

UNIVERSITY SYSTEM OF MARYLAND

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

For the Years Ended June 30, 2014 and 2013

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Regents
University System of Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the University System of Maryland (the System), as of and for the years ended June 30, 2014 and 2013, 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 97 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 has been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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.



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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, 2014 and 2013, and the respective changes in financial position and, where applicable, 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 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our 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
October 24, 2014

SB & Company, LLC

UNIVERSITY SYSTEM OF MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED JUNE 30, 2014 AND 2013

The 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, 2014 and 2013, with 2012 information for comparative purposes.

Financial Highlights

- Unrestricted net position decreased by \$36,408,352, for the year ended June 30, 2014, compared to an increase of \$122,678,729 for the year ended June 30, 2013.
- State appropriations for the System increased by 3% for the year ended June 30, 2014. For the year ended June 30, 2013, State appropriations increased by 0.7% from the amount received in the year ended June 30, 2012.
- Tuition and fees, after deducting scholarship allowances, decreased by \$14,683,734 or 1.2% for the year ended June 30, 2014. During the year ended June 30, 2013, net tuition and fees, increased by \$21,102,066, or 1.8%.
- For the year ended June 30, 2014, investment income on endowment assets was \$24,291,201, representing investment returns of 13%. Investment income on endowment assets amounted to \$13,403,564, an investment return of 7.0%, for the year ended June 30, 2013.

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 and liabilities plus deferred inflow 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, revenue 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, 2014 AND 2013

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

The System's financial statements include all accounts and balances of the System (considered the primary government, in accounting terms), as well as 20 legally-separate and distinct entities for which the System is financially accountable, which are considered component units. Of the 20 component units, three are considered major component units due to their significance in terms of size, while the rest are considered non-major component units.

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, 2014, the System's financial health remains strong, with assets exceeding liabilities by \$5,594,953,744, shown on the Balance Sheet as total net position. This compares with total net position of \$5,423,238,018, as of June 30, 2013. As suggested earlier, when viewed over time, net position may be useful as an indicator of financial health.

For the year ended June 30, 2014, total net position increased by \$171,715,726. Net investment in capital assets increased by \$201,384,004, while unrestricted net position decreased by \$36,408,352, and restricted net position categories increased by \$6,740,074.

Unrestricted net position represents the portion of assets, after taking into account liabilities, which can be used to meet ongoing obligations and fund new initiatives. The \$36,408,352 decrease in unrestricted net position for the year ended June 30, 2014, is attributable to declines in enrollment and a transfer of \$31 million, recognized as a reduction of State appropriations, back to the State of Maryland.

As of June 30, 2013, the System's assets exceeded liabilities by \$5,423,238,018. This compares with total net position of \$5,058,483,979 as of June 30, 2012.

For the year ended June 30, 2013, total net position increased by \$364,754,039. Net investment in capital assets increased by \$248,090,907, while unrestricted net position increased \$122,678,729, and restricted net position categories decreased by \$6,015,597.

The \$122,678,729 increase in unrestricted net position for the year ended June 30, 2013, is attributable to continuing institutional efforts to limit expenditures, as well as efforts to accumulate resources to provide for future facilities needs and renewal and renovation requirements.

UNIVERSITY SYSTEM OF MARYLAND

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2014 AND 2013**

The table below presents summary-level information of the System's assets, liabilities, and net position as of June 30, 2014, 2013 and 2012.

**Condensed Balance Sheet
June 30, 2014, 2013 and 2012**

| | 2014 | 2013 | 2012 |
|---|------------------------|------------------------|------------------------|
| Current and other assets | \$2,516,361,486 | \$2,425,856,576 | \$2,316,223,582 |
| Capital assets, net | 5,456,115,475 | 5,273,348,180 | 5,013,671,829 |
| Total assets | 7,972,476,961 | 7,699,204,756 | 7,329,895,411 |
| Deferred outflows of resources | 18,492,974 | 21,666,120 | 17,827,438 |
| Total assets and deferred outflows of resources | <u>\$7,990,969,935</u> | <u>\$7,720,870,876</u> | <u>\$7,347,722,849</u> |
| Debt and obligations under capital lease agreements | \$1,289,599,547 | \$1,217,444,474 | \$1,188,186,295 |
| Other liabilities | 744,061,007 | 699,476,706 | 668,651,521 |
| Total liabilities | <u>2,033,660,554</u> | <u>1,916,921,180</u> | <u>1,856,837,816</u> |
| Deferred inflows of resources | <u>362,355,637</u> | <u>380,711,678</u> | <u>432,401,054</u> |
| Net position: | | | |
| Net investment in capital assets | 3,934,645,045 | 3,733,261,041 | 3,485,170,134 |
| Restricted | 254,606,040 | 247,865,966 | 253,881,563 |
| Unrestricted | 1,405,702,659 | 1,442,111,011 | 1,319,432,282 |
| Total net position | <u>5,594,953,744</u> | <u>5,423,238,018</u> | <u>5,058,483,979</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$7,990,969,935</u> | <u>\$7,720,870,876</u> | <u>\$7,347,722,849</u> |

UNIVERSITY SYSTEM OF MARYLAND

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2014 AND 2013**

The table below presents summary-level information on revenues, expenses, and other changes in the System's net position for the years ended June 30, 2014, 2013 and 2012.

**Condensed Statements of Revenues, Expenses and Changes in Net Position
Years ended June 30, 2014, 2013 and 2012**

| | 2014 | 2013 | 2012 |
|-------------------------------------|-----------------|-----------------|-----------------|
| Operating revenues | \$3,174,792,691 | \$3,185,101,706 | \$3,140,131,091 |
| Operating expenses | 4,453,964,164 | 4,293,338,895 | 4,161,427,083 |
| Operating loss | (1,279,171,473) | (1,108,237,189) | (1,021,295,992) |
| State appropriations | 1,103,095,560 | 1,070,834,339 | 1,063,371,086 |
| Other nonoperating | 159,559,957 | 212,230,547 | 163,051,998 |
| Total nonoperating | 1,262,655,517 | 1,283,064,886 | 1,226,423,084 |
| (Loss) income before other revenues | (16,515,956) | 174,827,697 | 205,127,092 |
| Other revenues | 188,231,682 | 189,926,342 | 181,757,468 |
| Increase in net position | 171,715,726 | 364,754,039 | 386,884,560 |
| Net position, beginning of year | 5,423,238,018 | 5,058,483,979 | 4,671,599,419 |
| Net position, end of year | \$5,594,953,744 | \$5,423,238,018 | \$5,058,483,979 |

The System's operating revenues arise from activities associated with its core mission: education, research, and public service.

For the years ended June 30, 2014, 2013 and 2012, operating revenues, which under the definitions used by the Governmental Accounting Standards Board (GASB) excludes state appropriations, are detailed below:

| | 2014 | | 2013 | | 2012 | |
|---|-----------------|----------|-----------------|----------|-----------------|----------|
| | \$ | % | \$ | % | \$ | % |
| Tuition and fees, net | \$1,173,085,622 | 37.0% | \$1,187,769,356 | 37.3% | \$1,166,667,290 | 37.2% |
| Contracts and grants | 1,035,379,978 | 32.6 | 1,097,258,431 | 34.5 | 1,109,702,556 | 35.3 |
| Sales and services of educational departments | 311,924,297 | 9.8 | 287,007,719 | 9.0 | 257,697,032 | 8.2 |
| Auxiliary enterprises, net | 580,999,408 | 18.3 | 551,408,145 | 17.3 | 548,111,213 | 17.5 |
| Other operating | 73,403,386 | 2.3 | 61,658,055 | 1.9 | 57,953,000 | 1.8 |
| Total | \$3,174,792,691 | 100.0% | \$3,185,101,706 | 100.0% | \$3,140,131,091 | 100.0% |

Enrollment declined slightly, most notably at the University of Maryland University College from the year ended June 30, 2013 to 2014. Tuition and fees reflect increases in resident undergraduate and graduate student rates, and non-resident rates and other student charges enacted for the years ended 2014, 2013 and 2012. Fee increases for residence halls and dining facilities account for the increase in revenue from auxiliary enterprise activities for the year ended June 30, 2014.

UNIVERSITY SYSTEM OF MARYLAND

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2014 AND 2013**

For the years ended June 30, 2014, 2013 and 2012, operating expenses are detailed below:

| | 2014 | | 2013 | | 2012 | |
|---------------------------------------|------------------------|---------------|------------------------|---------------|------------------------|---------------|
| | \$ | % | \$ | % | \$ | % |
| Instruction | \$1,173,522,028 | 26.3% | \$1,139,913,339 | 26.5% | \$1,101,099,773 | 26.5% |
| Research | 924,899,646 | 20.8 | 931,958,951 | 21.7 | 922,874,070 | 22.2 |
| Public service | 152,924,530 | 3.4 | 152,996,481 | 3.6 | 157,554,254 | 3.8 |
| Academic support | 425,738,777 | 9.6 | 411,613,583 | 9.6 | 380,187,264 | 9.1 |
| Student services | 211,645,833 | 4.8 | 198,424,948 | 4.6 | 192,285,983 | 4.6 |
| Institutional support | 419,066,424 | 9.4 | 386,575,951 | 9.0 | 364,278,425 | 8.8 |
| Operation and maintenance of plant | 332,965,938 | 7.5 | 298,788,447 | 7.0 | 316,887,436 | 7.6 |
| Scholarships and fellowships | 105,263,838 | 2.4 | 100,959,500 | 2.4 | 90,510,504 | 2.2 |
| Auxiliary enterprises | 528,145,211 | 11.8 | 498,923,433 | 11.6 | 480,543,544 | 11.5 |
| Hospital | 179,791,939 | 4.0 | 173,184,262 | 4.0 | 155,205,830 | 3.7 |
| Total | \$4,453,964,164 | 100.0% | \$4,293,338,895 | 100.0% | \$4,161,427,083 | 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 year ended June 30, 2014, increases in employee costs of \$96,021,121, represent the largest component of the overall increase in operating expenses over the year ended June 30, 2013, with the largest increase associated with employee costs for Instruction activities.

For the years ended June 30, 2013 and 2012, there were increases in employee costs of \$95,355,996 and \$133,323,249, respectively, representing the largest component of the overall increase in operating expenses from the previous fiscal year. For both 2014 and 2013, the largest increases associated with employee benefits were for Instruction activities.

UNIVERSITY SYSTEM OF MARYLAND

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2014 AND 2013**

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
- maintainance and renewal needs for existing facilities.

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

| Funding source | 2014 | 2013 | 2012 |
|--|----------------------|----------------------|----------------------|
| State of Maryland debt proceeds or cash balances | \$181,125,898 | \$149,231,513 | \$172,854,822 |
| System debt proceeds | 107,485,870 | 159,223,347 | 133,013,284 |
| System cash balances or donations | 177,181,392 | 218,842,585 | 186,301,220 |
| Total | \$465,793,160 | \$527,297,445 | \$492,169,326 |

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, 2014 | | |
| Physical Sciences Complex | University of Maryland, College Park | \$126,474,123 |
| Student Center | Bowie State University | 42,700,000 |
| Year ended June 30, 2013 | | |
| John and Frances Angelos Law Center | University of Baltimore | 107,279,000 |
| Towson Center Arena | Towson University | 73,000,000 |
| Year ended June 30, 2012 | | |
| Performing Arts and Humanities Facility | University of Maryland, Baltimore County | 81,703,000 |
| College of Liberal Arts | Towson University | 78,325,000 |
| Performing Arts Center | Bowie State University | 67,453,000 |

UNIVERSITY SYSTEM OF MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED JUNE 30, 2014 AND 2013

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 System redeemed \$15,000,000 of the Revolving Loan Program Bonds. The remaining principal balance of \$35,000,000 was remarketed for five years at a multi-annual interest rate of 1.25% and 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, 2013 and 2014, as follows:

| Revenue Bond Issuance | Date | Purpose | Total Par Value Issued | Present Value of Future Debt Service Savings |
|------------------------------|-------------|--|-------------------------------|---|
| 2012 Series C and D | 10/6/2012 | Refinancing, construction and facilities renewal | \$169,005,000 | \$5,281,851 |
| 2014 Series A and B | 2/5/2014 | Refinancing, constructing and facilities renewed | 151,480,000 | 559,717 |

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 just under 11% more full-time equivalent students anticipated by the fall 2023. Preliminary fall 2014 enrollment indicates an increase in headcount enrollment of just over 8,900 students, most significantly at the University of Maryland University College, which has preliminarily reported an increase of more than 8,600 in terms of headcount, and more than 3,500 students on a full-time basis.

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 contract and grants are an important funding source for the institution's administrative costs. The Federal Budget Control Act places limits on Federal government spending through a legislative process 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.

UNIVERSITY SYSTEM OF MARYLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED JUNE 30, 2014 AND 2013

In February of 2009, as part of the American Recovery and Reinvestment Act, the Federal government established a program where tax-exempt issuers of debt would issue bonds, referred to as Build America Bonds, which would produce interest income that is taxable to those who buy and hold the bonds. Under the terms of the program, which ended December 31, 2010, the Federal government is to reimburse the issuer for 35% of the interest payments made on Build America Bonds. The University System of Maryland has issued \$206,465,000 of Build America Bonds. On March 1, 2013, the Budget Control Act of 2011 also referred to as the Sequester went into effect. This reduced the 35% credit payment due under the Build America Bond Program by 8.7% in Federal fiscal year 2013, 7.2% in Federal fiscal year 2014 and 7.3% in Federal fiscal year 2015. It is expected that the sequester cut will continue through Federal fiscal year 2024 at the rate of 7.2%.

As a region with a significant Federal government employee population, the potential for significant reductions in Federal spending in all likelihood will 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.

Changes in Governmental Accounting Standards

In June 2012, the Governmental Accounting Standards Board (GASB) approved a new accounting standard that makes substantial changes to the accounting and financial reporting of pension plans. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, addresses financial reporting for state and local government pension obligations. GASB Statement No. 68 replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, for most public employee pension plans and replaces the requirements of GASB Statement No. 50, *Pension Disclosures*, for those governments and public pension plans. Under GASB Statement No. 68, state and local governments, including state university employers, will be required to reflect a portion of the unfunded actuarial liability of pension plans based on the relative proportions of annual funding contributions.

