 |
| Investment Income | | 1,171,330 | \$ 5,903,648 | (1,296,400) |
| Interest on indebtedness | | (553,345) | | 6,008,102 |
| Other affiliated foundation revenues | | | | 761,487 |
| Other affiliated foundation expenses | | | | (547,095) |
| Transfers (to) other University System of Maryland institutions | | | 156,241 | 143,960 |
| | | | (7,805,609) | (5,623,290) |
| Total nonoperating revenues (expenses) | | <u>(3,245,354)</u> | | <u>(3,414,917)</u> |
| Income (loss) before other revenues | | <u>(1,009,036)</u> | <u>4,262,382</u> | <u>(1,006,990)</u> |
| OTHER REVENUES: | | | | |
| Capital appropriations | | 1,253,030 | | 989,920 |
| Capital gifts and grants | | <u>3,610,556</u> | | <u>1,070,030</u> |
| Total other revenues | | <u>4,863,586</u> | | <u>2,059,950</u> |
| Increase (decrease) in net position | | <u>3,854,550</u> | <u>4,262,382</u> | <u>1,052,960</u> |
| Net position - beginning of year | | <u>158,284,682</u> | <u>61,574,152</u> | <u>157,231,722</u> |
| Net position - end of year | | <u>\$ 162,139,232</u> | <u>\$ 65,836,534</u> | <u>\$ 158,284,682</u> |

**UNIVERSITY OF BALTIMORE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

| | <u>2017</u> | <u>2016</u> |
|-----------------------------------------------------------------------------|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Tuition and fees | \$ 49,037,864 | \$ 51,160,571 |
| Research contracts and grants | 11,868,574 | 10,104,041 |
| Payments to employees | (77,427,752) | (84,430,791) |
| Payments to suppliers and contractors | (21,376,377) | (20,233,484) |
| Loans issued to students | | (207,976) |
| Collection of loans to students | 422,484 | 528,388 |
| Auxiliary enterprises: | | |
| Parking | 1,106,834 | 1,084,512 |
| Other | 6,367,637 | 6,211,684 |
| Other receipts/(payments) | <u>(2,842,788)</u> | <u>1,965,195</u> |
| Net cash provided (used) by operating activities | <u>(32,843,524)</u> | <u>(33,817,860)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State appropriations | 36,481,794 | 35,022,983 |
| Pell grants | <u>5,553,734</u> | <u>6,063,144</u> |
| Net cash provided by noncapital financing activities | <u>42,035,528</u> | <u>41,086,127</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Proceeds of capital debt | 381,762 | 457,490 |
| Capital appropriations | 1,253,030 | 989,920 |
| Capital grants and gifts received | 3,610,556 | 1,070,030 |
| Purchases of capital assets | (5,999,474) | (2,557,033) |
| Principal paid on debt and capital leases | (2,216,074) | (2,076,233) |
| Interest paid on debt and capital leases | (642,700) | (710,098) |
| Transfers (to) other University System of Maryland institutions | <u>(3,147,581)</u> | <u>(4,043,801)</u> |
| Net cash provided (used) by capital and related financing activities | <u>(6,760,481)</u> | <u>(6,869,725)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest on investments | <u>994,428</u> | <u>608,830</u> |
| Net cash provided by investing activities | <u>994,428</u> | <u>608,830</u> |
| Net increase in cash and cash equivalents | 3,425,951 | 1,007,372 |
| Cash and cash equivalents - beginning of the year | <u>36,039,837</u> | <u>35,032,465</u> |
| Cash and cash equivalents - end the year | <u>\$ 39,465,788</u> | <u>\$ 36,039,837</u> |

**SALISBURY UNIVERSITY
BALANCE SHEETS
JUNE 30, 2017 AND 2016**

| | <u>2017</u> | | <u>2016</u> | |
|--------------------------------------------------------------------------|-----------------------|----------------------------|-----------------------|----------------------------|
| | <u>Institution</u> | <u>Component Units</u> | <u>Institution</u> | <u>Component Units</u> |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 117,975,360 | \$ 339,728 | \$ 111,936,880 | \$ 284,956 |
| Accounts receivable, net | 2,318,710 | 2,044,207 | 2,228,669 | 1,986,763 |
| Notes receivable, current portion, net | 198,738 | | 215,439 | |
| Inventories | 1,208,790 | | 1,285,550 | |
| Prepaid expenses and other | 109,511 | 240,397 | 188,011 | 212,507 |
| Inter-institutional balances | 1,525,268 | | 3,519,449 | |
| Total current assets | <u>123,336,377</u> | <u>2,624,332</u> | <u>119,373,998</u> | <u>2,484,226</u> |
| Noncurrent assets: | | | | |
| Accounts receivable, net | | 4,803,903 | | 4,265,745 |
| Endowment investments | 1,500,315 | 64,416,999 | 1,426,656 | 55,260,484 |
| Other investments | | 5,926,078 | | 7,493,253 |
| Notes receivable, net | 714,366 | | 831,460 | |
| Other assets | | 2,200,901 | | 2,159,581 |
| Capital assets, net | 461,180,474 | 9,629,178 | 446,278,503 | 2,708,514 |
| Total noncurrent assets | <u>463,395,155</u> | <u>86,977,059</u> | <u>448,536,619</u> | <u>71,887,577</u> |
| Total assets | <u>586,731,532</u> | <u>89,601,391</u> | <u>567,910,617</u> | <u>74,371,803</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>25,194,088</u> | | <u>16,100,074</u> | |
| Total assets and deferred outflows of resources | <u>\$ 611,925,620</u> | <u>\$ 89,601,391</u> | <u>\$ 584,010,691</u> | <u>\$ 74,371,803</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 10,942,493 | \$ 296,353 | \$ 9,841,159 | \$ 347,330 |
| Accrued workers' compensation, current portion | 177,150 | | 187,950 | |
| Accrued vacation costs, current portion | 2,395,061 | | 2,281,151 | |
| Revenue bonds and notes payable, current portion | 6,253,358 | 3,316,597 | 6,634,756 | 2,644,328 |
| Unearned revenues | 5,380,055 | 228,564 | 5,584,791 | 397,746 |
| Total current liabilities | <u>25,148,117</u> | <u>3,841,514</u> | <u>24,529,807</u> | <u>3,389,404</u> |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 1,003,850 | | 1,065,050 | |
| Accrued vacation costs | 2,356,348 | | 2,258,772 | |
| Endowments invested on behalf of primary government | | 1,500,315 | | 1,426,655 |
| Other payables | | 2,530,103 | | 2,227,230 |
| Revenue bonds and notes payable | 96,181,531 | 5,641,276 | 90,941,143 | |
| Net pension liability | 49,865,963 | | 39,849,628 | |
| Total noncurrent liabilities | <u>149,407,692</u> | <u>9,671,694</u> | <u>134,114,593</u> | <u>3,653,885</u> |
| Total liabilities | <u>174,555,809</u> | <u>13,513,208</u> | <u>158,644,400</u> | <u>7,043,289</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>26,067,444</u> | | <u>28,244,067</u> | |
| NET POSITION | | | | |
| Unrestricted | 73,502,893 | 6,951,349 | 70,882,060 | 6,736,219 |
| Net investment in capital assets | 336,721,937 | | 325,140,245 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | | 12,373,739 | | 12,192,835 |
| Research | | 324,725 | | 324,725 |
| Other | | 14,329,312 | | 15,736,356 |
| Expendable: | | | | |
| Scholarships and fellowships | | 10,426,212 | | 7,625,027 |
| Research | | 768,181 | | 661,890 |
| Loans | 1,077,537 | | 1,099,919 | |
| Other | | 30,914,665 | | 24,051,462 |
| Total net position | <u>411,302,367</u> | <u>76,088,183</u> | <u>397,122,224</u> | <u>67,328,514</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 611,925,620</u> | <u>\$ 89,601,391</u> | <u>\$ 584,010,691</u> | <u>\$ 74,371,803</u> |

SALISBURY UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2017 AND 2016

| | 2017 | | 2016 | |
|-----------------------------------------------------------------|---------------------|-----------------------|----------------------|-----------------------|
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$ 75,243,013 | | \$ 73,127,960 | |
| Less: scholarship allowances | <u>(16,675,565)</u> | \$ 58,567,448 | <u>(15,238,600)</u> | \$ 57,889,360 |
| Federal grants and contracts | | 1,802,343 | | 1,778,484 |
| State and local grants and contracts | | 2,982,046 | | 3,223,391 |
| Nongovernmental grants and contracts | | 436,477 | | 518,138 |
| Sales and services of educational departments | | 313,790 | | 208,562 |
| Auxiliary enterprises: | | | | |
| Residential facilities | 28,605,650 | | 27,691,080 | |
| Less: scholarship allowances | <u>(667,467)</u> | 27,938,183 | <u>(447,246)</u> | 27,243,834 |
| Dining facilities | 15,805,533 | | 14,743,782 | |
| Less: scholarship allowances | <u>(8,480)</u> | 15,797,053 | <u>(15,602)</u> | 14,728,180 |
| Intercollegiate athletics | | 6,650,678 | | 6,296,305 |
| Bookstore | | 4,454,680 | | 4,627,249 |
| Parking facilities | | 633,451 | | 592,350 |
| Other auxiliary enterprises revenues | | <u>3,186,383</u> | | <u>3,198,207</u> |
| Total operating revenues | | <u>122,762,532</u> | | <u>120,304,060</u> |
| OPERATING EXPENSES: | | | | |
| Instruction | | 56,030,320 | | 54,807,932 |
| Research | | 1,336,626 | | 1,027,744 |
| Public service | | 6,492,600 | | 6,673,301 |
| Academic support | | 13,935,082 | | 11,451,773 |
| Student services | | 7,822,637 | | 6,893,492 |
| Institutional support | | 17,583,261 | | 17,268,893 |
| Operation and maintenance of plant | | 26,021,835 | | 20,200,513 |
| Scholarships and fellowships | | 47,409 | | 103,145 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 13,062,613 | | 13,861,242 |
| Dining facilities | | 12,729,630 | | 12,043,443 |
| Intercollegiate athletics | | 4,958,877 | | 4,503,243 |
| Bookstore | | 4,092,016 | | 4,444,139 |
| Parking facilities | | 733,695 | | 678,437 |
| Other auxiliary enterprises expenses | | <u>2,555,873</u> | | <u>2,716,991</u> |
| Total operating expenses | | <u>167,402,474</u> | | <u>156,674,288</u> |
| Operating loss | | <u>(44,639,942)</u> | | <u>(36,370,228)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| State appropriations | | 50,480,319 | | 48,092,020 |
| Pell grants | | 7,958,278 | | 7,742,759 |
| Gifts | | \$ 6,194,810 | | \$ 8,107,105 |
| Investment Income | | 2,054,508 | 7,404,353 | 1,345,235 |
| Interest on indebtedness | | (3,389,175) | | (3,443,398) |
| Other revenues, (expenses), gains and (losses) | | (30,820) | | (191,213) |
| Other affiliated foundation revenues | | | 1,286,313 | 882,262 |
| Other affiliated foundation expenses | | | (6,125,807) | (10,594,153) |
| Transfers (to) other University System of Maryland institutions | | <u>(2,190,859)</u> | | <u>(2,156,708)</u> |
| Total nonoperating revenues (expenses) | | <u>54,882,251</u> | <u>8,759,669</u> | <u>51,388,695</u> |
| Income (loss) before other revenues | | <u>10,242,309</u> | <u>8,759,669</u> | <u>15,018,467</u> |
| OTHER REVENUES: | | | | |
| Capital appropriations | | 3,518,502 | | 59,212,562 |
| Capital gifts and grants | | <u>419,332</u> | | <u>4,479,093</u> |
| Total other revenues | | <u>3,937,834</u> | | <u>63,691,655</u> |
| Increase (decrease) in net position | | <u>14,180,143</u> | <u>8,759,669</u> | <u>78,710,122</u> |
| Net position - beginning of year | | <u>397,122,224</u> | <u>67,328,514</u> | <u>318,412,102</u> |
| Net position - end of year | | <u>\$ 411,302,367</u> | <u>\$ 76,088,183</u> | <u>\$ 397,122,224</u> |