The System's share of the unfunded liability will be calculated by dividing the System's contribution to the Maryland State Retirement and Pension System (the State System) by the total contributions to the State System, with the resulting proportion multiplied by the State System's unfunded liability to arrive at the amount to be reported on the System's Balance Sheet. The State System's unfunded actuarial accrued liability as of June 30, 2014 was \$19,562,274,000. For the year ended June 30, 2014, the System contributed \$94,349,914 to the State System. Total contributions to the State System were \$1,734,652,000 during fiscal year 2014.

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, 2014 AND 2013**

| | <u>June 30, 2014</u> | <u>June 30, 2013</u> |
|--|--------------------------|--------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$1,773,647,983 | \$1,820,390,529 |
| Accounts receivable, net | 267,610,211 | 268,855,816 |
| Notes receivable, current portion, net | 8,379,623 | 7,728,081 |
| Inventories | 10,320,623 | 10,271,714 |
| Prepaid expenses and other | <u>10,776,894</u> | <u>9,038,098</u> |
| Total current assets | <u>2,070,735,334</u> | <u>2,116,284,238</u> |
| Noncurrent assets: | | |
| Restricted cash and cash equivalents | 120,156,870 | 51,390,989 |
| Endowment investments | 260,085,355 | 192,920,622 |
| Other investments | 8,074,194 | 6,693,185 |
| Notes receivable, net | 57,309,733 | 58,567,542 |
| Capital assets, net | <u>5,456,115,475</u> | <u>5,273,348,180</u> |
| Total noncurrent assets | <u>5,901,741,627</u> | <u>5,582,920,518</u> |
| Total assets | 7,972,476,961 | 7,699,204,756 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Unamortized loss on refundings of debt | <u>18,492,974</u> | <u>21,666,120</u> |
| Total assets and deferred outflows of resources | <u>\$7,990,969,935</u> | <u>\$7,720,870,876</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$349,447,185 | \$310,619,251 |
| Accrued workers' compensation, current portion | 4,744,085 | 4,375,805 |
| Accrued vacation costs, current portion | 98,254,183 | 89,344,370 |
| Revenue bonds and notes payable, current portion | 86,816,745 | 79,050,151 |
| Obligations under capital lease agreements, current portion | 1,184,141 | 1,104,394 |
| Unearned revenue | <u>168,449,166</u> | <u>177,345,393</u> |
| Total current liabilities | <u>708,895,505</u> | <u>661,839,364</u> |
| Noncurrent liabilities: | | |
| Accrued workers' compensation | 25,862,915 | 23,855,195 |
| Accrued vacation costs | 97,303,473 | 93,936,692 |
| Revenue bonds and notes payable | 1,191,477,149 | 1,125,984,275 |
| Obligations under capital lease agreements | <u>10,121,512</u> | <u>11,305,654</u> |
| Total noncurrent liabilities | <u>1,324,765,049</u> | <u>1,255,081,816</u> |
| Total liabilities | <u>2,033,660,554</u> | <u>1,916,921,180</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred service concession arrangement receipts | <u>362,355,637</u> | <u>380,711,678</u> |
| NET POSITION | | |
| Unrestricted | 1,405,702,659 | 1,442,111,011 |
| Net investment in capital assets | 3,934,645,045 | 3,733,261,041 |
| Restricted: | | |
| Nonexpendable: | | |
| Scholarships and fellowships | 15,825,794 | 15,729,733 |
| Research | 4,060,103 | 4,055,554 |
| Other | 16,854,045 | 16,518,773 |
| Expendable: | | |
| Scholarships and fellowships | 38,022,736 | 37,653,479 |
| Research | 76,172,765 | 69,959,016 |
| Loans | 69,310,705 | 71,207,868 |
| Capital projects | 5,827,559 | 5,651,220 |
| Other | <u>28,532,333</u> | <u>27,090,323</u> |
| Total net position | <u>5,594,953,744</u> | <u>5,423,238,018</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$7,990,969,935</u> | <u>\$7,720,870,876</u> |

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND
COMBINING BALANCE SHEETS, COMPONENT UNITS
JUNE 30, 2014**

| | 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 | \$215,000 | \$25,930,022 | | \$21,766,930 | \$47,911,952 |
| Accounts receivable, net | 6,806,000 | 28,567,192 | \$17,349,907 | 10,031,582 | 62,754,681 |
| Other assets | 20,364,000 | 749,562 | | 578,175 | 21,691,737 |
| Total current assets | 27,385,000 | 55,246,776 | 17,349,907 | 32,376,687 | 132,358,370 |
| Investments | | | | | |
| Endowment investments | 220,025,000 | 273,089,783 | 146,938,616 | 208,557,914 | 848,611,313 |
| Other investments | 363,419,000 | 55,730,340 | 60,566,661 | 28,465,274 | 508,181,275 |
| Total investments | 583,444,000 | 328,820,123 | 207,505,277 | 237,023,188 | 1,356,792,588 |
| Noncurrent assets | | | | | |
| Accounts receivable, net | 4,689,000 | 21,817,010 | 17,367,749 | 7,600,684 | 51,474,443 |
| Capital assets, net | 13,309,000 | 1,528,517 | | 13,321,148 | 28,158,665 |
| Other assets | 423,000 | 702,627 | 4,950,201 | 3,143,564 | 9,219,392 |
| Total other assets | 18,421,000 | 24,048,154 | 22,317,950 | 24,065,396 | 88,852,500 |
| Total assets | \$629,250,000 | \$408,115,053 | \$247,173,134 | \$293,465,271 | \$1,578,003,458 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Accounts payable & accrued expenses | \$2,563,000 | \$9,770,069 | \$3,954,856 | \$4,695,195 | \$20,983,120 |
| Long-term debt, current | | | | 1,827,721 | 1,827,721 |
| Deferred income | 2,678,000 | 1,856,118 | | 7,339,625 | 11,873,743 |
| Total current liabilities | 5,241,000 | 11,626,187 | 3,954,856 | 13,862,541 | 34,684,584 |
| Noncurrent liabilities | | | | | |
| Other payables | 52,064,174 | 3,084,050 | 1,056,009 | 4,044,613 | 60,248,846 |
| Due to primary government | 259,964,826 | | | | 259,964,826 |
| Long-term debt, noncurrent | | | | 5,451,912 | 5,451,912 |
| Total other liabilities | 312,029,000 | 3,084,050 | 1,056,009 | 9,496,525 | 325,665,584 |
| Total liabilities | 317,270,000 | 14,710,237 | 5,010,865 | 23,359,066 | 360,350,168 |
| NET ASSETS | | | | | |
| Unrestricted | 67,719,000 | 13,188,346 | 29,784,875 | 36,698,060 | 147,390,281 |
| Temporarily restricted: | | | | | |
| Scholarships & fellowships | 19,694,000 | 45,223,000 | 9,355,885 | 32,749,898 | 107,022,783 |
| Research | 15,048,000 | 9,767,000 | 8,616,314 | 769,200 | 34,200,514 |
| Other | 37,426,000 | 101,386,864 | 61,936,923 | 66,440,006 | 267,189,793 |
| Permanently restricted: | | | | | |
| Scholarships & fellowships | 96,356,000 | 84,131,000 | 30,068,402 | 70,280,596 | 280,835,998 |
| Research | 2,417,000 | 1,119,000 | 2,200,541 | 367,517 | 6,104,058 |
| Other | 73,320,000 | 138,589,606 | 100,199,329 | 62,800,928 | 374,909,863 |
| Total net assets | 311,980,000 | 393,404,816 | 242,162,269 | 270,106,205 | 1,217,653,290 |
| Total liabilities and net assets | \$629,250,000 | \$408,115,053 | \$247,173,134 | \$293,465,271 | \$1,578,003,458 |

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND
COMBINING BALANCE SHEETS, COMPONENT UNITS
JUNE 30, 2013**

| | 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 | \$134,000 | \$17,426,872 | \$157,014 | \$24,903,989 | \$42,621,875 |
| Accounts receivable, net | 74,598,000 | 28,292,348 | 14,510,723 | 4,937,729 | 122,338,800 |
| Other assets | 282,000 | 184,488 | | 534,402 | 1,000,890 |
| Total current assets | 75,014,000 | 45,903,708 | 14,667,737 | 30,376,120 | 165,961,565 |
| Investments | | | | | |
| Endowment investments | 225,682,000 | 244,725,820 | 128,291,957 | 180,117,272 | 778,817,049 |
| Other investments | 284,021,000 | 53,369,262 | 53,533,012 | 25,493,472 | 416,416,746 |
| Total investments | 509,703,000 | 298,095,082 | 181,824,969 | 205,610,744 | 1,195,233,795 |
| Noncurrent assets | | | | | |
| Accounts receivable, net | 5,119,000 | 25,864,477 | 15,377,755 | 12,708,083 | 59,069,315 |
| Capital assets, net | 10,382,000 | 100,000 | | 5,833,980 | 16,315,980 |
| Other assets | 407,000 | 777,840 | 5,179,829 | 4,014,258 | 10,378,927 |
| Total other assets | 15,908,000 | 26,742,317 | 20,557,584 | 22,556,321 | 85,764,222 |
| Total assets | \$600,625,000 | \$370,741,107 | \$217,050,290 | \$258,543,185 | \$1,446,959,582 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Accounts payable & accrued expenses | \$71,064,000 | \$4,880,957 | \$1,600,761 | \$5,745,564 | \$83,291,282 |
| Long-term debt, current | | | | 1,948,018 | 1,948,018 |
| Deferred income | 2,315,000 | 2,158,683 | | 7,272,025 | 11,745,708 |
| Total current liabilities | 73,379,000 | 7,039,640 | 1,600,761 | 14,965,607 | 96,985,008 |
| Noncurrent liabilities | | | | | |
| Other payables | 46,728,768 | 3,146,534 | 1,234,403 | 3,829,739 | 54,939,444 |
| Due to primary government | 192,797,232 | | | | 192,797,232 |
| Long-term debt, noncurrent | | | | 318,014 | 318,014 |
| Total other liabilities | 239,526,000 | 3,146,534 | 1,234,403 | 4,147,753 | 248,054,690 |
| Total liabilities | 312,905,000 | 10,186,174 | 2,835,164 | 19,113,360 | 345,039,698 |
| NET ASSETS | | | | | |
| Unrestricted | 62,731,000 | 10,265,864 | 20,128,368 | 33,164,013 | 126,289,245 |
| Temporarily restricted: | | | | | |
| Scholarships & fellowships | 19,289,000 | 37,446,000 | 7,226,401 | 21,881,400 | 85,842,801 |
| Research | 11,625,000 | 9,957,000 | 8,511,724 | 627,004 | 30,720,728 |
| Other | 34,422,000 | 91,724,328 | 55,277,255 | 56,540,201 | 237,963,784 |
| Permanently restricted: | | | | | |
| Scholarships & fellowships | 88,415,000 | 76,829,000 | 27,534,841 | 68,770,894 | 261,549,735 |
| Research | 2,340,000 | 1,081,000 | 1,010,474 | 356,478 | 4,787,952 |
| Other | 68,898,000 | 133,251,741 | 94,526,063 | 58,089,835 | 354,765,639 |
| Total net assets | 287,720,000 | 360,554,933 | 214,215,126 | 239,429,825 | 1,101,919,884 |
| Total liabilities and net assets | \$600,625,000 | \$370,741,107 | \$217,050,290 | \$258,543,185 | \$1,446,959,582 |

See accompanying notes.

UNIVERSITY SYSTEM OF MARYLAND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2014 AND 2013

| | Year ended June 30, 2014 | | Year ended June 30, 2013 | |
|--|-----------------------------|--------------------------------------|-----------------------------|--------------------------------------|
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$1,430,969,232 | | \$1,433,382,221 | |
| Less: scholarship allowances | <u>(257,883,610)</u> | \$1,173,085,622 | <u>(245,612,865)</u> | \$1,187,769,356 |
| Federal grants and contracts | | 643,648,177 | | 691,994,706 |
| State and local grants and contracts | | 205,108,353 | | 188,065,280 |
| Nongovernmental grants and contracts | | 186,623,448 | | 217,198,445 |
| Sales and services of educational departments | | 311,924,297 | | 287,007,719 |
| Auxiliary enterprises: | | | | |
| Residential facilities | 168,435,935 | | 163,147,129 | |
| Less: scholarship allowances | <u>(11,409,662)</u> | 157,026,273 | <u>(13,346,944)</u> | 149,800,185 |
| Dining facilities | 119,849,411 | | 115,694,298 | |
| Less: scholarship allowances | <u>(7,587,679)</u> | 112,261,732 | <u>(8,165,031)</u> | 107,529,267 |
| Intercollegiate athletics | 107,307,995 | | 95,851,126 | |
| Less: scholarship allowances | <u>(5,045,911)</u> | 102,262,084 | <u>(4,603,108)</u> | 91,248,018 |
| Bookstore | 26,629,359 | | 27,778,782 | |
| Less: scholarship allowances | <u>(1,627,436)</u> | 25,001,923 | <u>(1,599,367)</u> | 26,179,415 |
| Parking facilities | | 40,573,133 | | 38,875,667 |
| Other auxiliary enterprises revenues | 143,899,839 | | 137,815,456 | |
| Less: scholarship allowances | <u>(25,576)</u> | 143,874,263 | <u>(39,863)</u> | 137,775,593 |
| Other operating revenues | | <u>73,403,386</u> | | <u>61,658,055</u> |
| Total operating revenues | | <u>3,174,792,691</u> | | <u>3,185,101,706</u> |
| OPERATING EXPENSES: | | | | |
| Instruction | | 1,173,522,028 | | 1,139,913,339 |
| Research | | 924,899,646 | | 931,958,951 |
| Public service | | 152,924,530 | | 152,996,481 |
| Academic support | | 425,738,777 | | 411,613,583 |
| Student services | | 211,645,833 | | 198,424,948 |
| Institutional support | | 419,066,424 | | 386,575,951 |
| Operation and maintenance of plant | | 332,965,938 | | 298,788,447 |
| Scholarships and fellowships | | 105,263,838 | | 100,959,500 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 146,670,981 | | 136,208,180 |
| Dining facilities | | 109,969,872 | | 105,843,280 |
| Intercollegiate athletics | | 100,307,139 | | 89,937,185 |
| Bookstore | | 25,096,550 | | 27,352,051 |
| Parking facilities | | 25,199,814 | | 25,342,513 |
| Other auxiliary enterprises expenses | | 120,900,855 | | 114,240,224 |
| Hospital | | <u>179,791,939</u> | | <u>173,184,262</u> |
| Total operating expenses | | <u>4,453,964,164</u> | | <u>4,293,338,895</u> |
| Operating loss | | <u>(1,279,171,473)</u> | | <u>(1,108,237,189)</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| State appropriations | | 1,103,095,560 | | 1,070,834,339 |
| Pell grants | | 135,772,355 | | 134,134,086 |
| Gifts | | 39,801,377 | | 44,631,760 |
| Investment income | 48,505,616 | | 33,695,044 | |
| Less: Investment expense | <u>(713,354)</u> | 47,792,262 | <u>(703,636)</u> | 32,991,408 |
| Interest on indebtedness | | (46,548,257) | | (45,504,869) |
| Other revenues, (expenses), gains and (losses) | | <u>(17,257,780)</u> | | <u>45,978,162</u> |
| Total net nonoperating revenues | | <u>1,262,655,517</u> | | <u>1,283,064,886</u> |
| (Loss) income before other revenues | | <u>(16,515,956)</u> | | <u>174,827,697</u> |
| OTHER REVENUES: | | | | |
| Capital appropriations | | 181,125,898 | | 149,213,513 |
| Capital gifts and grants | | 6,691,877 | | 38,107,205 |
| Additions to permanent endowments | | <u>413,907</u> | | <u>2,605,624</u> |
| Total other revenues | | <u>188,231,682</u> | | <u>189,926,342</u> |
| Increase in net position | | <u>171,715,726</u> | | <u>364,754,039</u> |
| Net position - beginning of year | | <u>5,423,238,018</u> | | <u>5,058,483,979</u> |
| Net position - end of year | | <u><u>\$5,594,953,744</u></u> | | <u><u>\$5,423,238,018</u></u> |

See accompanying notes.

UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENTS OF NET ACTIVITIES, COMPONENT UNITS
YEAR ENDED JUNE 30, 2014

| | 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 | \$4,656,000 | | \$12,163,179 | \$6,427,952 | \$23,247,131 |
| Investment income | 6,940,000 | \$6,248,999 | 6,811,922 | 4,868,113 | 24,869,034 |
| Other income | 5,803,000 | 2,870,246 | 512,903 | 6,429,776 | 15,615,925 |
| Assets released from restrictions | 17,127,000 | 35,445,555 | 16,333,535 | 17,504,461 | 86,410,551 |
| Total revenues | 34,526,000 | 44,564,800 | 35,821,539 | 35,230,302 | 150,142,641 |
| Expenses | | | | | |
| Program | 21,507,741 | 40,055,091 | 24,352,324 | 24,504,873 | 110,420,029 |
| General & administrative | 5,227,000 | 1,414,510 | 1,606,617 | 4,034,196 | 12,282,323 |
| Fundraising | 2,792,000 | 172,717 | 217,349 | 1,344,064 | 4,526,130 |
| Other expense | | | | 1,716,862 | 1,716,862 |
| Total expenses | 29,526,741 | 41,642,318 | 26,176,290 | 31,599,995 | 128,945,344 |
| Transfer per Board resolution | (11,259) | | 11,259 | | |
| Change in unrestricted net assets | 4,988,000 | 2,922,482 | 9,656,508 | 3,630,307 | 21,197,297 |
| CHANGES IN TEMPORARILY RESTRICTED NET ASSETS | | | | | |
| Contributions & grants | 11,219,000 | 26,522,903 | 13,082,481 | 12,269,937 | 63,094,321 |
| Investment income | 12,775,131 | 26,634,671 | 12,069,273 | 25,335,422 | 76,814,497 |
| Other income (loss) | | (427,806) | 40,392 | 1,487,242 | 1,099,828 |
| Assets released from restrictions | (17,127,000) | (35,480,232) | (16,333,535) | (18,182,102) | (87,122,869) |
| Transfer per Board resolution | (35,131) | | 35,131 | | |
| Change in temporarily restricted net assets | 6,832,000 | 17,249,536 | 8,893,742 | 20,910,499 | 53,885,777 |
| CHANGES IN PERMANENTLY RESTRICTED NET ASSETS | | | | | |
| Contributions & grants | 1,902,000 | 12,394,709 | 9,396,893 | 2,601,351 | 26,294,953 |
| Investment income | 10,538,000 | | | 2,831,906 | 13,369,906 |
| Other income | | 248,479 | | 24,676 | 273,155 |
| Assets released from restrictions | | 34,677 | | 677,641 | 712,318 |
| Change in permanently restricted net assets | 12,440,000 | 12,677,865 | 9,396,893 | 6,135,574 | 40,650,332 |
| Total change in net assets | 24,260,000 | 32,849,883 | 27,947,143 | 30,676,380 | 115,733,406 |
| Net assets - beginning of year | 287,720,000 | 360,554,933 | 214,215,126 | 239,429,825 | 1,101,919,884 |
| Net assets - end of year | \$311,980,000 | \$393,404,816 | \$242,162,269 | \$270,106,205 | \$1,217,653,290 |

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENTS OF NET ACTIVITIES, COMPONENT UNITS
YEAR ENDED JUNE 30, 2013**

| | 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 | \$2,263,000 | | \$8,109,072 | \$3,997,393 | \$14,369,465 |
| Investment income | 3,892,000 | \$4,769,084 | 556,284 | 3,441,533 | 12,658,901 |
| Other income | 4,578,000 | 1,134,081 | 412,521 | 7,868,394 | 13,992,996 |
| Assets released from restrictions | 17,162,000 | 39,146,149 | 14,648,958 | 30,703,689 | 101,660,796 |
| Total revenues | 27,895,000 | 45,049,314 | 23,726,835 | 46,011,009 | 142,682,158 |
| Expenses | | | | | |
| Program | 21,252,681 | 46,345,339 | 20,184,448 | 36,907,747 | 124,690,215 |
| General & administrative | 5,052,000 | 1,107,025 | 1,595,456 | 3,492,784 | 11,247,265 |
| Fundraising | 4,792,000 | 185,935 | 950,643 | 1,106,068 | 7,034,646 |
| Other expense | | | | 2,560,534 | 2,560,534 |
| Total expenses | 31,096,681 | 47,638,299 | 22,730,547 | 44,067,133 | 145,532,660 |
| Transfer per Board resolution | (18,319) | | 18,319 | | |
| Change in unrestricted net assets | (3,220,000) | (2,588,985) | 1,014,607 | 1,943,876 | (2,850,502) |
| CHANGES IN TEMPORARILY RESTRICTED NET ASSETS | | | | | |
| Contributions & grants | 10,595,000 | 27,344,817 | 15,092,229 | 15,800,348 | 68,832,394 |
| Investment income | 8,663,000 | 12,562,037 | 9,408,615 | 15,982,887 | 46,616,539 |
| Other income (loss) | | (364,965) | | 1,488,871 | 1,123,906 |
| Assets released from restrictions | (17,162,000) | (38,945,817) | (14,648,958) | (31,439,473) | (102,196,248) |
| Transfer per Board resolution | (20,000) | | 20,000 | | |
| Change in temporarily restricted net assets | 2,076,000 | 596,072 | 9,871,886 | 1,832,633 | 14,376,591 |
| CHANGES IN PERMANENTLY RESTRICTED NET ASSETS | | | | | |
| Contributions & grants | 7,762,000 | 7,629,855 | 9,851,945 | 4,737,749 | 29,981,549 |
| Investment income | 4,032,000 | | | 1,425,659 | 5,457,659 |
| Other income | | 91,045 | | 15,443 | 106,488 |
| Assets released from restrictions | | (200,332) | | 735,784 | 535,452 |
| Change in permanently restricted net assets | 11,794,000 | 7,520,568 | 9,851,945 | 6,914,635 | 36,081,148 |
| Total change in net assets | 10,650,000 | 5,527,655 | 20,738,438 | 10,691,144 | 47,607,237 |
| Net assets - beginning of year | 277,070,000 | 355,027,278 | 193,476,688 | 228,738,681 | 1,054,312,647 |
| Net assets - end of year | \$287,720,000 | \$360,554,933 | \$214,215,126 | \$239,429,825 | \$1,101,919,884 |

See accompanying notes.

**UNIVERSITY SYSTEM OF MARYLAND
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2014 AND 2013**

| | Years ended June 30, | |
|--|-----------------------------|------------------------|
| | 2014 | 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Tuition and fees | \$1,179,999,658 | \$1,187,346,510 |
| Research contracts and grants | 1,032,474,188 | 1,125,325,398 |
| Payments to employees | (2,889,005,385) | (2,809,241,146) |
| Payments to suppliers and contractors | (1,266,198,274) | (1,175,107,072) |
| Loans issued to students | (10,676,861) | (9,332,750) |
| Collections of loans to students | 10,900,926 | 10,017,321 |
| Auxiliary enterprises: | | |
| Residential facilities | 139,014,391 | 130,380,620 |
| Dining facilities | 113,215,235 | 107,507,187 |
| Intercollegiate athletics | 78,995,292 | 72,164,684 |
| Bookstore | 26,012,546 | 25,998,462 |
| Parking facilities | 40,483,671 | 38,882,727 |
| Other | 143,625,991 | 137,423,886 |
| Other receipts | 450,994,870 | 407,644,252 |
| Net cash used by operating activities | (950,163,752) | (750,989,921) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State appropriations | 1,103,095,560 | 1,070,834,339 |
| Gifts and grants received for other than capital purposes: | | |
| Private gifts for endowment purposes | 413,907 | 2,605,624 |
| Pell grants | 135,772,355 | 134,134,086 |
| Net cash provided by noncapital financing activities | 1,239,281,822 | 1,207,574,049 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Proceeds of capital debt | 171,618,897 | 186,517,107 |
| Capital appropriations | 181,125,898 | 149,213,513 |
| Capital grants and gifts received | 4,125,401 | 23,027,912 |
| Proceeds from sales of capital assets | 278,509 | 1,870,459 |
| Purchases of capital assets | (461,130,664) | (516,053,770) |
| Principal paid on debt and capital leases | (92,831,976) | (156,040,603) |
| Interest paid on debt and capital leases | (49,351,385) | (53,017,193) |
| Net cash used by capital and related financing activities | (246,165,320) | (364,482,575) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sales and maturities of investments | 10,338,593 | 33,218,570 |
| Interest on investments | 22,638,357 | 18,610,882 |
| Investment expense | (713,354) | (927,297) |
| Purchases of investments | (53,193,011) | (585,434) |
| Net cash provided (used) by investing activities | (20,929,415) | 50,316,721 |
| Net increase in cash and cash equivalents | 22,023,335 | 142,418,274 |
| Cash and cash equivalents - beginning of the year | 1,871,781,518 | 1,729,363,244 |
| Cash and cash equivalents - end of the year | \$1,893,804,853 | \$1,871,781,518 |
| <hr/> | | |
| SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES: | | |
| Gifts and contributions of capital assets | \$2,566,475 | \$12,712,643 |
| Changes in unrealized appreciation on investments | 24,291,203 | 13,383,800 |
| <hr/> | | |
| RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES: | | |
| Operating loss | (\$1,279,171,473) | (\$1,108,237,189) |
| Adjustments to reconcile operating loss to net cash used by operating activities: | | |
| Depreciation expense | 274,586,993 | 264,593,814 |
| Amortization of deferred service concession arrangement receipts | (18,356,041) | (51,689,376) |
| Gifts and other revenues, (expenses), gains, and (losses) | 22,543,597 | 90,609,922 |
| Changes in assets and liabilities: | | |
| Accounts receivables, net | 1,245,605 | 13,511,628 |
| Inventories | (48,909) | 1,617,795 |
| Prepaid expenses and deferred charges | (1,738,796) | (1,945,767) |
| Notes receivable | 606,267 | 1,931,921 |
| Accounts payable and accrued liabilities | 44,412,638 | 45,888,518 |
| Unearned revenue | (8,896,227) | (14,345,128) |
| Accrued vacation | 12,276,594 | 7,477,941 |
| Accrued workers' compensation | 2,376,000 | (404,000) |
| Net cash used by operating activities | (\$950,163,752) | (\$750,989,921) |

See accompanying notes.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2014 AND 2013

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 and public service entities conduct basic and applied research, and transfer 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, twenty 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 twenty 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, 2014 AND 2013

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.
University Research Corporation International, 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, 2014 and 2013, the foundations distributed approximately \$79,645,000 and \$106,696,000 respectively, to the System including its institutions for both restricted and unrestricted purposes.

All 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 the 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 revenues derived from these activities are reported primarily as Sales and services of educational departments.

Measurement Focus and Basis of Accounting - For financial reporting purposes, the System is considered a special-purpose government 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 - The System has the option to apply all FASB pronouncements issued after November 30, 1989, except for instances in which a pronouncement of the FASB conflicts with pronouncements of the GASB. The System has elected to not apply FASB pronouncements issued after November 30, 1989.

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, 2014 AND 2013**

Operating and Nonoperating Revenue and Expenses - Operating revenue 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 revenue and expenses. Generally accepted accounting principles 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 reporting element, deferred outflows of resource, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate reporting 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, 2013, have been reclassified to conform with the presentation for the year ended June 30, 2014.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014 AND 2013

Change in accounting principles - The System has adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*; Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*; Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 27*; and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*.

GASB also issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, effective for fiscal year ending June 30, 2015. As part of GASB 68, the System will be required to record its share of the State's net unfunded pension liability. The System's share of the unfunded liability will be calculated by dividing the System's contribution to the Maryland State Retirement and Pension System (the State System) by the total contributions to the State System multiplied by the State System's unfunded liability. The State System's unfunded actuarial accrued liability as of June 30, 2014 was \$19,562,274,000. For the year ended June 30, 2014, the System contributed \$94,349,914 to the State System. Total contributions to the State System were \$1,734,652,000 during fiscal year 2014. The System has not calculated its share of the State System's liability as of June 30, 2014; however, the System is analyzing the effects of these pronouncements, which is expected to be material, and plans to adopt them by their effective dates.