**SALISBURY UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

| | <u>2017</u> | <u>2016</u> |
|-----------------------------------------------------------------------------|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Tuition and fees | \$ 57,769,117 | \$ 57,470,213 |
| Research contracts and grants | 5,632,001 | 7,416,492 |
| Payments to employees | (111,104,679) | (109,277,788) |
| Payments to suppliers and contractors | (38,050,170) | (35,993,894) |
| Loans issued to students | (114,200) | (181,075) |
| Collection of loans to students | 247,995 | 202,161 |
| Auxiliary enterprises: | | |
| Residence halls | 26,197,151 | 25,466,176 |
| Dining facilities | 15,835,693 | 14,722,144 |
| Intercollegiate athletics | 6,650,307 | 6,296,393 |
| Bookstores | 4,453,996 | 4,627,249 |
| Parking | 633,451 | 592,350 |
| Other | 3,190,973 | 3,170,226 |
| Other receipts | 334,967 | 95,414 |
| Net cash provided (used) by operating activities | <u>(28,323,398)</u> | <u>(25,393,939)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State appropriations | 50,480,319 | 48,092,020 |
| Pell grants | 7,958,278 | 7,742,759 |
| Net cash provided by noncapital financing activities | <u>58,438,597</u> | <u>55,834,779</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Proceeds of capital debt | 1,969,674 | 6,527,776 |
| Capital appropriations | 3,518,502 | 59,212,562 |
| Purchases of capital assets | (31,086,454) | (78,612,639) |
| Principal paid on debt and capital leases | (6,605,306) | (12,804,816) |
| Interest paid on debt and capital leases | (3,740,630) | (4,120,739) |
| Transfers (to) from other University System of Maryland institutions | 9,886,646 | (4,813,666) |
| Net cash provided (used) by capital and related financing activities | <u>(26,057,568)</u> | <u>(34,611,522)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest on investments | 1,980,849 | 1,353,090 |
| Net cash provided by investing activities | <u>1,980,849</u> | <u>1,353,090</u> |
| Net increase (decrease) in cash and cash equivalents | 6,038,480 | (2,817,592) |
| Cash and cash equivalents - beginning of the year | <u>111,936,880</u> | <u>114,754,472</u> |
| Cash and cash equivalents - end the year | <u>\$ 117,975,360</u> | <u>\$ 111,936,880</u> |

**UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE
BALANCE SHEETS
JUNE 30, 2017 AND 2016**

| | 2017 | | 2016 | |
|--------------------------------------------------------------------------|-----------------------|----------------------|-----------------------|----------------------|
| | Institution | Component Units | Institution | Component Units |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 351,971,889 | | \$ 324,051,787 | |
| Accounts receivable, net | 28,611,009 | \$ 90,967 | 21,938,019 | \$ 107,383 |
| Notes receivable, current portion, net | 91,273 | | 112,682 | |
| Inventories | 69,904 | | 98,133 | |
| Prepaid expenses and other | 4,882,894 | | 2,743,310 | 17,132 |
| Inter-institutional balances | 689,924 | | 1,024,494 | |
| Total current assets | 386,316,893 | 90,967 | 349,968,425 | 124,515 |
| Noncurrent assets: | | | | |
| Accounts receivable, net | | 364,418 | | 357,435 |
| Endowment investments | 3,953,774 | 17,060,662 | 3,756,851 | 15,327,958 |
| Other investments | | 7,985,476 | 8,495,304 | 8,474,388 |
| Notes receivable, net | 1,558,746 | | 1,561,243 | |
| Other assets | | | | 1,139 |
| Capital assets, net | 147,322,223 | 6,573,691 | 149,446,562 | 5,360,706 |
| Total noncurrent assets | 152,834,743 | 31,984,247 | 163,259,960 | 29,521,626 |
| Total assets | 539,151,636 | 32,075,214 | 513,228,385 | 29,646,141 |
| DEFERRED OUTFLOWS OF RESOURCES | 21,009,704 | | 11,605,617 | |
| Total assets and deferred outflows of resources | \$ 560,161,340 | \$ 32,075,214 | \$ 524,834,002 | \$ 29,646,141 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 14,892,864 | \$ 120 | \$ 17,192,020 | \$ 120 |
| Accrued workers' compensation, current portion | 147,600 | | 125,850 | |
| Accrued vacation costs, current portion | 8,317,692 | | 7,881,350 | |
| Unearned revenues | 42,744,695 | | 30,448,501 | |
| Total current liabilities | 66,102,851 | 120 | 55,647,721 | 120 |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 836,400 | | 713,150 | |
| Accrued vacation costs | 6,345,095 | | 5,627,412 | |
| Endowments invested on behalf of primary government | | 3,953,771 | | 3,756,851 |
| Net pension liability | 42,464,310 | | 32,447,975 | |
| Total noncurrent liabilities | 49,645,805 | 3,953,771 | 38,788,537 | 3,756,851 |
| Total liabilities | 115,748,656 | 3,953,891 | 94,436,258 | 3,756,971 |
| DEFERRED INFLOWS OF RESOURCES | 2,325,817 | | 2,741,552 | |
| NET POSITION | | | | |
| Unrestricted | 293,034,019 | 5,123,043 | 276,485,885 | 4,990,954 |
| Net investment in capital assets | 147,322,223 | | 149,446,562 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | 29,423 | 9,543,249 | 29,423 | 8,469,161 |
| Research | | 200,415 | | 187,432 |
| Other | | 6,733,661 | | 6,153,207 |
| Expendable: | | | | |
| Scholarships and fellowships | 44,041 | 1,479,738 | 42,649 | 1,423,037 |
| Research | | 1,453,543 | | 1,389,364 |
| Loans | 1,657,161 | | 1,651,673 | |
| Other | | 3,587,674 | | 3,276,015 |
| Total net position | 442,086,867 | 28,121,323 | 427,656,192 | 25,889,170 |
| Total liabilities, deferred inflows of resources and net position | \$ 560,161,340 | \$ 32,075,214 | \$ 524,834,002 | \$ 29,646,141 |

UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2017 AND 2016

| | 2017 | | 2016 | |
|-----------------------------------------------------------------|---------------------|-----------------------|----------------------|-----------------------|
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$ 324,341,155 | | \$ 312,852,063 | |
| Less: scholarship allowances | <u>(33,397,254)</u> | \$ 290,943,901 | <u>(30,417,470)</u> | \$ 282,434,593 |
| Federal grants and contracts | | 864,048 | | 808,228 |
| State and local grants and contracts | | 2,826,772 | | 2,774,807 |
| Nongovernmental grants and contracts | | 1,509,001 | | 1,694,256 |
| Sales and services of educational departments | | 573,749 | | 1,409,614 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 48,450 | | 50,150 |
| Bookstore | | 47,582 | | 126,916 |
| Parking facilities | | 725 | | 687 |
| Other operating revenues | | <u>22,132,454</u> | | <u>19,173,640</u> |
| Total operating revenues | | <u>318,946,682</u> | | <u>308,472,891</u> |
| OPERATING EXPENSES: | | | | |
| Instruction | | 101,169,028 | | 93,885,141 |
| Public service | | 17,521,561 | | 17,280,665 |
| Academic support | | 50,386,453 | | 50,990,508 |
| Student services | | 87,604,862 | | 76,997,099 |
| Institutional support | | 85,677,208 | | 75,968,114 |
| Operation and maintenance of plant | | 17,926,176 | | 18,752,102 |
| Scholarships and fellowships | | 26,801,529 | | 24,956,796 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 53,057 | | 49,959 |
| Bookstore | | 318,272 | | 303,563 |
| Parking facilities | | <u>138,301</u> | | <u>100,978</u> |
| Total operating expenses | | <u>387,596,447</u> | | <u>359,284,925</u> |
| Operating loss | | <u>(68,649,765)</u> | | <u>(50,812,034)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| State appropriations | | 40,868,394 | | 39,458,941 |
| Pell grants | | 37,242,592 | | 36,950,687 |
| Gifts | | | \$ 827,022 | \$ 1,607,915 |
| Investment Income | 5,449,527 | | 3,027,680 | 917,609 |
| Less: investment expense | <u>(519)</u> | 5,449,008 | <u>(537)</u> | 1,745,128 |
| Other revenues, (expenses), gains and (losses) | | (301,539) | | (98,943) |
| Other affiliated foundation revenues | | | 139,594 | |
| Other affiliated foundation expenses | | | (1,762,143) | (2,108,140) |
| Transfers (to) other University System of Maryland institutions | | <u>(178,015)</u> | | <u>(128,840)</u> |
| Total nonoperating revenues | | <u>83,080,440</u> | <u>2,232,153</u> | <u>77,926,973</u> |
| Income before other revenues | | <u>14,430,675</u> | <u>2,232,153</u> | <u>27,114,939</u> |
| Increase in net position | | 14,430,675 | 2,232,153 | 417,384 |
| Net position - beginning of year | | <u>427,656,192</u> | <u>25,889,170</u> | <u>400,541,253</u> |
| Net position - end of year | | <u>\$ 442,086,867</u> | <u>\$ 28,121,323</u> | <u>\$ 427,656,192</u> |

**UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

| | <u>2017</u> | <u>2016</u> |
|-----------------------------------------------------------------------------|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Tuition and fees | \$ 299,278,204 | \$ 278,791,368 |
| Research contracts and grants | 4,507,847 | 8,695,098 |
| Payments to employees | (237,574,539) | (221,678,761) |
| Payments to suppliers and contractors | (143,024,498) | (133,411,121) |
| Loans issued to students | (69,492) | (166,716) |
| Collection of loans to students | 93,398 | 131,754 |
| Auxiliary enterprises: | | |
| Residence halls | 48,450 | 50,150 |
| Bookstores | 47,582 | 126,916 |
| Parking | 725 | 687 |
| Other receipts | <u>20,623,151</u> | <u>21,076,433</u> |
| Net cash provided (used) by operating activities | <u>(56,069,172)</u> | <u>(46,384,192)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State appropriations | 40,868,394 | 39,458,941 |
| Pell grants | <u>37,242,592</u> | <u>36,950,687</u> |
| Net cash provided by noncapital financing activities | <u>78,110,986</u> | <u>76,409,628</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Proceeds from sales of capital assets | 323,515 | 81,395 |
| Purchases of capital assets | (8,672,378) | (1,927,147) |
| Transfers (to) from other University System of Maryland institutions | <u>156,555</u> | <u>(350,194)</u> |
| Net cash provided (used) by capital and related financing activities | <u>(8,192,308)</u> | <u>(2,195,946)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sales and maturities of investments | 8,826,280 | 8,143 |
| Interest on investments | 5,244,835 | 3,272,888 |
| Investment expense | <u>(519)</u> | <u>(537)</u> |
| Net cash provided by investing activities | <u>14,070,596</u> | <u>3,280,494</u> |
| Net increase in cash and cash equivalents | 27,920,102 | 31,109,984 |
| Cash and cash equivalents - beginning of the year | <u>324,051,787</u> | <u>292,941,803</u> |
| Cash and cash equivalents - end the year | <u>\$ 351,971,889</u> | <u>\$ 324,051,787</u> |

UNIVERSITY OF MARYLAND, BALTIMORE COUNTY
BALANCE SHEETS
JUNE 30, 2017 AND 2016

| | 2017 | | 2016 | |
|--------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Institution | Component Units | Institution | Component Units |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 132,263,170 | \$ 877,154 | \$ 138,147,641 | \$ 603,634 |
| Accounts receivable, net | 15,191,447 | 3,633,572 | 16,314,710 | 3,744,452 |
| Notes receivable, current portion, net | 314,069 | | 343,340 | |
| Inventories | 867,178 | | 690,347 | |
| Prepaid expenses and other | 311,577 | 103,958 | 290,261 | 110,890 |
| Inter-institutional balances | (638,438) | | 133,849 | |
| Total current assets | 148,309,003 | 4,614,684 | 155,920,148 | 4,458,976 |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | 124,395 | | 202,788 | |
| Accounts receivable, net | | 8,490,868 | | 8,015,662 |
| Endowment investments | 5,127,973 | 86,881,022 | 4,853,033 | 78,100,821 |
| Other investments | | 27,478,977 | | 27,493,211 |
| Notes receivable, net | 1,624,626 | | 1,480,032 | |
| Other assets | | | | 47,142 |
| Capital assets, net | 559,555,367 | 2,982,859 | 524,995,611 | 3,178,740 |
| Total noncurrent assets | 566,432,361 | 125,833,726 | 531,531,464 | 116,835,576 |
| Total assets | 714,741,364 | 130,448,410 | 687,451,612 | 121,294,552 |
| DEFERRED OUTFLOWS OF RESOURCES | 59,990,706 | | 37,953,603 | |
| Total assets and deferred outflows of resources | \$ 774,732,070 | \$ 130,448,410 | \$ 725,405,215 | \$ 121,294,552 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 16,232,767 | \$ 100,565 | \$ 30,246,764 | \$ 37,022 |
| Accrued workers' compensation, current portion | 172,350 | | 173,700 | |
| Accrued vacation costs, current portion | 8,416,104 | | 8,245,694 | |
| Revenue bonds and notes payable, current portion | 9,384,410 | 57,661 | 8,331,644 | 53,899 |
| Unearned revenues | 9,605,808 | 6,099,902 | 9,554,350 | 5,759,929 |
| Total current liabilities | 43,811,439 | 6,258,128 | 56,552,152 | 5,850,850 |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 976,650 | | 984,300 | |
| Accrued vacation costs | 5,080,931 | | 5,042,006 | |
| Endowments invested on behalf of primary government | | 5,127,968 | | 4,853,033 |
| Revenue bonds and notes payable | 125,636,990 | 101,859 | 107,830,550 | 159,924 |
| Net pension liability | 119,513,182 | | 94,472,345 | |
| Total noncurrent liabilities | 251,207,753 | 5,229,827 | 208,329,201 | 5,012,957 |
| Total liabilities | 295,019,192 | 11,487,955 | 264,881,353 | 10,863,807 |
| DEFERRED INFLOWS OF RESOURCES | 38,950,328 | | 41,786,852 | |
| NET POSITION | | | | |
| Unrestricted | 44,532,487 | 28,132,687 | 39,620,599 | 26,900,623 |
| Net investment in capital assets | 394,036,499 | | 376,824,934 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | 130,474 | 37,234,360 | 130,474 | 33,850,628 |
| Research | | 781,948 | | 749,150 |
| Other | | 26,272,347 | | 24,593,927 |
| Expendable: | | | | |
| Scholarships and fellowships | | 6,022,268 | | 5,688,116 |
| Research | | 5,915,659 | | 5,553,521 |
| Loans | 1,938,695 | | 1,958,215 | |
| Capital projects | 124,395 | | 202,788 | |
| Other | | 14,601,186 | | 13,094,780 |
| Total net position | 440,762,550 | 118,960,455 | 418,737,010 | 110,430,745 |
| Total liabilities, deferred inflows of resources and net position | \$ 774,732,070 | \$ 130,448,410 | \$ 725,405,215 | \$ 121,294,552 |

UNIVERSITY OF MARYLAND, BALTIMORE COUNTY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2017 AND 2016

| | <u>2017</u> | | <u>2016</u> | |
|----------------------------------------------------------------------|---------------------|----------------------------|-----------------------|----------------------------|
| | <u>Institution</u> | <u>Component Units</u> | <u>Institution</u> | <u>Component Units</u> |
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$ 127,999,710 | | \$ 127,309,785 | |
| Less: scholarship allowances | <u>(16,364,100)</u> | \$ 111,635,610 | <u>(17,349,988)</u> | \$ 109,959,797 |
| Federal grants and contracts | | 42,271,852 | | 42,520,892 |
| State and local grants and contracts | | 29,566,085 | | 28,079,413 |
| Nongovernmental grants and contracts | | 17,194,471 | | 19,334,752 |
| Sales and services of educational departments | | 3,928,534 | | 4,387,346 |
| Auxiliary enterprises: | | | | |
| Residential facilities | 27,335,401 | | 26,371,724 | |
| Less: scholarship allowances | <u>(5,753,842)</u> | 21,581,559 | <u>(4,950,869)</u> | 21,420,855 |
| Dining facilities | 13,941,434 | | 13,634,313 | |
| Less: scholarship allowances | <u>(2,711,934)</u> | 11,229,500 | <u>(2,511,193)</u> | 11,123,120 |
| Intercollegiate athletics | | 13,053,900 | | 11,772,275 |
| Bookstore | 5,044,395 | | 5,511,523 | |
| Less: scholarship allowances | <u>(801)</u> | 5,043,594 | <u>(3,833)</u> | 5,507,690 |
| Parking facilities | | 1,952,358 | | 1,935,219 |
| Other auxiliary enterprises revenues | | 17,552,471 | | 17,251,466 |
| Other operating revenues | | <u>14,342,145</u> | | <u>14,155,908</u> |
| Total operating revenues | | <u>289,352,079</u> | | <u>287,448,733</u> |
| OPERATING EXPENSES: | | | | |
| Instruction | | 118,060,898 | | 111,998,037 |
| Research | | 65,944,274 | | 66,204,859 |
| Public service | | 19,343,135 | | 20,614,206 |
| Academic support | | 23,867,384 | | 22,672,419 |
| Student services | | 18,981,281 | | 17,178,535 |
| Institutional support | | 40,784,325 | | 37,068,673 |
| Operation and maintenance of plant | | 31,617,597 | | 25,436,745 |
| Scholarships and fellowships | | 23,048,436 | | 22,834,787 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 20,707,252 | | 26,344,279 |
| Dining facilities | | 11,488,246 | | 11,419,148 |
| Intercollegiate athletics | | 10,164,500 | | 9,230,398 |
| Bookstore | | 5,019,589 | | 5,405,489 |
| Parking facilities | | 922,214 | | 868,643 |
| Other auxiliary enterprises expenses | | <u>10,135,356</u> | | <u>9,049,085</u> |
| Total operating expenses | | <u>400,084,487</u> | | <u>386,325,303</u> |
| Operating loss | | <u>(110,732,408)</u> | | <u>(98,876,570)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| State appropriations | | 115,585,963 | | 112,364,992 |
| Pell grants | | 14,152,695 | | 14,183,326 |
| Gifts | | 3,925 | \$ 8,849,336 | 2,176 |
| Investment Income | 2,681,170 | | 8,610,848 | \$ 9,370,500 |
| Less: investment expense | <u>(6,106)</u> | 2,675,064 | <u>1,394,937</u> | (864,813) |
| Interest on indebtedness | | (3,712,948) | <u>(6,226)</u> | 1,388,711 |
| Other revenues, (expenses), gains and (losses) | | (276,927) | | (4,132,530) |
| Other affiliated foundation revenues | | | 2,817,845 | (107,359) |
| Other affiliated foundation expenses | | | (11,748,319) | 2,784,614 |
| Transfers (to) from other University System of Maryland institutions | | <u>(1,987,650)</u> | | (10,339,405) |
| Total nonoperating revenues | | <u>126,440,122</u> | <u>8,529,710</u> | <u>126,370,979</u> |
| Income before other revenues | | <u>15,707,714</u> | <u>8,529,710</u> | <u>27,494,409</u> |
| OTHER REVENUES: | | | | |
| Capital appropriations | | 4,243,495 | | 7,852,023 |
| Capital gifts and grants | | <u>2,074,331</u> | | <u>99,965</u> |
| Total other revenues | | <u>6,317,826</u> | | <u>7,951,988</u> |
| Increase in net position | | <u>22,025,540</u> | <u>8,529,710</u> | <u>35,446,397</u> |
| Net position - beginning of year | | <u>418,737,010</u> | <u>110,430,745</u> | <u>383,290,613</u> |
| Net position - end of year | | <u>\$ 440,762,550</u> | <u>\$ 118,960,455</u> | <u>\$ 418,737,010</u> |
| | | | | <u>\$ 110,430,745</u> |

**UNIVERSITY MARYLAND, BALTIMORE COUNTY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

| | <u>2017</u> | <u>2016</u> |
|-----------------------------------------------------------------------------|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Tuition and fees | \$ 111,479,163 | \$ 111,160,731 |
| Research contracts and grants | 90,546,855 | 89,480,882 |
| Payments to employees | (256,725,357) | (238,665,347) |
| Payments to suppliers and contractors | (133,682,525) | (124,250,995) |
| Loans issued to students | (383,977) | (30,738) |
| Collection of loans to students | 268,654 | 172,293 |
| Auxiliary enterprises: | | |
| Residence halls | 19,732,177 | 19,539,838 |
| Dining facilities | 11,202,341 | 11,079,590 |
| Intercollegiate athletics | 13,023,958 | 11,726,204 |
| Bookstores | 5,031,396 | 5,486,136 |
| Parking | 1,947,636 | 1,927,646 |
| Other | 17,510,020 | 17,183,952 |
| Other receipts | <u>18,603,611</u> | <u>18,688,525</u> |
| Net cash provided (used) by operating activities | <u>(101,446,048)</u> | <u>(76,501,283)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State appropriations | 115,585,963 | 112,364,992 |
| Pell grants | <u>14,152,695</u> | <u>14,183,326</u> |
| Net cash provided by noncapital financing activities | <u>129,738,658</u> | <u>126,548,318</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Proceeds of capital debt | 30,814,444 | 16,681,234 |
| Capital appropriations | 4,243,495 | 7,852,022 |
| Purchases of capital assets | (55,116,159) | (43,066,594) |
| Principal paid on debt and capital leases | (16,144,523) | (13,936,277) |
| Interest paid on debt and capital leases | (4,346,820) | (5,042,574) |
| Transfers from other University System of Maryland institutions | <u>3,893,965</u> | <u>7,794,789</u> |
| Net cash provided (used) by capital and related financing activities | <u>(36,655,598)</u> | <u>(29,717,400)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sales and maturities of investments | 105,676 | 52,622 |
| Interest on investments | 2,300,554 | 1,443,190 |
| Investment expense | <u>(6,106)</u> | <u>(6,226)</u> |
| Net cash provided by investing activities | <u>2,400,124</u> | <u>1,489,586</u> |
| Net increase (decrease) in cash and cash equivalents | (5,962,864) | 21,819,221 |
| Cash and cash equivalents - beginning of the year | <u>138,350,429</u> | <u>116,531,208</u> |
| Cash and cash equivalents - end the year | <u>\$ 132,387,565</u> | <u>\$ 138,350,429</u> |

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
BALANCE SHEETS
JUNE 30, 2017 AND 2016**

| | <u>2017</u> | | <u>2016</u> | |
|--------------------------------------------------------------------------|-----------------------|----------------------------|-----------------------|----------------------------|
| | <u>Institution</u> | <u>Component Units</u> | <u>Institution</u> | <u>Component Units</u> |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 16,695,420 | | \$ 16,711,647 | |
| Accounts receivable, net | 3,925,233 | \$ 1,124 | 4,731,781 | \$ 1,908 |
| Prepaid expenses and other | | | | 295 |
| Inter-institutional balances | (119,383) | | | |
| Total current assets | <u>20,501,270</u> | <u>1,124</u> | <u>21,443,428</u> | <u>2,203</u> |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | 6,556 | | 4,941 | |
| Endowment investments | 396,195 | 2,486,899 | 376,744 | 2,232,915 |
| Restricted investments | | | | 2,277,167 |
| Other investments | | 2,495,324 | | |
| Other assets | | | | 11,676 |
| Capital assets, net | 79,740,796 | 2,718 | 78,283,435 | |
| Total noncurrent assets | <u>80,143,547</u> | <u>4,984,941</u> | <u>78,665,120</u> | <u>4,521,758</u> |
| Total assets | <u>100,644,817</u> | <u>4,986,065</u> | <u>100,108,548</u> | <u>4,523,961</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>5,572,658</u> | | <u>3,457,453</u> | |
| Total assets and deferred outflows of resources | <u>\$ 106,217,475</u> | <u>\$ 4,986,065</u> | <u>\$ 103,566,001</u> | <u>\$ 4,523,961</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 1,006,545 | | \$ 2,670,976 | |
| Accrued workers' compensation, current portion | 14,250 | | 19,800 | |
| Accrued vacation costs, current portion | 643,656 | | 665,400 | |
| Revenue bonds and notes payable, current portion | 1,048,187 | | 1,322,600 | |
| Unearned revenues | 487,194 | \$ 272,423 | 831,874 | \$ 286,326 |
| Total current liabilities | <u>3,199,832</u> | <u>272,423</u> | <u>5,510,650</u> | <u>286,326</u> |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 80,750 | | 112,200 | |
| Accrued vacation costs | 2,350,094 | | 2,429,481 | |
| Endowments invested on behalf of primary government | | 396,195 | | 376,745 |
| Revenue bonds and notes payable | 5,972,918 | | 6,778,666 | |
| Net pension liability | 10,970,439 | | 8,466,355 | |
| Total noncurrent liabilities | <u>19,374,201</u> | <u>396,195</u> | <u>17,786,702</u> | <u>376,745</u> |
| Total liabilities | <u>22,574,033</u> | <u>668,618</u> | <u>23,297,352</u> | <u>663,071</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>552,733</u> | | <u>656,667</u> | |
| NET POSITION | | | | |
| Unrestricted | 10,265,815 | 763,535 | 9,307,920 | 744,282 |
| Net investment in capital assets | 72,818,338 | | 70,299,121 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | | 1,495,881 | | 1,262,973 |
| Research | | 31,415 | | 27,951 |
| Other | | 1,055,485 | | 917,604 |
| Expendable: | | | | |
| Scholarships and fellowships | | 220,369 | | 212,244 |
| Research | | 216,468 | | 207,222 |
| Capital projects | 6,556 | | 4,941 | |
| Other | | 534,294 | | 488,614 |
| Total net position | <u>83,090,709</u> | <u>4,317,447</u> | <u>79,611,982</u> | <u>3,860,890</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 106,217,475</u> | <u>\$ 4,986,065</u> | <u>\$ 103,566,001</u> | <u>\$ 4,523,961</u> |

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2017 AND 2016**

| | 2017 | | 2016 | |
|-----------------------------------------------------------------|----------------------|----------------------------|----------------------|----------------------------|
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Federal grants and contracts | \$ 14,660,114 | | \$ 13,170,708 | |
| State and local grants and contracts | 3,117,989 | | 7,814,063 | |
| Nongovernmental grants and contracts | 5,661,850 | | 2,749,396 | |
| Sales and services of educational departments | <u>3,700,196</u> | | <u>3,521,412</u> | |
| Total operating revenues | <u>27,140,149</u> | | <u>27,255,579</u> | |
| OPERATING EXPENSES: | | | | |
| Research | 47,321,597 | | 48,502,181 | |
| Operation and maintenance of plant | <u>415,407</u> | | <u>414,326</u> | |
| Total operating expenses | <u>47,737,004</u> | | <u>48,916,507</u> | |
| Operating loss | <u>(20,596,855)</u> | | <u>(21,660,928)</u> | |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| State appropriations | 22,362,023 | | 22,382,332 | |
| Gifts | | \$ 1,445,160 | | \$ 1,084,159 |
| Investment Income | 292,623 | 417,292 | 269,678 | 165,343 |
| Interest on indebtedness | (204,208) | | (254,128) | |
| Other affiliated foundation revenues | | 12,944 | | |
| Other affiliated foundation expenses | | (584,255) | | (973,964) |
| Transfers from other University System of Maryland institutions | <u>591,976</u> | | <u>578,748</u> | |
| Total nonoperating revenues (expenses) | <u>23,042,414</u> | <u>456,557</u> | <u>22,976,630</u> | <u>(55,148)</u> |
| Income (loss) before other revenues | <u>2,445,559</u> | <u>456,557</u> | <u>1,315,702</u> | <u>(55,148)</u> |
| OTHER REVENUES: | | | | |
| Capital appropriations | <u>1,033,168</u> | | <u>9,482,706</u> | |
| Total other revenues | <u>1,033,168</u> | | <u>9,482,706</u> | |
| Increase (decrease) in net position | 3,478,727 | 456,557 | 10,798,408 | (55,148) |
| Net position - beginning of year | <u>79,611,982</u> | <u>3,860,890</u> | <u>68,813,574</u> | <u>3,916,038</u> |
| Net position - end of year | <u>\$ 83,090,709</u> | <u>\$ 4,317,447</u> | <u>\$ 79,611,982</u> | <u>\$ 3,860,890</u> |

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

| | <u>2017</u> | <u>2016</u> |
|-----------------------------------------------------------------------------|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Research contracts and grants | \$ 23,901,821 | \$ 24,242,474 |
| Payments to employees | (31,232,340) | (30,340,638) |
| Payments to suppliers and contractors | (14,222,103) | (13,726,364) |
| Other receipts | 4,142,770 | 3,521,412 |
| Net cash provided (used) by operating activities | <u>(17,409,852)</u> | <u>(16,303,116)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State appropriations | <u>22,362,023</u> | <u>22,382,332</u> |
| Net cash provided by noncapital financing activities | <u>22,362,023</u> | <u>22,382,332</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Proceeds of capital debt | 223,295 | 210,367 |
| Capital appropriations | 1,033,168 | 9,482,706 |
| Purchases of capital assets | (5,716,533) | (12,509,533) |
| Principal paid on debt and capital leases | (1,488,326) | (1,473,202) |
| Interest paid on debt and capital leases | (235,091) | (296,629) |
| Transfers from other University System of Maryland institutions | 943,532 | 601,367 |
| Net cash provided (used) by capital and related financing activities | <u>(5,239,955)</u> | <u>(3,984,924)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest on investments | <u>273,172</u> | <u>271,753</u> |
| Net cash provided by investing activities | <u>273,172</u> | <u>271,753</u> |
| Net increase (decrease) in cash and cash equivalents | (14,612) | 2,366,045 |
| Cash and cash equivalents - beginning of the year | <u>16,716,588</u> | <u>14,350,543</u> |
| Cash and cash equivalents - end the year | <u>\$ 16,701,976</u> | <u>\$ 16,716,588</u> |