3. CASH AND INVESTMENTS

Cash and cash equivalents

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

| | <u>2014</u> | <u>2013</u> |
|---|------------------------|------------------------|
| Cash and short-term investments on deposit with the State Treasurer | \$1,740,271,643 | \$1,776,421,823 |
| Demand and time deposits | 33,376,340 | 43,968,706 |
| Total | <u>\$1,773,647,983</u> | <u>\$1,820,390,529</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, 2014 AND 2013

As of June 30, 2014 and 2013, the carrying amount of the System's demand and time deposits was \$33,376,340 and \$43,968,706, as compared to bank balances of \$32,179,516 and \$48,125,276, respectively. The difference is primarily caused by items in-transit. Of the bank balances, \$25,520,956 and \$41,580,724 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 \$6,658,560 and \$6,544,552 was uninsured and uncollateralized as of June 30, 2014 and 2013, 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.

Money market accounts used for unrestricted cash and cash equivalents are not rated by rating agencies.

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

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

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2014 AND 2013

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

| | <u>2014</u> | <u>2013</u> |
|--|----------------------|---------------------|
| Money market accounts – endowment fund uninvested cash | \$47,280 | \$48,147 |
| Money market accounts – unspent proceeds of debt | 120,109,590 | 51,342,842 |
| Total | <u>\$120,156,870</u> | <u>\$51,390,989</u> |

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

Investments

In July 2005, the System transferred the proceeds of endowment investments, approximately \$197 million in fair market value at the time of the transfer, to the University System of Maryland Foundation, Inc., (USMF) in exchange for an equivalent proportionate interest in the long-term investment portfolio managed by the University System of Maryland Foundation, Inc. During the year ended June 30, 2014, the System transferred an additional \$50 million under legislative authority enacted in 2013.

In June 2011, the System entered into a new agreement with the USMF. Beginning with fiscal year 2012, the per annum fee to be paid to the USMF for investment management services is to be 0.37% of the beginning of the year market value of managed funds. The agreement is for a term of five years, with renewable two-year extensions at the option of the System, unless notice of intent to terminate the arrangement is provided within 180 days prior to the expiration of the term. In the event of termination of the arrangement, funds invested with individual investment managers that have commitments from the 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.

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 investments 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.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2014 AND 2013

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 University System of Maryland Foundation, Inc. are uninsured and are not registered in the name of the System, as they are a part of a commingled portfolio comprising proportionate interests of several different entities.

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

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The System is exposed to credit risk on its Endowment investments managed by the University System of Maryland Foundation, Inc.

Foreign currency risk

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

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

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014 AND 2013

Endowment investments

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

| | 2014 | 2013 |
|---|----------------------|----------------------|
| Corporate debt | \$17,625 | \$17,625 |
| Corporate equities | 102,904 | 83,229 |
| Certificate of deposits | | 22,536 |
| Assets invested with University System of Maryland Foundation, Inc. | 259,964,826 | 192,797,232 |
| Total | <u>\$260,085,355</u> | <u>\$192,920,622</u> |

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

| | 2014 | 2013 |
|---------------------------------|----------------------|----------------------|
| Pure endowments | \$134,595,173 | \$128,566,255 |
| Funds functioning as endowments | 121,699,159 | 63,511,672 |
| Term endowments | 3,791,023 | 3,502,470 |
| Total | <u>\$260,085,355</u> | <u>\$195,580,397</u> |

Endowment fund balances includes \$2,659,775 held with the State Treasurer as of June 30, 2013.

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 4.65% 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 \$97,855,232 and \$92,262,195 as of June 30, 2014 and 2013, 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, 2014 AND 2013**

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 a partnership interest in a real estate partnership formed to facilitate the long-term development of a parcel of land owned by the University of Maryland College Park. The carrying value of other investments is assessed on an annual basis by reference to the reported value of the University's partnership interest.

Allocation of investment income

Investment income is assigned to accounting funds, including endowments, in proportions associated with investments held by the various accounting funds. For the years ended June 30, 2014 and 2013, investment income attributed to unrestricted funds and restricted funds was:

| | <u>2014</u> | <u>2013</u> |
|-------------------------|---------------------|---------------------|
| Unrestricted funds | \$33,878,165 | \$23,634,631 |
| Restricted funds | 14,627,451 | 10,060,413 |
| Total investment income | <u>\$48,505,616</u> | <u>\$33,695,044</u> |

UNIVERSITY SYSTEM OF MARYLAND**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014 AND 2013**

Major component units

The University System of Maryland Foundation, Inc. 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 included in the investments reported by the University System of Maryland Foundation, Inc.

As of June 30, 2014 and 2013, major component unit investments, recorded at fair value, were:

University System of Maryland Foundation, Inc.

| | <u>2014</u> | <u>2013</u> |
|--|----------------------|----------------------|
| Money market funds and short-term investments | \$29,845,000 | \$137,069,000 |
| Corporate and municipal bonds | 29,266,000 | 21,468,000 |
| Equities and mutual funds | 193,997,000 | 113,637,000 |
| U.S. treasury notes and bonds | 5,944,000 | 3,579,000 |
| U.S. agencies | 74,000 | 1,313,000 |
| Collateral mortgage obligations and asset and mortgage-backed securities | 495,000 | 8,511,000 |
| Absolute return | 300,347,000 | 227,626,000 |
| Long and short equity hedge funds | 305,048,000 | 237,119,000 |
| Private capital | 100,317,000 | 99,257,000 |
| Real estate and energy and natural resources | 159,353,000 | 145,087,000 |
| | <hr/> | <hr/> |
| Total | 1,124,686,000 | 994,666,000 |
| Due to other foundations | <u>(541,242,000)</u> | <u>(484,963,000)</u> |
| | <hr/> | <hr/> |
| Total Investments | 583,444,000 | 509,703,000 |
| Due to primary government | <u>(259,964,826)</u> | <u>(192,797,232)</u> |
| | <hr/> | <hr/> |
| Total University System of Maryland Foundation Investments | <u>\$323,479,174</u> | <u>\$316,905,768</u> |

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014 AND 2013**

University of Maryland College Park Foundation, Inc.

| | <u>2014</u> | <u>2013</u> |
|--|----------------------|----------------------|
| Short-term investments | \$16,609,347 | \$16,075,094 |
| Cash equivalents and short term securities | 509,613 | 436,143 |
| Mutual funds | 5,457,791 | 4,940,282 |
| Bonds | 5,601,000 | 5,801,000 |
| Maryland Proton Treatment Center, LLC | 1,000,000 | 1,000,000 |
| Investments in special strategies - USMF | <u>299,642,372</u> | <u>271,928,394</u> |
| Total | 328,820,123 | 300,180,913 |
| Due to other foundations | <u>(3,602)</u> | <u>(2,085,831)</u> |
| Total Investments | <u>\$328,816,521</u> | <u>\$298,095,082</u> |

University of Maryland Baltimore Foundation, Inc.

| | <u>2014</u> | <u>2013</u> |
|--|----------------------|----------------------|
| Cash equivalents and short term securities | \$8,538,058 | \$6,249,377 |
| Commonfund | 2,332,316 | 1,901,920 |
| Lanx stock | 1,808,752 | 1,630,682 |
| Investments in special strategies - USMF | <u>194,826,151</u> | <u>172,042,990</u> |
| Total Investments | <u>\$207,505,277</u> | <u>\$181,824,969</u> |

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

Accounts receivable as of June 30, 2014 and 2013, were comprised of:

| | <u>2014</u> | <u>2013</u> |
|---------------------------------|----------------------|----------------------|
| Tuition and fees | \$88,304,035 | \$82,420,092 |
| Contracts and grants | 169,910,958 | 174,552,565 |
| Other | <u>23,204,607</u> | <u>30,489,588</u> |
| Subtotal | 281,419,600 | 287,462,245 |
| Allowance for doubtful accounts | <u>(13,809,389)</u> | <u>(18,606,429)</u> |
| Accounts receivable, net | <u>\$267,610,211</u> | <u>\$268,855,816</u> |

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014 AND 2013**

Notes receivable as of June 30, 2014 and 2013, were comprised of:

| | <u>2014</u> | <u>2013</u> |
|------------------------------|---------------------|---------------------|
| Student loans | \$71,567,181 | \$72,454,072 |
| Business development loans | 7,645,101 | 7,282,988 |
| Subtotal | 79,212,282 | 79,737,060 |
| Allowance for doubtful notes | (13,522,926) | (13,441,437) |
| Notes receivable, net | <u>\$65,689,356</u> | <u>\$66,295,623</u> |

Accounts payable and accrued liabilities as of June 30, 2014 and 2013, were comprised of:

| | <u>2014</u> | <u>2013</u> |
|--|----------------------|----------------------|
| Payroll and benefits | \$163,021,604 | \$139,109,528 |
| Suppliers and contractors | 115,247,889 | 131,825,184 |
| Accrued interest payable | 11,508,667 | 10,822,665 |
| Other | 59,669,025 | 28,861,874 |
| Accounts payable and accrued liabilities | <u>\$349,447,185</u> | <u>\$310,619,251</u> |

Major component units

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

As of June 30, 2014 and 2013, contributions receivable are due as follows:

University System of Maryland Foundation, Inc.

| <u>Due</u> | <u>Discount rates</u> | <u>2014</u> | <u>2013</u> |
|------------------------------|-----------------------|--------------------|--------------------|
| Within one year | Not applicable | \$3,720,000 | \$3,972,000 |
| One to five years | 3.25% | 3,970,000 | 4,485,000 |
| More than five years | 3.25% | | 4,000 |
| Subtotal | | 7,690,000 | 8,461,000 |
| Pledge discount | | (422,000) | (502,000) |
| Net contributions receivable | | <u>\$7,268,000</u> | <u>\$7,959,000</u> |

UNIVERSITY SYSTEM OF MARYLAND**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014 AND 2013****University of Maryland, College Park Foundation, Inc.**

| Due | Discount rates | 2014 | 2013 |
|---------------------------------|-----------------------|---------------------|---------------------|
| Within one year | 2.16% | \$32,875,626 | \$31,069,381 |
| Two to five years | 2.16% | 23,314,366 | 26,982,877 |
| More than five years | 3.25% | 3,703,302 | 4,415,424 |
| Subtotal | | 59,893,294 | 62,467,682 |
| Allowance for doubtful accounts | | (8,121,463) | (7,082,876) |
| Pledge discount | | (1,635,472) | (2,231,826) |
| Net contributions receivable | | <u>\$50,136,359</u> | <u>\$53,152,980</u> |

University of Maryland, Baltimore Foundation, Inc.

| Due | Discount rates | 2014 | 2013 |
|---------------------------------|-----------------------|---------------------|-------------------|
| Within one year | 3.256% | \$14,930,802 | \$15,336,117 |
| Two to five years | 3.25% | 19,341,812 | 17,209,797 |
| More than five years | 3.25% | 53,700 | 64,200 |
| Subtotal | | 34,326,314 | 2,610,114 |
| Allowance for doubtful accounts | | (1,149,562) | (1,332,686) |
| Pledge discount | | (1,588,511) | (1,410,902) |
| Net contributions receivable | | <u>\$31,588,241</u> | <u>29,866,526</u> |

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014 AND 2013

5. CHANGES IN NET CAPITAL ASSETS

Changes in net capital assets for the years ended June 30, 2014 and 2013:

| | June 30, 2012 | | | June 30, 2013 | | | June 30, 2014 |
|--|------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| | Balance | Additions | Decreases | Balance | Additions | Decreases | Balance |
| Capital assets being depreciated: | | | | | | | |
| Infrastructure & land improvements | \$330,938,622 | \$20,785,712 | | \$351,724,334 | \$28,623,745 | \$129,000 | \$380,219,079 |
| Buildings & improvements | 5,821,540,971 | 201,656,419 | \$1,920,602 | 6,021,276,788 | 488,313,754 | 5,599,324 | 6,503,991,218 |
| Contents | 1,214,629,155 | 78,091,858 | 27,689,956 | 1,265,031,057 | 86,341,074 | 50,477,876 | 1,300,894,255 |
| Buildings recorded under capital lease agreements | 14,629,140 | | | 14,629,140 | | | 14,629,140 |
| Total capital assets being depreciated | 7,381,737,888 | 300,533,989 | 29,610,558 | 7,652,661,319 | 603,278,573 | 56,206,200 | 8,199,733,692 |
| Less accumulated depreciation for: | | | | | | | |
| Infrastructure & land improvements | 164,844,116 | 13,841,735 | | 178,685,851 | 15,385,284 | 96,213 | 193,974,922 |
| Buildings & improvements | 1,973,197,613 | 167,806,191 | 707,089 | 2,140,296,715 | 179,230,725 | 2,967,931 | 2,316,559,509 |
| Contents | 849,903,504 | 81,758,709 | 25,901,791 | 905,760,422 | 78,783,805 | 45,258,648 | 939,285,579 |
| Buildings recorded under capital lease agreements | 3,033,250 | 1,187,179 | | 4,220,429 | 1,187,179 | | 5,407,608 |
| Total accumulated depreciation | 2,990,978,483 | 264,593,814 | 26,608,880 | 3,228,963,417 | 274,586,993 | 48,322,792 | 3,455,227,618 |
| Total capital assets being depreciated, net | 4,390,759,405 | 35,940,175 | 3,001,678 | 4,423,697,902 | 328,691,580 | 7,883,408 | 4,744,506,074 |
| Capital assets not being depreciated: | | | | | | | |
| Land | 142,999,602 | 10,142,726 | | 153,142,328 | 2,292,420 | 478,002 | 154,956,746 |
| Contents | 22,689,296 | 2,734,181 | 25,602 | 25,397,875 | 299,952 | 77,462 | 25,620,365 |
| Construction in progress | 457,223,526 | 415,553,707 | 201,667,158 | 671,110,075 | 357,715,498 | 497,793,283 | 531,032,290 |
| Total capital assets not being depreciated | 622,912,424 | 428,430,614 | 201,692,760 | 849,650,278 | 360,307,870 | 498,348,747 | 711,609,401 |
| Capital assets, net | \$5,013,671,829 | \$464,370,789 | \$204,694,438 | \$5,273,348,180 | \$688,999,450 | \$506,232,155 | \$5,456,115,475 |

Interest expense of \$966,298 associated with projects not yet completed was capitalized and recorded as construction in progress during the years ended June 30, 2013.

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014 AND 2013**

6. 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 issuer of debt, developer to build, and an operator to manage, student housing projects at seven of the System's institutions. These agreements satisfy the criteria established to be considered service concession arrangements (SCAs).

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, as well as 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 uses 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 ground lease payment. The university 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 owner's rights to use the land ownership of the project transfers to the university.