**UNIVERSITY SYSTEM OF MARYLAND OFFICE
BALANCE SHEETS
JUNE 30, 2017 AND 2016**

| | <u>2017</u> | | <u>2016</u> | |
|--------------------------------------------------------------------------|-----------------------|----------------------------|-----------------------|----------------------------|
| | <u>Institution</u> | <u>Component Units</u> | <u>Institution</u> | <u>Component Units</u> |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 202,834,024 | \$ | \$ 194,572,694 | \$ |
| Accounts receivable, net | 5,836,387 | 506,253 | 3,411,195 | 850,002 |
| Prepaid expenses and other | | 203,270 | | 220,747 |
| Inter-institutional balances | 5,533,651 | | 3,816,357 | |
| Total current assets | <u>214,204,062</u> | <u>709,523</u> | <u>201,800,246</u> | <u>1,070,749</u> |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | 98,397,497 | | 67,180,180 | |
| Accounts receivable, net | | 810,151 | | 899,014 |
| Endowment investments | 20,469,227 | 15,482,452 | 19,148,628 | 14,902,241 |
| Other investments | | 101,617,698 | | 75,641,150 |
| Other assets | | 435,000 | | 364,926 |
| Capital assets, net | 124,516,833 | 4,409,770 | 103,597,861 | 4,026,787 |
| Total noncurrent assets | <u>243,383,557</u> | <u>122,755,071</u> | <u>189,926,669</u> | <u>95,834,118</u> |
| Total assets | <u>457,587,619</u> | <u>123,464,594</u> | <u>391,726,915</u> | <u>96,904,867</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>6,565,776</u> | | <u>4,508,610</u> | |
| Total assets and deferred outflows of resources | <u>\$ 464,153,395</u> | <u>\$ 123,464,594</u> | <u>\$ 396,235,525</u> | <u>\$ 96,904,867</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 9,917,870 | \$ 3,349,379 | \$ 4,407,985 | \$ 3,458,003 |
| Accrued workers' compensation, current portion | 10,500 | | 10,350 | |
| Accrued vacation costs, current portion | 653,928 | | 653,836 | |
| Revenue bonds and notes payable, current portion | 4,814,016 | | 4,516,728 | |
| Unearned revenues | | 423,037 | | 647,437 |
| Total current liabilities | <u>15,396,314</u> | <u>3,772,416</u> | <u>9,588,899</u> | <u>4,105,440</u> |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 59,500 | | 58,650 | |
| Accrued vacation costs | 1,098,318 | | 1,033,472 | |
| Endowments invested on behalf of primary government | | 20,468,677 | | 19,148,626 |
| Other payables | | 70,124,399 | | 53,108,113 |
| Revenue bonds and notes payable | 103,566,210 | | 81,373,748 | |
| Net pension liability | 9,806,072 | | 7,301,987 | |
| Total noncurrent liabilities | <u>114,530,100</u> | <u>90,593,076</u> | <u>89,767,857</u> | <u>72,256,739</u> |
| Total liabilities | <u>129,926,414</u> | <u>94,365,492</u> | <u>99,356,756</u> | <u>76,362,179</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>425,286</u> | | <u>529,220</u> | |
| NET POSITION | | | | |
| Unrestricted | 225,877,898 | 4,079,428 | 209,367,314 | 3,959,809 |
| Net investment in capital assets | 102,289,934 | | 81,507,305 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | 347,604 | 11,465,254 | 347,604 | 6,720,172 |
| Research | | 240,778 | | 148,725 |
| Other | 471,330 | 8,089,814 | 471,330 | 4,882,492 |
| Expendable | | | | |
| Scholarships and fellowships | | 1,185,394 | 14,894 | 1,129,257 |
| Research | | 1,164,409 | | 1,102,536 |
| Capital projects | 4,814,929 | | 4,641,102 | |
| Other | | 2,874,025 | | 2,599,697 |
| Total net position | <u>333,801,695</u> | <u>29,099,102</u> | <u>296,349,549</u> | <u>20,542,688</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 464,153,395</u> | <u>\$ 123,464,594</u> | <u>\$ 396,235,525</u> | <u>\$ 96,904,867</u> |

**UNIVERSITY SYSTEM OF MARYLAND OFFICE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2017 AND 2016**

| | 2017 | | 2016 | |
|-----------------------------------------------------------------|-----------------------|----------------------------|-----------------------|----------------------------|
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Federal grants and contracts | \$ 1,714,780 | | \$ 1,632,431 | |
| Nongovernmental grants and contracts | 107,065 | | 27,497 | |
| Other operating revenues | <u>513,522</u> | | <u>358,056</u> | |
| Total operating revenues | <u>2,335,367</u> | | <u>2,017,984</u> | |
| OPERATING EXPENSES: | | | | |
| Academic support | 4,797,864 | | 4,610,214 | |
| Institutional support | <u>18,249,536</u> | | <u>18,645,036</u> | |
| Total operating expenses | <u>23,047,400</u> | | <u>23,255,250</u> | |
| Operating loss | <u>(20,712,033)</u> | | <u>(21,237,266)</u> | |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| State appropriations | 25,465,916 | | 23,721,589 | |
| Gifts | | \$ 1,878,558 | | \$ 2,358,767 |
| Investment Income | 5,014,561 | 9,454,051 | 1,854,292 | 5,551,381 |
| Less: investment expense | <u>(33,680)</u> | 4,980,881 | <u>(34,724)</u> | 1,819,568 |
| Interest on indebtedness | (4,784,659) | | (5,345,717) | |
| Other revenues, (expenses), gains and (losses) | 2,072,310 | | 4,538,736 | |
| Other affiliated foundation revenues | | 3,087,781 | | 3,159,290 |
| Other affiliated foundation expenses | | (5,863,976) | | (4,785,795) |
| Transfers from other University System of Maryland institutions | <u>8,514,396</u> | | <u>11,441,019</u> | |
| Total nonoperating revenues (expenses) | <u>36,248,844</u> | <u>8,556,414</u> | <u>36,175,195</u> | <u>(4,819,119)</u> |
| Income (loss) before other revenues | <u>15,536,811</u> | <u>8,556,414</u> | <u>14,937,929</u> | <u>(4,819,119)</u> |
| OTHER REVENUES: | | | | |
| Capital appropriations | 20,757,189 | | 5,632,253 | |
| Capital gifts and grants | <u>1,158,146</u> | | <u>9,978,396</u> | |
| Total other revenues | <u>21,915,335</u> | | <u>15,610,649</u> | |
| Increase (decrease) in net position | 37,452,146 | 8,556,414 | 30,548,578 | (4,819,119) |
| Net position - beginning of year | <u>296,349,549</u> | <u>20,542,688</u> | <u>265,800,971</u> | <u>25,361,807</u> |
| Net position - end of year | <u>\$ 333,801,695</u> | <u>\$ 29,099,102</u> | <u>\$ 296,349,549</u> | <u>\$ 20,542,688</u> |

**UNIVERSITY SYSTEM OF MARYLAND OFFICE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

| | <u>2017</u> | <u>2016</u> |
|----------------------------------------------------------------------|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Research contracts and grants | \$ 1,583,371 | \$ 1,628,855 |
| Payments to employees | (16,936,801) | (16,304,481) |
| Payments to suppliers and contractors | 2,148,786 | (4,413,587) |
| Other receipts | <u>3,054,193</u> | <u>4,569,730</u> |
| Net cash provided (used) by operating activities | <u>(10,150,451)</u> | <u>(14,519,483)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State appropriations | <u>25,465,916</u> | <u>23,721,589</u> |
| Net cash provided by noncapital financing activities | <u>25,465,916</u> | <u>23,721,589</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Proceeds of capital debt | 73,980,191 | 44,884,785 |
| Capital appropriations | 20,084,742 | 5,632,253 |
| Capital grants and gifts received | | 5,021,606 |
| Purchases of capital assets | (24,077,104) | (6,502,283) |
| Principal paid on debt and capital leases | (4,456,792) | (2,643,038) |
| Interest paid on debt and capital leases | (5,374,694) | (5,013,886) |
| Transfers to other University System of Maryland institutions | <u>(39,916,990)</u> | <u>(15,015,831)</u> |
| Net cash provided by capital and related financing activities | <u>20,239,353</u> | <u>26,363,606</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sales and maturities of investments | 357,374 | 812,564 |
| Interest on investments | 3,600,135 | 2,081,726 |
| Investment expense | <u>(33,680)</u> | <u>(34,724)</u> |
| Net cash provided by investing activities | <u>3,923,829</u> | <u>2,859,566</u> |
| Net increase in cash and cash equivalents | 39,478,647 | 38,425,278 |
| Cash and cash equivalents - beginning of the year | <u>261,752,874</u> | <u>223,327,596</u> |
| Cash and cash equivalents - end the year | <u>\$ 301,231,521</u> | <u>\$ 261,752,874</u> |