As of June 30, the following balances associated with service concession agreements are reflected on the Balance Sheets:

| | <u>2014</u> | <u>2013</u> |
|--|---------------|---------------|
| Capital assets, net – buildings & improvements | \$375,750,875 | \$389,641,837 |
| Deferred service concession arrangement receipts | 362,355,637 | 380,711,678 |

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014 AND 2013**

7. 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.

Revenue bonds and notes payable consisted of the following as of June 30, 2014 and 2013:

| | <u>2014</u> | <u>2013</u> |
|---|------------------------|------------------------|
| Auxiliary facility and tuition revenue bonds, net | \$1,203,824,190 | \$1,129,824,882 |
| Revolving loan program bonds | 35,000,000 | 35,000,000 |
| Other | 39,469,704 | 40,209,544 |
| | <u>\$1,278,293,894</u> | <u>\$1,205,034,426</u> |

Auxiliary Facility and Tuition Revenue Bonds

As of June 30, 2014, Auxiliary facility and tuition revenue bonds (revenue bonds) consisted of the following:

| | <u>Interest Rates</u> | <u>Maturity Dates</u> | <u>Principal Outstanding</u> |
|---|-----------------------|-----------------------|----------------------------------|
| 2004 Series A | 5% | 2015-2016 | \$130,000 |
| 2005 Series A | 4.0% - 5.0% | 2015-2021 | 71,580,000 |
| 2006 Series A | 5.0% | 2014-2017 | 14,570,000 |
| 2007 Refunding Series A | 4.0% - 5.0% | 2015-2023 | 75,290,000 |
| 2008 Series A | 4.0% - 5.0% | 2015-2028 | 71,300,000 |
| 2008 Refunding Series B | 3.5% - 4.0% | 2014-2017 | 11,180,000 |
| 2009 Series A & B | 4.0% - 6.0% | 2015-2029 | 81,730,000 |
| 2009 Refunding Series C | 2.5% - 4.0% | 2014-2019 | 18,370,000 |
| 2009 Refunding Series D | 3.0% - 4.0% | 2015-2022 | 45,780,000 |
| 2010 Series A & B | 4% - 5.4% | 2015-2030 | 102,060,000 |
| 2010 Series C | 2.5% - 4.0% | 2015-2023 | 44,630,000 |
| 2010 Series D & E | 3.75% - 5.85% | 2015-2030 | 101,460,000 |
| 2011 Series A | 3.0% - 5.0% | 2015-2031 | 103,215,000 |
| 2011 Refunding Series B | 3.0% - 5.0% | 2015-2024 | 28,995,000 |
| 2012 Refunding Series A & B | 2.0% - 4.0% | 2015-2024 | 54,925,000 |
| 2012 Series C & D | 2.0% - 5.0% | 2014-2032 | 163,135,000 |
| 2014 Series A & B | 2.0% - 5.0% | 2015-2034 | 147,600,000 |
| | | | <u>1,135,950,000</u> |
| Unamortized discounts and premiums | | | 67,874,190 |
| Auxiliary facility and tuition revenue bonds, net | | | <u>\$1,203,824,190</u> |

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014 AND 2013**

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, 2014 and 2013, including the results of any advance refunding of previously-issued debt, are as follows:

| Debt issuance | Date of issue | Par value of debt issued | Premium on issuance | Par value of debt refunded | Reduction in future debt service | Deferred amount on refunding | Economic gain or (loss) |
|-------------------------|----------------------|---------------------------------|----------------------------|-----------------------------------|---|-------------------------------------|--------------------------------|
| 2012 Series C | 10/6/2012 | \$115,000,000 | \$6,582,587 | | | | |
| 2012 Refunding Series D | 10/6/2012 | 54,005,000 | 10,820,564 | \$55,420,000 | \$6,335,509 | \$7,471,867 | \$5,281,851 |
| 2014 Series A | 2/5/2014 | 139,900,000 | 13,042,970 | | | | |
| 2014 Refunding Series B | 2/5/2014 | 11,580,000 | 486,183 | 11,785,000 | 582,893 | 117,377 | 559,717 |

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 8.7% in Federal fiscal year 2013 and 7.2% in Federal fiscal year 2014. 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, 2014, previously issued debt removed from the System's financial statements through advance refunding transactions still outstanding was \$73,655,000.

As of June 30, 2014 and 2013, cash and cash equivalents and investments restricted by the terms of the Indenture of Trust totaled \$96,155,667 and \$34,925,663, respectively.

The System implemented GASB Statement #65 *'Items Previously Reported as Assets and Liabilities'* as of June 30, 2013. As of June 30, 2014 and 2013, the System recorded *'Unamortized loss on refundings'* on the Balance Sheets as deferred outflows of resources of \$18,492,974 and \$21,666,120 respectively. These amounts were previously included as part of the Revenue bonds and notes payable balances.

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014 AND 2013**

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, 2014 and 2013, cash and cash equivalents in the amount of \$21,863,967 and \$16,415,499, 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. As of June 30, 2014, restricted cash and cash equivalents includes unspent proceeds of \$2,089,956 related to other debt.

The System is subject to Federal arbitrage laws governing the use of proceeds of tax-exempt debt.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014 AND 2013

Future principal and interest payments as of June 30, 2014, were as follows:

| Years ending June 30, | Auxiliary Facility and Tuition Revenue Bonds | | Notes Payable and Other Long-term Debt | | Total Payments |
|-----------------------|---|---------------|---|--------------|-------------------|
| | Principal | Interest | Principal | Interest | |
| 2015 | \$80,080,000 | \$49,684,434 | \$6,736,745 | \$1,109,141 | \$137,610,320 |
| 2016 | 83,970,000 | 46,146,278 | 6,232,234 | 999,926 | 137,348,438 |
| 2017 | 83,360,000 | 42,355,934 | 5,114,215 | 896,015 | 131,726,164 |
| 2018 | 82,500,000 | 38,701,646 | 4,077,447 | 1,211,253 | 126,490,346 |
| 2019 | 82,520,000 | 34,972,821 | 3,093,659 | 1,546,174 | 122,132,654 |
| 2020 – 2024 | 362,670,000 | 123,940,425 | 48,747,779 | 4,477,381 | 539,835,585 |
| 2025 – 2029 | 258,670,000 | 55,428,519 | 467,625 | | 314,566,144 |
| 2030 – 2034 | 102,180,000 | 9,122,204 | | | 111,302,204 |
| Total | \$1,135,950,000 | \$400,352,261 | \$74,469,704 | \$10,239,890 | \$1,621,011,855 |

8. LEASES

Obligations Under Capital Lease Agreements

The System leases two facilities for the use of the University of Maryland College Park and 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, 2014, were as follows:

| Years ending June 30, | Total |
|--|---------------------|
| 2015 | \$1,635,667 |
| 2016 | 1,669,377 |
| 2017 | 1,704,099 |
| 2018 | 1,739,862 |
| 2019 | 1,776,699 |
| 2020 – 2024 | 4,794,352 |
| Total future lease payments | 13,320,056 |
| Less: Interest component | (2,014,403) |
| Obligations under capital lease agreements | <u>\$11,305,653</u> |

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014 AND 2013**

Operating Leases

The System and its constituent units lease facilities and equipment under agreements reported 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, 2014, were as follows:

| <u>Year ending June 30,</u> | <u>Minimum Annual Lease Payments</u> |
|-----------------------------|--|
| 2015 | \$15,108,012 |
| 2016 | 13,480,749 |
| 2017 | 11,997,664 |
| 2018 | 10,312,979 |
| 2019 | 8,433,135 |
| 2020 - 2024 | 18,769,151 |
| 2025 - 2029 | <u>4,233,177</u> |
| Total | <u><u>\$82,334,867</u></u> |

Operating lease expenditures for the years ended June 30, 2014 and 2013, were \$15,493,930 and \$18,489,044, respectively.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014 AND 2013

9. CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for the years ended June 30, 2014 and 2013, were as follows:

| | June 30, 2012 | | | June 30, 2013 | | | June 30, 2014 | Due Within |
|--|-----------------|---------------|---------------|-----------------|---------------|---------------|-----------------|---------------|
| | Balance | Additions | Reductions | Balance | Additions | Reductions | Balance | One Year |
| Accrued vacation costs | \$175,803,121 | \$96,306,968 | \$88,829,027 | \$183,281,062 | \$109,243,002 | \$96,966,408 | \$195,557,656 | \$98,254,183 |
| Accrued workers' compensation | 28,635,000 | 4,717,821 | 5,121,821 | 28,231,000 | 7,721,513 | 5,345,513 | 30,607,000 | 4,744,085 |
| Revenue bonds and notes payable, net | 1,156,593,198 | 193,870,546 | 145,429,318 | 1,205,034,426 | 171,618,897 | 98,359,429 | 1,278,293,894 | 86,816,745 |
| Obligations under capital lease agreements | 13,765,659 | | 1,355,611 | 12,410,048 | | 1,104,395 | 11,305,653 | 1,184,141 |
| Total long-term liabilities | \$1,374,796,978 | \$294,895,335 | \$240,735,777 | \$1,428,956,536 | \$286,158,625 | \$199,350,958 | \$1,515,764,203 | \$190,999,154 |

10. OPERATING EXPENSES BY OBJECT

The System reports operating expenses in the Statement of Revenues, Expenses and Changes in Net Position by program category. Operating expenses for the years ended June 30, 2014 and 2013, by grouping of object classification were as follows:

| | 2014 | | | | 2013 | | | |
|------------------------------------|-----------------|---|---------------|-----------------|-----------------|---|---------------|-----------------|
| | Employee Costs | Payments to Suppliers, Contractors and Others | Depreciation | Total | Employee Costs | Payments to Suppliers, Contractors and Others | Depreciation | Total |
| Instruction | \$1,015,806,526 | \$114,098,354 | \$43,617,148 | \$1,173,522,028 | \$981,476,896 | \$117,432,872 | \$41,003,571 | \$1,139,913,339 |
| Research | 577,964,378 | 321,114,875 | 25,820,393 | 924,899,646 | 571,677,511 | 335,315,557 | 24,965,883 | 931,958,951 |
| Public service | 87,959,416 | 61,348,193 | 3,616,921 | 152,924,530 | 90,866,256 | 58,539,149 | 3,591,076 | 152,996,481 |
| Academic support | 284,317,331 | 103,499,841 | 37,921,605 | 425,738,777 | 264,425,951 | 107,041,343 | 40,146,289 | 411,613,583 |
| Student services | 129,856,360 | 75,499,165 | 6,290,308 | 211,645,833 | 124,003,082 | 69,945,387 | 4,476,479 | 198,424,948 |
| Institutional support | 326,182,747 | 77,984,476 | 14,899,201 | 419,066,424 | 307,987,872 | 64,064,896 | 14,523,183 | 386,575,951 |
| Operation and maintenance of plant | 126,493,302 | 152,978,538 | 53,494,098 | 332,965,938 | 121,042,648 | 127,310,105 | 50,435,694 | 298,788,447 |
| Scholarships and fellowships | 6,728,672 | 98,535,166 | | 105,263,838 | 6,258,529 | 94,700,971 | | 100,959,500 |
| Auxiliary enterprises: | | | | | | | | |
| Residential facilities | 44,525,431 | 58,009,161 | 44,136,389 | 146,670,981 | 42,962,533 | 51,832,827 | 41,412,820 | 136,208,180 |
| Dining facilities | 33,634,807 | 70,662,818 | 5,672,247 | 109,969,872 | 33,208,173 | 67,815,519 | 4,819,588 | 105,843,280 |
| Intercollegiate athletics | 51,968,371 | 41,001,344 | 7,337,424 | 100,307,139 | 49,074,429 | 34,045,693 | 6,817,063 | 89,937,185 |
| Bookstores | 4,422,863 | 20,408,528 | 265,159 | 25,096,550 | 4,646,576 | 22,620,424 | 85,051 | 27,352,051 |
| Parking facilities | 11,234,734 | 8,906,231 | 5,058,849 | 25,199,814 | 11,145,074 | 9,010,235 | 5,187,204 | 25,342,513 |
| Other auxiliary enterprises | 47,597,627 | 46,861,641 | 26,441,587 | 120,900,855 | 51,069,469 | 36,058,879 | 27,111,876 | 114,240,224 |
| Hospital | 178,640,161 | 1,136,114 | 15,664 | 179,791,939 | 171,466,606 | 1,699,619 | 18,037 | 173,184,262 |
| Total | \$2,927,332,726 | \$1,252,044,445 | \$274,586,993 | \$4,453,964,164 | \$2,831,311,605 | \$1,197,433,476 | \$264,593,814 | \$4,293,338,895 |

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2014 AND 2013

11. RETIREMENT AND PENSION PLANS

Most System employees participate in the State Retirement and Pension System of Maryland (the State System), which is an agent, multiple-employer public employee retirement system. While the State System is an agent, multiple-employer public employee retirement system, the System accounts for the plan as a cost-sharing multiple-employer public employee retirement system, as a separate valuation is not performed for the System, and the only obligation to the plan is its required annual contributions.

The State System includes four pension and retirement plans that System employees participate in:

Teachers Retirement Systems
Teachers Pension Systems
Employees Retirement Systems
Employees Pension Systems

The State System prepares a Comprehensive Annual Financial Report, which can be obtained from the State Retirement and Pension System at 120 East Baltimore Street, Suite 1600, Baltimore, MD 21202.

System employees may alternatively elect to participate in an optional retirement program.

State Systems

Plan Description

The State System are defined benefit plans with unfunded accrued actuarial liabilities. The State System, which is administered in accordance with the State Personnel and Pensions Article of the Annotated Code of Maryland, is managed by a Board of Trustees, and included in the State of Maryland financial reporting entity.

All plan benefits are specified by the State Personnel and Pensions Article of the Annotated Code of Maryland. Retirement allowances are computed using both the highest three years' average final salary (AFS) and the actual number of years of accumulated creditable service. For participants enrolled prior to July 1, 2011, pension allowances are computed using both the highest three consecutive years' AFS and the actual number of years of accumulated creditable service. For new Pension System members hired after July 1, 2011, retirement allowances are calculated using the five highest consecutive years of service. Various retirement options are available under each system which ultimately determines how a retiree's benefit allowance will be computed. Some of these options require actuarial reductions based on the retiree's and/or designated beneficiary's attained age and similar actuarial factors.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2014 AND 2013

Funding Policy

The System's required contributions are based upon actuarial valuations. Effective July 1, 1980, in accordance with the law governing the State System, all benefits of the State System are funded in advance. The aggregate entry age normal cost method is the actuarial cost method used.