UNIVERSITY SYSTEM OF MARYLAND
COMBINING BALANCE SHEETS, NONMAJOR COMPONENT UNITS
JUNE 30, 2017

| | Medical Alumni Association of the University of Maryland, Inc. | M Club Foundation University of Maryland, Inc. | The Robert H. Smith School of Business Foundation, Inc. | Harry R. Hughes Center for Agro-Ecology, Inc. | Bowie State University Foundation, Inc. | Towson University Foundation, Inc. | Towson University Public Media, Inc. | Maryland Hawk Corporation | Frostburg State University Foundation, Inc. | Coppin State University Development Foundation, Inc. | University of Baltimore Foundation, Inc. and University Properties, Inc. | Salisbury University Foundation, Inc. | The Ward Foundation, Inc. | Maryland 4-H Foundation, Inc. | The Maryland Center at Bowie State University, Inc. | University of Maryland Baltimore County Research Park | Total Nonmajor Component Units |
|-----------------------------------------|----------------------------------------------------------------|------------------------------------------------|---------------------------------------------------------|-----------------------------------------------|-----------------------------------------|------------------------------------|--------------------------------------|---------------------------|---------------------------------------------|------------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------|---------------------------|-------------------------------|-----------------------------------------------------|-------------------------------------------------------|--------------------------------|
| ASSETS | | | | | | | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | | | | | | | |
| Cash | \$ 2,148,553 | \$ 80,726 | \$ 1,702,823 | \$ 85,913 | \$ 472,665 | \$ 4,925,068 | \$ 153,284 | \$ 30,915 | \$ 647,446 | \$ 1,841,804 | \$ 9,810,517 | \$ 297,861 | \$ 41,867 | \$ 273,704 | \$ 211,476 | \$ 877,154 | \$ 23,601,776 |
| Accounts receivable, net | | 745 | 620,593 | 4,510 | 929,109 | 61,771 | 319,865 | 12,664 | 87,011 | 307,592 | 5,123,423 | 1,612,297 | 431,910 | 17,018 | 138,769 | 190,371 | 9,857,648 |
| Other assets | 172,454 | | 4,551 | 1,201 | | 246,587 | 30,510 | | 31,121 | 4,155 | | 100,115 | 140,282 | 7,832 | 90,228 | 829,036 | |
| Total current assets | 2,321,007 | 81,471 | 2,327,967 | 91,624 | 1,401,774 | 5,233,426 | 503,659 | 43,579 | 765,578 | 2,153,551 | 14,933,940 | 2,010,273 | 614,059 | 298,554 | 350,245 | 1,157,753 | 34,288,460 |
| Investments | | | | | | | | | | | | | | | | | |
| Endowment investments | 5,935 | 2,643,239 | | | 7,826,931 | 67,607,364 | | | 21,533,280 | 9,046,348 | 46,082,445 | 64,372,448 | 44,551 | 5,304,286 | | | 224,466,827 |
| Other investments | | | 6,882,459 | | | | 25,083 | | 1,806,730 | | 6,065,764 | 4,425,763 | | | 9,169,370 | | 28,375,169 |
| Total investments | 5,935 | 2,643,239 | 6,882,459 | | 7,826,931 | 67,607,364 | 25,083 | | 23,340,010 | 9,046,348 | 52,148,209 | 68,798,211 | 44,551 | 5,304,286 | | 9,169,370 | 252,841,996 |
| Noncurrent assets | | | | | | | | | | | | | | | | | |
| Accounts receivable, net | | | | | | 1,622,888 | | | 621,786 | | | 4,803,903 | | | | | 7,048,577 |
| Capital assets, net | | | | | | 1,624 | | 11,949,879 | 285,318 | 40,332 | 687,925 | 7,828,158 | 1,801,020 | 63,264 | 704 | 2,968,669 | 25,626,893 |
| Other assets | | | | | | | | 41,246 | 328,676 | | 61,199 | 2,134,356 | 66,545 | | 1,938 | | 2,633,960 |
| Total noncurrent assets | | | | | | 1,624,512 | | 11,991,125 | 1,235,780 | 40,332 | 749,124 | 14,766,417 | 1,867,565 | 63,264 | 2,642 | 2,968,669 | 35,309,430 |
| Total assets | \$ 2,326,942 | \$ 2,724,710 | \$ 9,210,426 | \$ 91,624 | \$ 9,228,705 | \$ 74,465,302 | \$ 528,742 | \$ 12,034,704 | \$ 25,341,368 | \$ 11,240,231 | \$ 67,831,273 | \$ 85,574,901 | \$ 2,526,175 | \$ 5,666,104 | \$ 352,887 | \$ 13,295,792 | \$ 322,439,886 |
| LIABILITIES | | | | | | | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | | | | | | | |
| Accounts payable & accrued expenses | \$ 9,276 | \$ 22,000 | \$ 1,360,239 | \$ 3,900 | \$ 54,431 | \$ 645,862 | \$ 115,548 | \$ 550,909 | \$ 20,040 | \$ 84,789 | \$ 508,925 | \$ 28,361 | \$ 267,992 | \$ 77,885 | \$ 87,959 | \$ 81,132 | \$ 3,919,248 |
| Long-term debt, current | | | | | | | | 173,886 | | | | 2,915,744 | 400,853 | 3,902 | 57,661 | | 3,552,046 |
| Unearned revenues | | | | | | | | | 55,720 | | 1,485,814 | 145,181 | 83,383 | 184,044 | 5,543,595 | | 7,497,737 |
| Total current liabilities | 9,276 | 22,000 | 1,360,239 | 3,900 | 54,431 | 645,862 | 115,548 | 724,795 | 75,760 | 84,789 | 1,994,739 | 3,089,286 | 752,228 | 77,885 | 275,905 | 5,682,388 | 14,969,031 |
| Noncurrent liabilities | | | | | | | | | | | | | | | | | |
| Other payables | | | | | | | | | | 4,442 | | 2,170,937 | 359,166 | | | | 2,534,545 |
| Long-term debt, noncurrent | | | | | | | | 12,542,350 | | | | 5,633,333 | 7,943 | | 101,859 | | 18,285,485 |
| Total noncurrent liabilities | | | | | | | | 12,542,350 | | 4,442 | | 7,804,270 | 367,109 | | 101,859 | | 20,820,030 |
| Total liabilities | 9,276 | 22,000 | 1,360,239 | 3,900 | 54,431 | 645,862 | 115,548 | 13,267,145 | 75,760 | 89,231 | 1,994,739 | 10,893,556 | 1,119,337 | 77,885 | 275,905 | 5,784,247 | 35,789,061 |
| NET ASSETS | | | | | | | | | | | | | | | | | |
| Unrestricted | 1,944,839 | 2,702,710 | 7,850,187 | 62,224 | 572,422 | 3,291,566 | 393,194 | (1,242,544) | 709,374 | 160,173 | 6,321,667 | 6,986,472 | (35,123) | 3,057,665 | 76,982 | 7,511,545 | 40,363,353 |
| Temporarily Restricted: | | | | | | | | | | | | | | | | | |
| Scholarships & fellowships | | | | | | 12,689,822 | | | 518,404 | | 9,464,316 | 10,426,212 | | | | | 33,098,754 |
| Research | | | | | | 21,363 | | | 13,359 | | | 768,181 | | | | | 802,903 |
| Other | 372,827 | | | 25,500 | 3,510,551 | 16,361,135 | 20,000 | 10,103 | 2,486,480 | 3,475,086 | 10,813,811 | 29,481,346 | 1,433,319 | 491,713 | | | 68,481,871 |
| Permanently Restricted: | | | | | | | | | | | | | | | | | |
| Scholarships & fellowships | | | | | 4,257,141 | 24,017,447 | | | 16,151,990 | | 25,119,022 | 12,373,739 | | | | | 81,919,339 |
| Research | | | | | | 124,062 | | | 44,856 | | | 324,725 | | | | | 493,643 |
| Other | | | | | 834,160 | 17,314,045 | | | 5,341,145 | 7,515,741 | 14,117,718 | 14,320,670 | 8,642 | 2,038,841 | | | 61,490,962 |
| Total net assets | 2,317,666 | 2,702,710 | 7,850,187 | 87,724 | 9,174,274 | 73,819,440 | 413,194 | (1,232,441) | 25,265,608 | 11,151,000 | 65,836,534 | 74,681,345 | 1,406,838 | 5,588,219 | 76,982 | 7,511,545 | 286,650,825 |
| Total liabilities and net assets | \$ 2,326,942 | \$ 2,724,710 | \$ 9,210,426 | \$ 91,624 | \$ 9,228,705 | \$ 74,465,302 | \$ 528,742 | \$ 12,034,704 | \$ 25,341,368 | \$ 11,240,231 | \$ 67,831,273 | \$ 85,574,901 | \$ 2,526,175 | \$ 5,666,104 | \$ 352,887 | \$ 13,295,792 | \$ 322,439,886 |

This page intentionally left blank.

UNIVERSITY SYSTEM OF MARYLAND
COMBINING BALANCE SHEETS, NONMAJOR COMPONENT UNITS
JUNE 30, 2016

| | Medical Alumni Association of the University of Maryland, Inc. | M Club Foundation University of Maryland, Inc. | The Robert H. Smith School of Business Foundation, Inc. | Harry R. Hughes Center for Agro-Ecology, Inc. | Bowie State University Foundation, Inc. | Towson University Foundation, Inc. | Towson University Public Media, Inc. | Maryland Hawk Corporation. | Frostburg State University Foundation, Inc. | Coppin State University Development Foundation, Inc. | University of Baltimore, Inc. and University Properties, Inc. | Salisbury University Foundation, Inc. | The Ward Foundation, Inc. | Maryland 4-H Foundation, Inc. | The Maryland Center at Bowie State University, Inc. | University of Maryland Baltimore County Research Park | Total Nonmajor Component Units |
|-----------------------------------------|----------------------------------------------------------------|------------------------------------------------|---------------------------------------------------------|-----------------------------------------------|-----------------------------------------|------------------------------------|--------------------------------------|----------------------------|---------------------------------------------|------------------------------------------------------|---------------------------------------------------------------|---------------------------------------|---------------------------|-------------------------------|-----------------------------------------------------|-------------------------------------------------------|--------------------------------|
| ASSETS | | | | | | | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | | | | | | | |
| Cash | \$ 1,375,471 | \$ 27,228 | \$ 1,974,324 | \$ 83,797 | \$ 830,671 | \$ 5,614,748 | \$ 97,121 | \$ 257,440 | \$ 516,293 | \$ 1,740,200 | \$ 10,509,879 | \$ 220,419 | \$ 64,537 | \$ 229,005 | \$ 125,549 | \$ 603,634 | \$ 24,270,316 |
| Accounts receivable, net | 899 | 745 | 650,406 | 10 | 583,242 | 46,019 | 254,340 | 215,611 | 124,216 | 267,485 | 2,748,959 | 1,551,227 | 435,536 | 107,731 | 98,442 | 100,513 | 7,185,381 |
| Other assets | 167,376 | 35,636 | 3,114 | 1,198 | | 272,245 | 52,385 | | 21,162 | 6,140 | | 83,000 | 129,507 | 7,632 | 87,364 | 866,759 | |
| Total current assets | 1,543,746 | 63,609 | 2,627,844 | 85,005 | 1,413,913 | 5,933,012 | 403,846 | 473,051 | 661,671 | 2,013,825 | 13,258,838 | 1,854,646 | 629,580 | 344,368 | 223,991 | 791,511 | 32,322,456 |
| Investments | | | | | | | | | | | | | | | | | |
| Endowment investments | 5,675 | 2,182,935 | | | 6,816,682 | 60,851,837 | | | 19,385,723 | 8,496,724 | 41,950,031 | 55,205,361 | 55,123 | 4,905,917 | | | 199,856,008 |
| Other investments | | 295,840 | 6,453,206 | | | | 10,946 | | 1,588,778 | | 7,185,197 | 6,066,598 | | | | 8,704,244 | 30,304,809 |
| Total investments | 5,675 | 2,478,775 | 6,453,206 | | 6,816,682 | 60,851,837 | 10,946 | | 20,974,501 | 8,496,724 | 49,135,228 | 61,271,959 | 55,123 | 4,905,917 | | 8,704,244 | 230,160,817 |
| Noncurrent assets | | | | | | | | | | | | | | | | | |
| Accounts receivable, net | | | | | | 1,480,768 | | | 489,724 | | | 4,265,745 | | | | | 6,236,237 |
| Capital assets, net | | | | | | 368 | | 12,518,898 | 290,985 | 40,332 | 730,264 | 1,935,912 | 772,602 | 72,137 | 1,883 | 3,178,740 | 19,542,121 |
| Other assets | | | | | | | | 308,807 | 309,574 | | 10,014 | 2,133,506 | 26,075 | | | | 2,787,976 |
| Total noncurrent assets | | | | | | 1,481,136 | | 12,827,705 | 1,090,283 | 40,332 | 740,278 | 8,335,163 | 798,677 | 72,137 | 1,883 | 3,178,740 | 28,566,334 |
| Total assets | \$ 1,549,421 | \$ 2,542,384 | \$ 9,081,050 | \$ 85,005 | \$ 8,230,595 | \$ 68,265,985 | \$ 414,792 | \$ 13,300,756 | \$ 22,726,455 | \$ 10,550,881 | \$ 63,134,344 | \$ 71,461,768 | \$ 1,483,380 | \$ 5,322,422 | \$ 225,874 | \$ 12,674,495 | \$ 291,049,607 |
| LIABILITIES | | | | | | | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | | | | | | | |
| Accounts payable & accrued expenses | \$ 32,698 | \$ 9,435 | \$ 1,811,881 | | \$ 32,777 | \$ 1,537,224 | \$ 117,302 | \$ 500,692 | \$ 14,456 | \$ 58,208 | \$ 851,948 | \$ 22,456 | \$ 324,874 | \$ 168,770 | \$ 18,283 | \$ 29,307 | \$ 5,530,311 |
| Long-term debt, current | | | | | | | | 174,005 | | | | 2,585,486 | 58,842 | | 11,128 | 53,899 | 2,883,360 |
| Unearned revenues | 800 | | 308,500 | \$ 375 | | | | | 38,143 | | 708,244 | 354,864 | 42,882 | | 170,739 | 5,479,233 | 7,103,780 |
| Total current liabilities | 33,498 | 9,435 | 2,120,381 | 375 | 32,777 | 1,537,224 | 117,302 | 674,697 | 52,599 | 58,208 | 1,560,192 | 2,962,806 | 426,598 | 168,770 | 200,150 | 5,562,439 | 15,517,451 |
| Noncurrent liabilities | | | | | | | | | | | | | | | | | |
| Other payables | | | | | | | | | | 8,016 | | 2,206,021 | 21,209 | | 2,134 | | 2,237,380 |
| Due to primary government | | | | | | | | | | | | | | | | | |
| Long-term debt, noncurrent | | | | | | | | 12,544,822 | | | | | | | | 159,924 | 12,704,746 |
| Total noncurrent liabilities | | | | | | | | 12,544,822 | | 8,016 | | 2,206,021 | 21,209 | | 2,134 | 159,924 | 14,942,126 |
| Total liabilities | 33,498 | 9,435 | 2,120,381 | 375 | 32,777 | 1,537,224 | 117,302 | 13,219,519 | 52,599 | 66,224 | 1,560,192 | 5,168,827 | 447,807 | 168,770 | 202,284 | 5,722,363 | 30,459,577 |
| NET ASSETS | | | | | | | | | | | | | | | | | |
| Unrestricted | 1,445,717 | 2,532,949 | 6,960,669 | 58,130 | 535,795 | 3,291,982 | 295,090 | 71,134 | 600,143 | 132,226 | 6,010,216 | 5,942,541 | 793,678 | 2,319,697 | 23,590 | 6,952,132 | 37,965,689 |
| Temporarily Restricted: | | | | | | | | | | | | | | | | | |
| Scholarships & fellowships | | | | | | 10,055,124 | | | 336,803 | | 7,715,992 | 7,625,027 | | | | | 25,732,946 |
| Research | | | | | | 8,005 | | | 20,475 | | | 661,890 | | | | | 690,370 |
| Other | 70,206 | | | 26,500 | 2,791,243 | 13,193,350 | 2,400 | 10,103 | 2,390,603 | 3,047,581 | 9,818,384 | 23,818,209 | 233,253 | 455,729 | | | 55,857,561 |
| Permanently Restricted: | | | | | | | | | | | | | | | | | |
| Scholarships & fellowships | | | | | 4,037,245 | 23,391,884 | | | 13,776,038 | | 24,771,484 | 12,192,835 | | | | | 78,169,486 |
| Research | | | | | | 106,013 | | | 29,438 | | | 324,725 | | | | | 460,176 |
| Other | | | | | 833,535 | 16,682,403 | | | 5,520,356 | 7,304,850 | 13,258,076 | 15,727,714 | 8,642 | 2,378,226 | | | 61,713,802 |
| Total net assets | 1,515,923 | 2,532,949 | 6,960,669 | 84,630 | 8,197,818 | 66,728,761 | 297,490 | 81,237 | 22,673,856 | 10,484,657 | 61,574,152 | 66,292,941 | 1,035,573 | 5,153,652 | 23,590 | 6,952,132 | 260,590,030 |
| Total liabilities and net assets | \$ 1,549,421 | \$ 2,542,384 | \$ 9,081,050 | \$ 85,005 | \$ 8,230,595 | \$ 68,265,985 | \$ 414,792 | \$ 13,300,756 | \$ 22,726,455 | \$ 10,550,881 | \$ 63,134,344 | \$ 71,461,768 | \$ 1,483,380 | \$ 5,322,422 | \$ 225,874 | \$ 12,674,495 | \$ 291,049,607 |

This page intentionally left blank.

UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF ACTIVITIES, NONMAJOR COMPONENT UNITS
YEAR ENDED JUNE 30, 2017

| | Medical Alumni Association of the University of Maryland, Inc. | M Club Foundation of the University of Maryland, Inc. | The Robert H. Smith School of Business Foundation, Inc. | Harry R. Hughes Center for Agro-Ecology, Inc. | Bowie State University Foundation, Inc. | Towson University Foundation, Inc. | Towson University Public Media, Inc. | Maryland Hawk Corporation | Frostburg State University Foundation, Inc. | Coppin State University Development Foundation, Inc. | University of Baltimore, Inc. and University Properties, Inc. | Salisbury University Foundation, Inc. | The Ward Foundation, Inc. | Maryland 4-H Foundation Inc. | The Maryland Center at Bowie State University, Inc. | University of Maryland Baltimore County Research Park. | Total Nonmajor Component Units |
|-----------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------|-----------------------------------------|------------------------------------|--------------------------------------|---------------------------|---------------------------------------------|------------------------------------------------------|---------------------------------------------------------------|---------------------------------------|---------------------------|------------------------------|-----------------------------------------------------|--------------------------------------------------------|--------------------------------|
| CHANGES IN UNRESTRICTED NET ASSETS | | | | | | | | | | | | | | | | | |
| Revenues | | | | | | | | | | | | | | | | | |
| Contributions & grants | \$ 1,589,926 | \$ 8,090 | | \$ 19,180 | | \$ 460,553 | \$ 1,709,048 | | \$ 201,663 | \$ 46,336 | \$ 446,623 | \$ 557,181 | \$ 772,977 | \$ 74,179 | \$ 689,123 | \$ 230,763 | \$ 6,805,642 |
| Investment income | 5,522 | 319,105 | \$ 1,060,760 | 273 | \$ 75,222 | 485,876 | 2,256 | \$ 26,680 | 130,740 | 1,588 | 1,037,449 | 471,879 | 141,116 | 368,303 | | 593,973 | 4,720,742 |
| Other income | 280,717 | 28,014 | 3,682,140 | 6,110 | 79,427 | 1,039 | 890,730 | 743,161 | 10,440 | 133,473 | 3,997 | 925,217 | 271,028 | 608,771 | 101 | 1,609,841 | 9,274,206 |
| Assets released from restrictions | 131,817 | | | 1,000 | 1,198,612 | 5,379,054 | 2,400 | | 2,271,703 | 1,685,564 | 6,628,991 | 3,759,635 | (558,096) | 272,695 | | | 20,773,375 |
| Total revenues | 2,007,982 | 355,209 | 4,742,900 | 26,563 | 1,353,261 | 6,326,522 | 2,604,434 | 769,841 | 2,614,546 | 1,866,961 | 8,117,060 | 5,713,912 | 627,025 | 1,323,948 | 689,224 | 2,434,577 | 41,573,965 |
| Expenses | | | | | | | | | | | | | | | | | |
| Program | 1,063,873 | 105,782 | 2,128,911 | 11,793 | 1,083,374 | 5,050,911 | 1,259,521 | 1,562,709 | 2,196,328 | 1,667,884 | 6,883,459 | 4,013,725 | 784,385 | 801,254 | 586,991 | 695,485 | 29,896,385 |
| General & administrative | 195,122 | 79,666 | 1,385,525 | 4,870 | 46,800 | 607,789 | 375,788 | 74,019 | 308,987 | 150,130 | 615,443 | 439,214 | 336,253 | 179,968 | 48,841 | 133,915 | 4,982,330 |
| Fundraising | 249,865 | | | 5,806 | 186,460 | 668,238 | 871,021 | | | 21,000 | 306,707 | 217,042 | 52,423 | 34,555 | | | 2,613,117 |
| Other expense | | | 338,946 | | | | | 446,791 | | | | | 282,765 | | | 1,045,764 | 2,114,266 |
| Total expenses | 1,508,860 | 185,448 | 3,853,382 | 22,469 | 1,316,634 | 6,326,938 | 2,506,330 | 2,083,519 | 2,505,315 | 1,839,014 | 7,805,609 | 4,669,981 | 1,455,826 | 1,015,777 | 635,832 | 1,875,164 | 39,606,098 |
| Change in unrestricted net assets | 499,122 | 169,761 | 889,518 | 4,094 | 36,627 | (416) | 98,104 | (1,313,678) | 109,231 | 27,947 | 311,451 | 1,043,931 | (828,801) | 308,171 | 53,392 | 559,413 | 1,967,867 |
| CHANGES IN TEMPORARILY RESTRICTED NET ASSETS | | | | | | | | | | | | | | | | | |
| Contributions & grants | 434,438 | | | | 1,226,473 | 3,320,553 | 20,000 | | 1,038,864 | 906,086 | 4,872,369 | 3,791,935 | 641,970 | 318,067 | | | 16,570,755 |
| Investment income | | | | | 678,140 | 6,920,546 | | | 35,433 | 1,096,953 | 4,308,851 | 6,538,234 | | | | | 19,578,157 |
| Other income (loss) | | | | | 233,828 | 1,101,719 | | | 393,369 | 115,740 | 149,661 | 90,068 | | | | | 2,084,385 |
| Assets released from restrictions | (131,817) | | | (1,000) | (1,419,133) | (5,526,977) | (2,400) | | (1,197,304) | (1,691,274) | (6,587,130) | (1,849,624) | 558,096 | (282,083) | | | (18,130,646) |
| Change in temporarily restricted net assets | 302,621 | | | (1,000) | 719,308 | 5,815,841 | 17,600 | | 270,362 | 427,505 | 2,743,751 | 8,570,613 | 1,200,066 | 35,984 | | | 20,102,651 |
| CHANGES IN PERMANENTLY RESTRICTED NET ASSETS | | | | | | | | | | | | | | | | | |
| Contributions & grants | | | | | | 1,125,595 | | | 648,050 | 205,181 | 584,656 | 430,747 | | 57,764 | | | 3,051,993 |
| Investment income | | | | | | | | | 2,612,877 | | 661,802 | 253,124 | | 23,260 | | | 3,551,063 |
| Other income | | | | | | 1,736 | | | 25,631 | | 2,583 | | | | | | 29,950 |
| Assets released from restrictions | | | | | 220,521 | 147,923 | | | (1,074,399) | 5,710 | (41,861) | (1,910,011) | | 9,388 | | | (2,642,729) |
| Change in permanently restricted net assets | | | | | 220,521 | 1,275,254 | | | 2,212,159 | 210,891 | 1,207,180 | (1,226,140) | | 90,412 | | | 3,990,277 |
| Total change in net assets | 801,743 | 169,761 | 889,518 | 3,094 | 976,456 | 7,090,679 | 115,704 | (1,313,678) | 2,591,752 | 666,343 | 4,262,382 | 8,388,404 | 371,265 | 434,567 | 53,392 | 559,413 | 26,060,795 |
| Net assets - beginning of year | 1,515,923 | 2,532,949 | 6,960,669 | 84,630 | 8,197,818 | 66,728,761 | 297,490 | 81,237 | 22,673,856 | 10,484,657 | 61,574,152 | 66,292,941 | 1,035,573 | 5,153,652 | 23,590 | 6,952,132 | 260,590,030 |
| Net assets - end of year | \$ 2,317,666 | \$ 2,702,710 | \$ 7,850,187 | \$ 87,724 | \$ 9,174,274 | \$ 73,819,440 | \$ 413,194 | \$ (1,232,441) | \$ 25,265,608 | \$ 11,151,000 | \$ 65,836,534 | \$ 74,681,345 | \$ 1,406,838 | \$ 5,588,219 | \$ 76,982 | \$ 7,511,545 | \$ 286,650,825 |