Both the System and covered employees are required by State statute to contribute to the State System. The contribution from the employees is 7% for participants in the State System retirement plans. Contributions are deducted from participant's salary and wage payments and are remitted to the State System on a regular, periodic basis.

The System made its required contributions during the years ended June 30, 2014, 2013, and 2012 of \$94,349,914, \$84,938,801, and \$73,660,374, respectively.

Optional Retirement Program

Some employees participate in 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 System's contribution along with the employee's contribution to the supplemental plans is immediately and fully vested.

The contributions for the year ended June 30, 2014 were \$134,849,231, which consisted of \$69,151,459 from the System into the ORP and \$65,697,772 from employees into supplemental plans. The contributions for the year ended June 30, 2013 were \$133,171,956, which consisted of \$66,763,426 from the System into the ORP and \$66,408,530 from employees into supplemental plans.

Major component units

The University System of Maryland Foundation, Inc. maintains a defined contribution plan for certain personnel provided by TIAA-CREF. The University System of Maryland Foundation, Inc. contributes 7.25% of the employee's 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, 2014 and 2013 was approximately \$200,000 and \$212,000, respectively.

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2014 AND 2013

12. OTHER POSTEMPLOYMENT BENEFITS

Members of the State Retirement and Pension System of Maryland (the State System) 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 or 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 years ended June 30, 2014 and 2013. The amounts contributed for the years ended June 30, 2014 and 2013, were \$61,200,170 and \$75,416,841, respectively.

13. CONSTRUCTION COMMITMENTS

The estimated costs to complete construction in progress as of June 30, 2014 is \$369,617,059, of which \$79,500,648 is to be funded from Revenue Bond proceeds, \$213,316,378 is to be derived from State appropriations and grants, and \$76,800,033 to be provided from System funds.

14. 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, 2014, the System had entered into open contracts for the purchase of \$12,361,000, of natural gas to be delivered monthly through December 2015. Future purchase commitments for electricity to be supplied through September 2015 totaled \$7,959,000 as of June 30, 2014. The System and its institutions generally take delivery of the natural gas and electricity purchased through future purchase contracts.

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

UNIVERSITY SYSTEM OF MARYLAND

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014 AND 2013**

15. 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, 2014 and 2013. Settlement amounts have not exceeded insurance coverage levels for the years ended June 30, 2014, 2013, or 2012.

As of June 30, 2014 and 2013, the System has recorded \$30,607,000 and \$28,231,000 in liabilities associated with workers' compensation, respectively.

UNIVERSITY OF MARYLAND, BALTIMORE
BALANCE SHEETS
JUNE 30, 2014 AND 2013

| | June 30, | | | |
|---|------------------------|----------------------|------------------------|----------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$263,921,674 | \$761,184 | \$263,358,414 | \$1,308,755 |
| Accounts receivable, net | 79,126,208 | 17,466,341 | 85,106,353 | 19,443,033 |
| Inventories | 187,948 | | | |
| Notes receivable, current portion | 2,418,013 | | 2,166,928 | |
| Prepaid expenses and other assets | 341,687 | 1,591,518 | 298,213 | 135,976 |
| Inter-institutional balances | 676,076 | | 3,053,953 | |
| Total current assets | 346,671,606 | 19,819,043 | 353,983,861 | 20,887,764 |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | 1,160,779 | | 1,195,504 | |
| Accounts receivable, net | | 17,661,094 | | 15,650,167 |
| Endowment investments | 92,000,156 | 171,229,865 | 75,428,768 | 150,878,417 |
| Other investments | | 154,577,779 | | 130,872,920 |
| Notes receivable, net | 22,993,238 | | 24,916,590 | |
| Other assets | | 4,950,201 | | 5,179,829 |
| Capital assets, net | 717,425,325 | | 709,395,738 | |
| Total noncurrent assets | 833,579,498 | 348,418,939 | 810,936,600 | 302,581,333 |
| Total assets | 1,180,251,104 | 368,237,982 | 1,164,920,461 | 323,469,097 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Unamortized loss on refundings of debt | 3,887,172 | | 4,421,730 | |
| Total assets and deferred outflows of resources | \$1,184,138,276 | \$368,237,982 | \$1,169,342,191 | \$323,469,097 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$60,453,058 | \$3,989,421 | \$54,156,891 | \$6,477,788 |
| Accrued workers' compensation, current portion | 1,186,680 | | 824,755 | |
| Accrued vacation costs, current portion | 38,455,511 | | 36,413,857 | |
| Revenue bonds and notes payable, current portion | 9,123,350 | | 8,025,820 | |
| Unearned revenue | 39,847,658 | 800 | 37,609,690 | 2,500 |
| Total current liabilities | 149,066,257 | 3,990,221 | 137,031,013 | 6,480,288 |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 6,469,320 | | 4,496,245 | |
| Accrued vacation costs | 34,595,740 | | 33,584,552 | |
| Endowments invested on behalf of primary government | | 92,000,156 | | 75,428,768 |
| Other payables | | 1,056,009 | | 1,234,403 |
| Revenue bonds and notes payable | 114,006,345 | | 123,122,728 | |
| Total noncurrent liabilities | 155,071,405 | 93,056,165 | 161,203,525 | 76,663,171 |
| Total liabilities | 304,137,662 | 97,046,386 | 298,234,538 | 83,143,459 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred service concession arrangement receipts | 33,725,351 | | 35,477,317 | |
| NET POSITION | | | | |
| Unrestricted | 188,588,996 | 34,966,733 | 194,919,694 | 25,103,909 |
| Net investment in capital assets | 564,457,451 | | 547,191,603 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | 8,977,211 | 36,103,499 | 8,972,927 | 33,178,009 |
| Research | 522,543 | 2,351,926 | 522,543 | 1,159,827 |
| Other | 10,295,892 | 106,743,425 | 10,295,892 | 99,173,541 |
| Expendable: | | | | |
| Scholarships and fellowships | 25,174,927 | 10,544,974 | 24,998,869 | 8,457,556 |
| Research | 5,853,199 | 9,524,886 | 5,386,618 | 9,253,710 |
| Loans | 24,771,753 | | 26,348,729 | |
| Capital projects | 1,160,779 | | 1,195,504 | |
| Other | 16,472,512 | 70,956,153 | 15,797,957 | 63,999,086 |
| Total net position | 846,275,263 | 271,191,596 | 835,630,336 | 240,325,638 |
| Total liabilities, deferred inflows of resources, and net position | \$1,184,138,276 | \$368,237,982 | \$1,169,342,191 | \$323,469,097 |

UNIVERSITY OF MARYLAND, BALTIMORE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2014 AND 2013

| | Years ended June 30, | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$119,862,166 | | \$118,983,364 | |
| Less: scholarship allowances | <u>(19,100,729)</u> | \$100,761,437 | <u>(18,762,714)</u> | \$100,220,650 |
| Federal grants and contracts | | 214,960,806 | | 247,023,280 |
| State and local grants and contracts | | 83,929,973 | | 65,729,506 |
| Nongovernmental grants and contracts | | 91,106,423 | | 109,320,435 |
| Sales and services of educational departments | | 264,003,739 | | 245,085,479 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 2,512,662 | | 2,565,186 |
| Parking facilities | | 13,302,005 | | 12,764,907 |
| Other auxiliary enterprises revenues | | <u>15,033,252</u> | | <u>14,509,846</u> |
| Total operating revenues | | <u>785,610,297</u> | | <u>797,219,289</u> |
| OPERATING EXPENSES: | | | | |
| Instruction | | 189,646,886 | | 188,776,832 |
| Research | | 385,387,214 | | 393,649,603 |
| Public service | | 3,522,944 | | 3,429,947 |
| Academic support | | 56,671,362 | | 50,016,557 |
| Student services | | 5,020,355 | | 5,098,226 |
| Institutional support | | 72,245,665 | | 65,973,200 |
| Operation and maintenance of plant | | 86,838,369 | | 79,975,572 |
| Scholarships and fellowships | | 3,037,523 | | 3,632,705 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 1,892,169 | | 1,875,074 |
| Parking facilities | | 9,057,599 | | 8,410,847 |
| Other auxiliary enterprises expenses | | 13,539,734 | | 12,695,207 |
| Hospital | | <u>179,791,939</u> | | <u>173,184,262</u> |
| Total operating expenses | | <u>1,006,651,759</u> | | <u>986,718,032</u> |
| Operating income (loss) | | <u>(221,041,462)</u> | | <u>(189,498,743)</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| State appropriations | | 191,190,048 | | 185,491,671 |
| Pell grants | | 668,515 | | 629,858 |
| Gifts | | 13,235,208 | \$36,964,236 | 14,273,075 |
| Investment income | 13,435,141 | | 22,572,229 | 8,510,888 |
| Less: Investment expense | <u>(279,087)</u> | 13,156,054 | <u>(275,108)</u> | 8,235,780 |
| Interest on indebtedness | | (4,385,375) | | (4,710,660) |
| Other revenues (expenses), gains and (losses) | | (486,479) | | 892,023 |
| Other affiliated foundation revenues | | | 799,192 | 840,278 |
| Other affiliated foundation expenses | | | (29,469,699) | (24,803,050) |
| Transfers (to) from other University System of Maryland institutions | | <u>(1,724,970)</u> | | <u>(556,095)</u> |
| Total nonoperating revenues (expenses) | | <u>211,653,001</u> | <u>30,865,958</u> | <u>204,255,652</u> |
| Income (loss) before other revenues | | <u>(9,388,461)</u> | <u>30,865,958</u> | <u>14,756,909</u> |
| Income (loss) before other revenues | | <u>(9,388,461)</u> | <u>30,865,958</u> | <u>14,756,909</u> |
| OTHER REVENUES: | | | | |
| Capital appropriations | | 19,529,691 | | 7,717,094 |
| Capital gifts and grants | | 499,414 | | 240,128 |
| Additions to permanent endowments | | <u>4,283</u> | | <u>2,426,035</u> |
| Total other revenues | | <u>20,033,388</u> | | <u>10,383,257</u> |
| Increase (decrease) in net position | | <u>10,644,927</u> | <u>30,865,958</u> | <u>25,140,166</u> |
| Net position - beginning of year | | <u>835,630,336</u> | <u>240,325,638</u> | <u>810,490,170</u> |
| Net position - end of year | | <u>\$846,275,263</u> | <u>\$271,191,596</u> | <u>\$835,630,336</u> |

**UNIVERSITY OF MARYLAND, BALTIMORE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2014 AND 2013**

| | Years ended June 30, | |
|---|-----------------------------|-----------------------------|
| | 2014 | 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Tuition and fees | \$102,315,842 | \$102,864,553 |
| Research contracts and grants | 391,413,311 | 438,859,869 |
| Payments to employees | (702,068,919) | (686,505,676) |
| Payments to suppliers and contractors | (240,749,712) | (239,675,697) |
| Loans issued to students | (3,018,543) | (3,865,770) |
| Collections of loans to students | 4,151,763 | 3,859,453 |
| Auxiliary enterprises: | | |
| Residential facilities | 760,696 | 813,220 |
| Parking facilities | 13,302,005 | 12,764,907 |
| Other | 15,342,308 | 14,439,855 |
| Other receipts (payments) | <u>282,702,771</u> | <u>254,821,055</u> |
| Net cash provided (used) by operating activities | <u>(135,848,478)</u> | <u>(101,624,231)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| State appropriations | 191,190,048 | 185,491,671 |
| Gifts and grants received for other than capital purposes: | | |
| Private gifts for endowment purposes | 4,283 | 2,426,035 |
| Pell grants | <u>668,515</u> | <u>629,858</u> |
| Net cash provided by noncapital financing activities | <u>191,862,846</u> | <u>188,547,564</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Proceeds of capital debt | 3,008,954 | 22,097,502 |
| Capital appropriations | 19,529,691 | 7,717,094 |
| Proceeds from sales of capital assets | 278,509 | 208,826 |
| Purchases of capital assets | (60,594,057) | (49,491,255) |
| Principal paid on debt and capital leases | (9,745,428) | (28,454,152) |
| Interest paid on debt and capital leases | (4,940,299) | (5,941,773) |
| Transfers (to) from other University System of Maryland institutions | <u>392,131</u> | <u>(3,068,162)</u> |
| Net cash provided (used) by capital and related financing activities | <u>(52,070,499)</u> | <u>(56,931,920)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sales and maturities of investments | 4,039,943 | 4,185,990 |
| Interest on investments | 3,870,925 | 3,265,786 |
| Investment expense | (279,087) | (275,108) |
| Purchases of investments | <u>(11,047,115)</u> | <u>(16,060)</u> |
| Net cash provided (used) by investing activities | <u>(3,415,334)</u> | <u>7,160,608</u> |
| Net increase (decrease) in cash and cash equivalents | 528,535 | 37,152,021 |
| Cash and cash equivalents - beginning of the year | <u>264,553,918</u> | <u>227,401,897</u> |
| Cash and cash equivalents - end of the year | <u>\$265,082,453</u> | <u>\$264,553,918</u> |