This page intentionally left blank.

UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENT OF ACTIVITIES, NONMAJOR COMPONENT UNITS
YEAR ENDED JUNE 30, 2016

| | Medical Alumni Association of the University of Maryland, Inc. | M Club Foundation of the University of Maryland, Inc. | The Robert H. Smith School of Business Foundation, Inc. | Harry R. Hughes Center for Agro-Ecology, Inc. | Bowie State University Foundation, Inc. | Towson University Foundation, Inc. | Towson University Public Media, Inc. | Maryland Hawk Corporation | Frostburg State University Foundation, Inc. | Coppin State University Development Foundation, Inc. | University of Baltimore, Inc. and University Properties, Inc. | Salisbury University Foundation, Inc. | The Ward Foundation, Inc. | Maryland 4-H Foundation Inc. | The Maryland Center at Bowie State University, Inc. | University of Maryland Baltimore County Research Park. | Total Nonmajor Component Units |
|-----------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------|-----------------------------------------|------------------------------------|--------------------------------------|---------------------------|---------------------------------------------|------------------------------------------------------|---------------------------------------------------------------|---------------------------------------|---------------------------|------------------------------|-----------------------------------------------------|--------------------------------------------------------|--------------------------------|
| CHANGES IN UNRESTRICTED NET ASSETS | | | | | | | | | | | | | | | | | |
| Revenues | | | | | | | | | | | | | | | | | |
| Contributions & grants | \$ 1,665,041 | \$ 8,635 | | \$ 5,000 | \$ 20 | \$ 498,975 | \$ 2,581,525 | | \$ 249,886 | \$ 45,842 | \$ 253,276 | \$ 5,274,509 | \$ 596,332 | \$ 367,247 | \$ 572,763 | \$ 286,382 | \$ 12,405,433 |
| Investment income | 135 | (22,553) | \$ 73,091 | 270 | (4,032) | 315,925 | 1,089 | \$ 29,606 | 41,895 | 1,469 | (15,347) | (92,484) | 127,653 | 86,152 | | 172,309 | 715,178 |
| Other income | 277,394 | (20,367) | 3,333,755 | 8,875 | 95,570 | 9,497 | 73,815 | 1,133,582 | 198,597 | 126,530 | 3,918 | 549,173 | 261,743 | 594,116 | 2,279 | 1,602,168 | 8,250,645 |
| Assets released from restrictions | 3,035 | | | | 891,712 | 7,181,815 | 8,100 | | 1,944,784 | 1,939,225 | 4,785,432 | 3,752,289 | 631,014 | 289,134 | | | 21,426,540 |
| Total revenues | 1,945,605 | 34,285 | 3,406,846 | 14,145 | 983,270 | 8,006,212 | 2,664,529 | 1,163,188 | 2,435,162 | 2,113,066 | 5,027,279 | 9,483,487 | 1,616,742 | 1,336,649 | 575,042 | 2,060,859 | 42,797,796 |
| Expenses | | | | | | | | | | | | | | | | | |
| Program | 1,244,171 | 35,067 | 2,034,370 | 12,805 | 803,434 | 6,598,390 | 1,343,690 | 2,094,426 | 2,213,221 | 1,933,983 | 4,797,469 | 8,792,966 | 740,402 | 1,045,228 | 550,637 | 788,695 | 35,028,954 |
| General & administrative | 185,455 | 80,962 | 1,165,154 | 2,746 | 37,113 | 567,654 | 370,728 | 95,419 | 287,919 | 147,645 | 525,041 | 459,109 | 280,091 | 189,695 | 11,580 | 161,687 | 4,567,998 |
| Fundraising | 221,164 | | | | 168,830 | 980,391 | 907,168 | | | 21,102 | 300,780 | 195,061 | 54,869 | 71,623 | | | 2,920,988 |
| Other expense | | | 217,398 | | | | | 266,034 | | | | | 71,655 | | | 1,030,844 | 1,585,931 |
| Total expenses | 1,650,790 | 116,029 | 3,416,922 | 15,551 | 1,009,377 | 8,146,435 | 2,621,586 | 2,455,879 | 2,501,140 | 2,102,730 | 5,623,290 | 9,447,136 | 1,147,017 | 1,306,546 | 562,217 | 1,981,226 | 44,103,871 |
| Change in unrestricted net assets | 294,815 | (150,314) | (10,076) | (1,406) | (26,107) | (140,223) | 42,943 | (1,292,691) | (65,978) | 10,336 | (596,011) | 36,351 | 469,725 | 30,103 | 12,825 | 79,633 | (1,306,075) |
| CHANGES IN TEMPORARILY RESTRICTED NET ASSETS | | | | | | | | | | | | | | | | | |
| Contributions & grants | 2,000 | | | 1,000 | 902,339 | 2,698,060 | 10,500 | | 904,721 | 1,239,577 | 2,937,835 | 1,685,638 | 117,088 | 371,820 | | | 10,870,578 |
| Investment income | | | | | (141,182) | 106,717 | | | (18,782) | (74,709) | (1,397,814) | (44,741) | | | | | (1,570,511) |
| Other income (loss) | | | | | 219,992 | 1,314,784 | | | 318,738 | 90,213 | 140,042 | 71,346 | | | | | 2,155,115 |
| Assets released from restrictions | (3,035) | | | | (1,088,749) | (7,246,323) | (8,100) | | (747,319) | (1,861,943) | (4,785,449) | (3,752,289) | (631,014) | (289,134) | | | (20,413,355) |
| Change in temporarily restricted net assets | (1,035) | | | 1,000 | (107,600) | (3,126,762) | 2,400 | | 457,358 | (606,862) | (3,105,386) | (2,040,046) | (513,926) | 82,686 | | | (8,958,173) |
| CHANGES IN PERMANENTLY RESTRICTED NET ASSETS | | | | | | | | | | | | | | | | | |
| Contributions & grants | | | | | | 1,020,763 | | | 2,990,803 | 250,300 | 533,674 | 433,538 | | 61,400 | | | 5,290,478 |
| Investment income | | | | | | 1,015 | | | (133,629) | | 116,761 | (2,299) | | (12,014) | | | (30,166) |
| Other income | | | | | | 7,109 | | | 12,886 | | | | | | | | 19,995 |
| Assets released from restrictions | | | | | 197,037 | 64,508 | | | (1,197,465) | (77,282) | 17 | | | | | | (1,013,185) |
| Change in permanently restricted net assets | | | | | 197,037 | 1,093,395 | | | 1,672,595 | 173,018 | 650,452 | 431,239 | | 49,386 | | | 4,267,122 |
| Total change in net assets | 293,780 | (150,314) | (10,076) | (406) | 63,330 | (2,173,590) | 45,343 | (1,292,691) | 2,063,975 | (423,508) | (3,050,945) | (1,572,456) | (44,201) | 162,175 | 12,825 | 79,633 | (5,997,126) |
| Net assets - beginning of year | 1,222,143 | 2,683,263 | 6,970,745 | 85,036 | 8,134,488 | 68,902,351 | 252,147 | 1,373,928 | 20,609,881 | 10,908,165 | 64,625,097 | 67,865,397 | 1,079,774 | 4,991,477 | 10,765 | 6,872,499 | 266,587,156 |
| Net assets - end of year | \$ 1,515,923 | \$ 2,532,949 | \$ 6,960,669 | \$ 84,630 | \$ 8,197,818 | \$ 66,728,761 | \$ 297,490 | \$ 81,237 | \$ 22,673,856 | \$ 10,484,657 | \$ 61,574,152 | \$ 66,292,941 | \$ 1,035,573 | \$ 5,153,652 | \$ 23,590 | \$ 6,952,132 | \$ 260,590,030 |

This page intentionally left blank.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO SUPPLEMENTARY INFORMATION YEARS ENDED JUNE 30, 2017 AND 2016

ACCOUNTING AND REPORTING PRACTICES

Supplemental 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 University College 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 University College, 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.