UNIVERSITY OF MARYLAND, COLLEGE PARK
BALANCE SHEETS
JUNE 30, 2014 AND 2013

| | June 30, | | | |
|---|------------------------|----------------------|------------------------|----------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$564,939,198 | \$27,830,354 | \$608,264,732 | \$19,846,858 |
| Accounts receivable, net | 111,017,912 | 30,211,492 | 96,997,004 | 58,879,512 |
| Notes receivable, current portion | 1,893,855 | | 1,544,779 | |
| Inventories | 3,389,445 | | 3,247,070 | |
| Prepaid expenses and other assets | 1,414,755 | 11,468,417 | 1,254,590 | 231,211 |
| Inter-institutional balances | (8,069,682) | | (6,665,026) | |
| Total current assets | 674,585,483 | 69,510,263 | 704,643,149 | 78,957,581 |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | 5,409,199 | | 10,484,001 | |
| Accounts receivable, net | | 22,598,952 | | 26,783,971 |
| Endowment investments | 117,897,874 | 369,370,882 | 96,408,857 | 344,089,095 |
| Other investments | 8,074,194 | 202,660,250 | 6,693,185 | 176,501,450 |
| Notes receivable, net | 9,315,521 | | 8,969,150 | |
| Other assets | | 702,627 | | 865,912 |
| Capital assets, net | 1,802,258,498 | 5,606,430 | 1,767,056,212 | 3,688,398 |
| Total noncurrent assets | 1,942,955,286 | 600,939,141 | 1,889,611,405 | 551,928,826 |
| Total assets | 2,617,540,769 | 670,449,404 | 2,594,254,554 | 630,886,407 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Unamortized loss on refundings of debt | 5,962,216 | | 7,272,740 | |
| Total assets and deferred outflows of resources | \$2,623,502,985 | \$670,449,404 | \$2,601,527,294 | \$630,886,407 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$141,245,284 | \$12,840,834 | \$105,818,169 | \$36,347,746 |
| Accrued workers' compensation, current portion | 1,999,190 | | 2,032,670 | |
| Accrued vacation costs, current portion | 23,571,313 | | 20,873,442 | |
| Revenue bonds and notes payable, current portion | 30,647,407 | | 29,301,765 | |
| Obligations under capital lease agreements, current portion | 338,436 | | 316,740 | |
| Unearned revenue | 55,206,212 | 3,767,173 | 60,318,737 | 3,901,324 |
| Total current liabilities | 253,007,842 | 16,608,007 | 218,661,523 | 40,249,070 |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 10,898,810 | | 11,081,330 | |
| Accrued vacation costs | 36,353,319 | | 34,272,883 | |
| Endowments invested on behalf of primary government | | 117,897,874 | | 96,408,857 |
| Other payables | | 3,084,050 | | 3,146,534 |
| Revenue bonds and notes payable | 339,258,677 | | 328,721,903 | |
| Obligations under capital lease agreements | 2,321,012 | | 2,659,449 | |
| Total noncurrent liabilities | 388,831,818 | 120,981,924 | 376,735,565 | 99,555,391 |
| Total liabilities | 641,839,660 | 137,589,931 | 595,397,088 | 139,804,461 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred service concession arrangement receipts | 160,465,212 | | 168,175,327 | |
| NET POSITION | | | | |
| Unrestricted | 431,999,544 | 50,631,583 | 487,263,967 | 45,712,250 |
| Net investment in capital assets | 1,277,279,924 | | 1,245,153,768 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | 5,634,574 | 123,995,731 | 5,542,797 | 113,193,840 |
| Research | 3,537,560 | 2,118,969 | 3,533,011 | 2,043,435 |
| Other | 5,096,698 | 171,092,368 | 4,761,426 | 163,535,187 |
| Expendable: | | | | |
| Scholarships and fellowships | 10,037,599 | 52,915,219 | 9,460,286 | 45,379,535 |
| Research | 68,217,095 | 15,644,552 | 63,731,676 | 14,738,344 |
| Loans | 11,146,030 | | 10,992,200 | |
| Capital projects | 1,028,949 | | 711,675 | |
| Debt service | | | | |
| Other | 7,220,140 | 116,461,051 | 6,804,073 | 106,479,354 |
| Total net position | 1,821,198,113 | 532,859,473 | 1,837,954,879 | 491,081,946 |
| Total liabilities, deferred inflows of resources, and net position | \$2,623,502,985 | \$670,449,404 | \$2,601,527,294 | \$630,886,407 |

UNIVERSITY OF MARYLAND, COLLEGE PARK
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2014 AND 2013

| | Years ended June 30, | | | | |
|--|----------------------|------------------------|----------------------|------------------------|----------------------|
| | 2014 | | 2013 | | |
| | Institution | Component Units | Institution | Component Units | |
| OPERATING REVENUES: | | | | | |
| Tuition and fees | \$488,545,920 | | \$480,479,355 | | |
| Less: scholarship allowances | (82,504,723) | \$406,041,197 | (71,737,566) | \$408,741,789 | |
| Federal grants and contracts | | 339,476,101 | | 352,788,348 | |
| State and local grants and contracts | | 53,291,472 | | 51,004,393 | |
| Nongovernmental grants and contracts | | 68,678,937 | | 75,927,111 | |
| Sales and services of educational departments | | 28,577,582 | | 25,373,836 | |
| Auxiliary enterprises: | | | | | |
| Residential facilities | 61,307,310 | | 61,410,202 | | |
| Less: scholarship allowances | (3,464,891) | 57,842,419 | (5,502,727) | 55,907,475 | |
| Dining facilities | 49,485,723 | | 48,461,428 | | |
| Less: scholarship allowances | (2,103,161) | 47,382,562 | (2,913,936) | 45,547,492 | |
| Intercollegiate athletics | | 59,837,819 | | 50,888,502 | |
| Parking facilities | | 14,126,238 | | 13,284,168 | |
| Other auxiliary enterprises revenues | | 50,798,328 | | 47,754,509 | |
| Other operating revenues | | 37,042,323 | | 35,459,100 | |
| Total operating revenues | 1,163,094,978 | | 1,162,676,723 | | |
| OPERATING EXPENSES: | | | | | |
| Instruction | | 461,839,981 | | 435,061,165 | |
| Research | | 409,031,659 | | 411,720,651 | |
| Public service | | 86,782,420 | | 86,806,904 | |
| Academic support | | 163,593,809 | | 150,127,748 | |
| Student services | | 52,300,805 | | 48,717,876 | |
| Institutional support | | 115,231,771 | | 105,088,945 | |
| Operation and maintenance of plant | | 106,063,050 | | 98,327,403 | |
| Scholarships and fellowships | | 28,937,616 | | 30,344,561 | |
| Auxiliary enterprises: | | | | | |
| Residential facilities | | 73,775,100 | | 70,260,985 | |
| Dining facilities | | 50,605,558 | | 49,008,841 | |
| Intercollegiate athletics | | 58,125,984 | | 48,407,052 | |
| Parking facilities | | 8,665,188 | | 10,143,713 | |
| Other auxiliary enterprises expenses | | 50,519,732 | | 50,210,415 | |
| Total operating expenses | | 1,665,472,673 | | 1,594,226,259 | |
| Operating income (loss) | | (502,377,695) | | (431,549,536) | |
| NONOPERATING REVENUES (EXPENSES): | | | | | |
| State appropriations | | 425,898,117 | | 414,567,046 | |
| Pell grants | | 23,292,383 | | 21,860,817 | |
| Gifts | | 25,310,067 | \$45,607,468 | 28,781,338 | \$40,521,166 |
| Investment income | 21,365,846 | | 46,700,284 | 14,333,301 | 25,194,920 |
| Less: Investment expense | (356,564) | 21,009,282 | (352,958) | 13,980,343 | |
| Interest on indebtedness | | (12,583,460) | | (11,953,354) | |
| Other revenues (expenses), gains and (losses) | | (31,420,998) | | (57,616) | |
| Other affiliated foundation revenues | | | 6,804,678 | | 4,390,864 |
| Other affiliated foundation expenses | | | (57,334,903) | | (67,480,991) |
| Transfers (to) from other University System of Maryland institutions | | (1,827,261) | | 273,767 | |
| Total nonoperating revenues (expenses) | | 449,678,130 | 41,777,527 | 467,452,341 | 2,625,959 |
| Income (loss) before other revenues | | (52,699,565) | 41,777,527 | 35,902,805 | 2,625,959 |
| OTHER REVENUES: | | | | | |
| Capital appropriations | | 32,425,857 | | 37,302,971 | |
| Capital gifts and grants | | 3,107,318 | | 18,494,889 | |
| Additions to permanent endowments | | 409,624 | | 179,589 | |
| Total other revenues | | 35,942,799 | | 55,977,449 | |
| Increase (decrease) in net position | | (16,756,766) | 41,777,527 | 91,880,254 | 2,625,959 |
| Net position - beginning of year | | 1,837,954,879 | 491,081,946 | 1,746,074,625 | 488,455,987 |
| Net position - end of year | | \$1,821,198,113 | \$532,859,473 | \$1,837,954,879 | \$491,081,946 |

**UNIVERSITY OF MARYLAND, COLLEGE PARK
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2014 AND 2013**

| | Years ended June 30, | |
|---|-----------------------------|----------------------|
| | 2014 | 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Tuition and fees | \$409,492,946 | \$406,724,898 |
| Research contracts and grants | 464,060,169 | 487,763,587 |
| Payments to employees | (1,100,860,951) | (1,065,932,707) |
| Payments to suppliers and contractors | (462,383,719) | (427,927,883) |
| Loans issued to students | (2,591,795) | (1,281,248) |
| Collections of loans to students | 1,896,348 | 1,680,478 |
| Auxiliary enterprises: | | |
| Residential facilities | 50,132,304 | 48,197,360 |
| Dining facilities | 48,025,641 | 45,547,492 |
| Intercollegiate athletics | 36,418,195 | 31,592,718 |
| Parking facilities | 14,126,238 | 13,284,168 |
| Other | 49,567,909 | 47,717,689 |
| Other receipts (payments) | <u>88,453,590</u> | <u>87,823,760</u> |
| Net cash provided (used) by operating activities | <u>(403,663,125)</u> | <u>(324,809,688)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| State appropriations | 425,898,117 | 414,567,046 |
| Gifts and grants received for other than capital purposes: | | |
| Private gifts for endowment purposes | 409,624 | 179,589 |
| Pell grants | <u>23,292,383</u> | <u>21,860,817</u> |
| Net cash provided by noncapital financing activities | <u>449,600,124</u> | <u>436,607,452</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Proceeds of capital debt | 46,124,433 | 34,130,717 |
| Capital appropriations | 32,425,857 | 37,302,971 |
| Capital grants and gifts received | 2,659,007 | 8,776,129 |
| Proceeds from sales of capital assets | 4,263,654 | 432,776 |
| Purchases of capital assets | (131,672,362) | (139,332,596) |
| Principal paid on debt and capital leases | (38,031,287) | (40,301,971) |
| Interest paid on debt and capital leases | (13,520,409) | (12,931,628) |
| Transfers (to) from other University System of Maryland institutions | <u>5,274,516</u> | <u>31,426,115</u> |
| Net cash provided (used) by capital and related financing activities | <u>(92,476,591)</u> | <u>(60,497,487)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sales and maturities of investments | 5,616,493 | 6,019,321 |
| Interest on investments | 8,051,195 | 6,031,389 |
| Investment expense | (356,564) | (352,958) |
| Purchases of investments | <u>(15,171,868)</u> | <u>(257,374)</u> |
| Net cash provided (used) by investing activities | <u>(1,860,744)</u> | <u>11,440,378</u> |
| Net increase (decrease) in cash and cash equivalents | <u>(48,400,336)</u> | <u>42,740,655</u> |
| Cash and cash equivalents - beginning of the year | <u>618,748,733</u> | <u>576,008,078</u> |
| Cash and cash equivalents - end of the year | <u>\$570,348,397</u> | <u>\$618,748,733</u> |

**BOWIE STATE UNIVERSITY
BALANCE SHEETS
JUNE 30, 2014 AND 2013**

| | June 30, | | | |
|---|----------------------|--------------------|----------------------|--------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$59,710,921 | \$339,047 | \$57,375,949 | \$444,181 |
| Accounts receivable, net | 1,692,275 | 405,813 | 2,921,652 | 387,362 |
| Notes receivable, current portion | 67,631 | | 66,689 | |
| Prepaid expenses and other assets | 7,479 | 2,984 | 7,199 | 2,969 |
| Inter-institutional balances | (344,031) | | 166,147 | |
| Total current assets | 61,134,275 | 747,844 | 60,537,636 | 834,512 |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | 6,856 | | 32,820 | |
| Endowment investments | 900,629 | 6,884,106 | | 6,193,061 |
| Other investments | | 900,629 | | |
| Notes receivable, net | 836,322 | | 775,726 | |
| Capital assets, net | 216,637,795 | 5,067 | 208,891,662 | 4,714 |
| Total noncurrent assets | 218,381,602 | 7,789,802 | 209,700,208 | 6,197,775 |
| Total assets | 279,515,877 | 8,537,646 | 270,237,844 | 7,032,287 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Unamortized loss on refundings of debt | 125,196 | | 139,766 | |
| Total assets and deferred outflows of resources | \$279,641,073 | \$8,537,646 | \$270,377,610 | \$7,032,287 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$9,225,607 | \$114,718 | \$8,924,380 | \$35,175 |
| Accrued workers' compensation, current portion | 112,375 | | 117,490 | |
| Accrued vacation costs, current portion | 1,172,313 | | 1,053,342 | |
| Revenue bonds and notes payable, current portion | 1,817,225 | 23,000 | 2,083,332 | 23,000 |
| Unearned revenue | 5,130,550 | 58,434 | 5,386,966 | 55,034 |
| Total current liabilities | 17,458,070 | 196,152 | 17,565,510 | 113,209 |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 612,625 | | 640,510 | |
| Accrued vacation costs | 1,636,495 | | 1,434,324 | |
| Endowments invested on behalf of primary government | | 900,629 | | |
| Other payables | | 5,020 | | 5,543 |
| Revenue bonds and notes payable | 45,892,119 | | 42,411,273 | |
| Total noncurrent liabilities | 48,141,239 | 905,649 | 44,486,107 | 5,543 |
| Total liabilities | 65,599,309 | 1,101,801 | 62,051,617 | 118,752 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred service concession arrangement receipts | 28,736,334 | | 30,332,797 | |
| NET POSITION | | | | |
| Unrestricted | 43,819,877 | 599,531 | 42,695,535 | 610,788 |
| Net investment in capital assets | 140,317,313 | | 134,204,026 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Other | | 4,489,057 | | 4,477,057 |
| Expendable: | | | | |
| Loans | 1,161,384 | | 1,060,815 | |
| Capital projects | 6,856 | | 32,820 | |
| Other | | 2,347,257 | | 1,825,690 |
| Total net position | 185,305,430 | 7,435,845 | 177,993,196 | 6,913,535 |
| Total liabilities, deferred inflows of resources, and net position | \$279,641,073 | \$8,537,646 | \$270,377,610 | \$7,032,287 |

BOWIE STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2014 AND 2013

| | Years ended June 30, | | | |
|--|----------------------|----------------------|--------------------|----------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$34,767,393 | | \$32,383,721 | |
| Less: scholarship allowances | (9,426,649) | \$25,340,744 | (11,570,215) | \$20,813,506 |
| Federal grants and contracts | | 7,940,909 | | 7,252,227 |
| State and local grants and contracts | | 1,795,910 | | 1,125,173 |
| Nongovernmental grants and contracts | | 456,949 | | 536,038 |
| Sales and services of educational departments | | 184,430 | | 228,634 |
| Auxiliary enterprises: | | | | |
| Residential facilities | 6,324,445 | | 5,775,161 | |
| Less: scholarship allowances | (391,996) | 5,932,447 | (320,357) | 5,454,804 |
| Dining facilities | 4,097,644 | | 3,941,056 | |
| Less: scholarship allowances | (1,157,554) | 2,940,090 | (724,207) | 3,216,849 |
| Intercollegiate athletics | 3,319,449 | | 3,126,036 | |
| Less: scholarship allowances | (461,764) | 2,857,685 | (371,855) | 2,754,181 |
| Parking facilities | | 236,792 | | 279,487 |
| Other auxiliary enterprises revenues | | 5,138,977 | | 4,398,269 |
| Total operating revenues | | 52,824,933 | | 46,059,168 |
| OPERATING EXPENSES: | | | | |
| Instruction | | 30,729,463 | | 29,967,350 |
| Research | | 763,069 | | 536,756 |
| Public service | | 487,780 | | 918,099 |
| Academic support | | 14,617,123 | | 14,622,355 |
| Student services | | 6,602,420 | | 6,080,981 |
| Institutional support | | 14,135,657 | | 13,414,125 |
| Operation and maintenance of plant | | 8,077,824 | | 6,688,296 |
| Scholarships and fellowships | | 4,369,353 | | 1,326,168 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 5,271,290 | | 5,168,638 |
| Dining facilities | | 4,199,590 | | 3,671,300 |
| Intercollegiate athletics | | 3,148,220 | | 3,099,443 |
| Other auxiliary enterprises expenses | | 3,050,144 | | 2,705,690 |
| Total operating expenses | | 95,451,933 | | 88,199,201 |
| Operating income (loss) | | (42,627,000) | | (42,140,033) |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| State appropriations | | 37,459,398 | | 35,980,840 |
| Pell grants | | 9,541,837 | | 9,200,495 |
| Gifts | | | \$1,142,662 | \$836,536 |
| Investment income | | 682,793 | 666,523 | 534,941 |
| Interest on indebtedness | | (1,777,829) | | (1,205,627) |
| Other affiliated foundation revenues | | | 191,146 | 202,917 |
| Other affiliated foundation expenses | | | (1,478,021) | (1,338,107) |
| Transfers (to) from other University System of Maryland institutions | | (1,200,184) | | (990,796) |
| Total nonoperating revenues (expenses) | | 44,706,015 | 522,310 | 43,519,853 |
| Income (loss) before other revenue | | 2,079,015 | 522,310 | 1,379,820 |
| OTHER REVENUE: | | | | |
| Capital appropriations | | 5,233,219 | | 5,217,783 |
| Total other revenue | | 5,233,219 | | 5,217,783 |
| Increase (decrease) in net position | | 7,312,234 | 522,310 | 6,597,603 |
| Net position - beginning of year | | 177,993,196 | 6,913,535 | 171,395,593 |
| Net position - end of year | | \$185,305,430 | \$7,435,845 | \$177,993,196 |

**BOWIE STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2014 AND 2013**

| | Years ended June 30, | |
|---|-----------------------------|---------------------|
| | 2014 | 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Tuition and fees | \$25,438,880 | \$21,055,654 |
| Research contracts and grants | 10,102,338 | 9,527,593 |
| Payments to employees | (57,229,124) | (53,954,237) |
| Payments to suppliers and contractors | (29,252,174) | (23,945,021) |
| Loans issued to students | (65,000) | (71,500) |
| Collections of loans to students | 80,318 | 77,473 |
| Auxiliary enterprises: | | |
| Residential facilities | 4,212,346 | 3,858,344 |
| Dining facilities | 3,063,728 | 3,216,849 |
| Intercollegiate athletics | 2,857,685 | 2,754,181 |
| Parking facilities | 236,792 | 279,487 |
| Other | 5,292,495 | 4,398,269 |
| Other receipts (payments) | <u>1,073,549</u> | <u>996,752</u> |
| Net cash provided (used) by operating activities | <u>(34,188,167)</u> | <u>(31,806,156)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| State appropriations | 37,459,398 | 35,980,840 |
| Pell grants | <u>9,541,837</u> | <u>9,200,495</u> |
| Net cash provided by noncapital financing activities | <u>47,001,235</u> | <u>45,181,335</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Proceeds of capital debt | 134,556 | 19,098,905 |
| Capital appropriations | 5,233,219 | 5,217,783 |
| Purchases of capital assets | (16,451,402) | (32,009,725) |
| Principal paid on debt and capital leases | (1,890,765) | (1,763,458) |
| Interest paid on debt and capital leases | (1,787,753) | (1,207,088) |
| Transfers (to) from other University System of Maryland institutions | <u>4,475,921</u> | <u>5,547,317</u> |
| Net cash provided (used) by capital and related financing activities | <u>(10,286,224)</u> | <u>(5,116,266)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest on investments | 676,059 | 534,942 |
| Purchases of investments | <u>(893,895)</u> | <u></u> |
| Net cash provided (used) by investing activities | <u>(217,836)</u> | <u>534,942</u> |
| Net increase (decrease) in cash and cash equivalents | 2,309,008 | 8,793,855 |
| Cash and cash equivalents - beginning of the year | <u>57,408,769</u> | <u>48,614,914</u> |
| Cash and cash equivalents - end of the year | <u>\$59,717,777</u> | <u>\$57,408,769</u> |

**TOWSON UNIVERSITY
BALANCE SHEETS
JUNE 30, 2014 AND 2013**

| | June 30, | | | |
|---|----------------------|---------------------|----------------------|---------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$184,418,375 | \$4,824,037 | \$190,408,836 | \$5,287,876 |
| Accounts receivable, net | 12,318,093 | 185,816 | 13,777,212 | 164,930 |
| Notes receivable, current portion | 1,723,823 | | 1,570,730 | |
| Inventories | 3,885,868 | | 3,484,241 | |
| Prepaid expenses and other assets | 2,947,317 | 138,800 | 2,683,031 | 128,722 |
| Inter-institutional balances | (60,781) | | 953,338 | |
| Total current assets | 205,232,695 | 5,148,653 | 212,877,388 | 5,581,528 |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | 47,280 | | 48,094 | |
| Accounts receivable, net | | 871,275 | | 954,239 |
| Endowment investments | 8,154,339 | 62,815,087 | 4,242,258 | 54,516,247 |
| Other investments | | 8,051,998 | | 4,159,029 |
| Notes receivable, net | 10,477,326 | | 10,908,047 | |
| Capital assets, net | 727,477,744 | 2,072 | 693,664,865 | 3,502 |
| Total noncurrent assets | 746,156,689 | 71,740,432 | 708,863,264 | 59,633,017 |
| Total assets | 951,389,384 | 76,889,085 | 921,740,652 | 65,214,545 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Unamortized loss on refundings of debt | 2,670,592 | | 2,954,565 | |
| Total assets and deferred outflows of resources | \$954,059,976 | \$76,889,085 | \$924,695,217 | \$65,214,545 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$35,002,686 | \$763,066 | \$35,765,436 | \$482,591 |
| Accrued workers' compensation, current portion | 266,290 | | 263,500 | |
| Accrued vacation costs, current portion | 7,989,618 | | 5,446,805 | |
| Revenue bonds and notes payable, current portion | 13,727,511 | | 13,772,126 | |
| Obligations under capital lease agreements, current portion | 845,705 | | 787,654 | |
| Unearned revenue | 9,145,755 | | 8,599,619 | |
| Total current liabilities | 66,977,565 | 763,066 | 64,635,140 | 482,591 |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 1,451,710 | | 1,436,500 | |
| Accrued vacation costs | 2,962,466 | | 4,259,827 | |
| Endowments invested on behalf of primary government | | 8,051,998 | | 4,159,029 |
| Revenue bonds and notes payable | 237,068,582 | | 236,036,800 | |
| Obligations under capital lease agreements | 7,800,500 | | 8,646,205 | |
| Total noncurrent liabilities | 249,283,258 | 8,051,998 | 250,379,332 | 4,159,029 |
| Total liabilities | 316,260,823 | 8,815,064 | 315,014,472 | 4,641,620 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred service concession arrangement receipts | 50,925,823 | | 53,492,728 | |
| NET POSITION | | | | |
| Unrestricted | 148,598,676 | 3,721,393 | 155,311,759 | 2,915,807 |
| Net investment in capital assets | 419,780,215 | | 383,883,917 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | 265,025 | 22,224,188 | 265,025 | 22,591,446 |
| Research | | 10,203 | | 10,203 |
| Other | | 15,559,927 | | 14,464,990 |
| Expendable: | | | | |
| Scholarships and fellowships | 25,081 | 11,542,006 | 7,145 | 7,799,569 |
| Research | 1,672,677 | 7,639 | | 5,050 |
| Loans | 13,931,419 | | 14,274,216 | |
| Other | 2,600,237 | 15,008,665 | 2,445,955 | 12,785,860 |
| Total net position | 586,873,330 | 68,074,021 | 556,188,017 | 60,572,925 |
| Total liabilities, deferred inflows of resources, and net position | \$954,059,976 | \$76,889,085 | \$924,695,217 | \$65,214,545 |

TOWSON UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2014 AND 2013

| | Years ended June 30, | | | |
|--|----------------------|----------------------|---------------------|----------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$173,136,130 | | \$166,480,350 | |
| Less: scholarship allowances | (41,054,359) | \$132,081,771 | (38,754,813) | \$127,725,537 |
| Federal grants and contracts | | 2,668,522 | | 2,823,696 |
| State and local grants and contracts | | 4,904,211 | | 9,697,188 |
| Nongovernmental grants and contracts | | 1,114,122 | | 1,671,604 |
| Sales and services of educational departments | | 7,090,230 | | 4,414,901 |
| Auxiliary enterprises: | | | | |
| Residential facilities | 26,475,745 | | 25,039,964 | |
| Less: scholarship allowances | (1,107,224) | 25,368,521 | (1,113,950) | 23,926,014 |
| Dining facilities | 22,860,655 | | 21,183,349 | |
| Less: scholarship allowances | (582,811) | 22,277,844 | (546,518) | 20,636,831 |
| Intercollegiate athletics | 18,322,772 | | 17,403,112 | |
| Less: scholarship allowances | (3,263,990) | 15,058,782 | (3,037,107) | 14,366,005 |
| Bookstore | 8,868,263 | | 9,029,642 | |
| Less: scholarship allowances | (1,622,384) | 7,245,879 | (1,588,233) | 7,441,409 |
| Parking facilities | | 7,806,032 | | 7,686,333 |
| Other auxiliary enterprises revenues | | 32,246,235 | | 30,266,475 |
| Other operating revenues | | 27,140 | | |
| Total operating revenues | | 257,889,289 | | 250,655,993 |
| OPERATING EXPENSES: | | | | |
| Instruction | | 104,662,507 | | 108,012,970 |
| Research | | 4,752,361 | | 4,897,739 |
| Public service | | 13,343,661 | | 18,294,312 |
| Academic support | | 46,296,586 | | 41,089,796 |
| Student services | | 19,418,739 | | 16,138,605 |
| Institutional support | | 38,918,210 | | 34,413,156 |
| Operation and maintenance of plant | | 31,096,028 | | 14,440,470 |
| Scholarships and fellowships | | 10,956,598 | | 11,850,204 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 18,428,883 | | 17,709,327 |
| Dining facilities | | 18,053,052 | | 17,434,201 |
| Intercollegiate athletics | | 16,457,542 | | 15,906,472 |
| Bookstore | | 8,093,944 | | 8,604,610 |
| Parking facilities | | 5,281,370 | | 4,069,132 |
| Other auxiliary enterprises expenses | | 19,855,030 | | 16,940,237 |
| Total operating expenses | | 355,614,511 | | 329,801,231 |
| Operating income (loss) | | (97,725,222) | | (79,145,238) |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| State appropriations | | 93,843,542 | | 91,329,197 |
| Pell grants | | 20,290,530 | | 18,755,390 |
| Gifts | | 473,872 | \$4,641,106 | 358,110 |
| Investment income | 3,131,813 | | 9,011,717 | 2,640,662 |
| Less: Investment expense | (15,389) | 3,116,424 | (15,225) | 2,625,437 |
| Interest on indebtedness | | (9,010,641) | | (8,880,283) |
| Other revenues (expenses), gains and (losses) | | 12,027,328 | | 11,550,685 |
| Other affiliated foundation revenues | | | 902,548 | 820,404 |
| Other affiliated foundation expenses | | | (7,054,275) | (6,169,768) |
| Transfers (to) from other University System of Maryland institutions | | (5,777,807) | | (5,733,711) |
| Total nonoperating revenues (expenses) | | 114,963,248 | 7,501,096 | 110,004,825 |
| Income (loss) before other revenues | | 17,238,026 | 7,501,096 | 30,859,587 |
| OTHER REVENUES: | | | | |
| Capital appropriations | | 13,166,844 | | 1,611,688 |
| Capital gifts and grants | | 280,443 | | 2,224,210 |
| Total other revenue | | 13,447,287 | | 3,835,898 |
| Increase (decrease) in net position | | 30,685,313 | 7,501,096 | 34,695,485 |
| Net position - beginning of year | | 556,188,017 | 60,572,925 | 521,492,532 |
| Net position - end of year | | \$586,873,330 | \$68,074,021 | \$556,188,017 |

**TOWSON UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2014 AND 2013**

| | Years ended June 30, | |
|---|-----------------------------|-----------------------------|
| | <u>2014</u> | <u>2013</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Tuition and fees | \$131,410,728 | \$126,796,952 |
| Research contracts and grants | 8,391,008 | 16,108,812 |
| Payments to employees | (213,572,453) | (207,958,533) |
| Payments to suppliers and contractors | (104,818,042) | (84,066,043) |
| Loans issued to students | (2,059,820) | (1,703,427) |
| Collections of loans to students | 2,337,448 | 1,579,004 |
| Auxiliary enterprises: | | |
| Residential facilities | 22,805,924 | 23,597,069 |
| Dining facilities | 22,305,731 | 20,618,983 |
| Intercollegiate athletics | 15,013,578 | 14,552,426 |
| Bookstore | 7,764,424 | 7,211,397 |
| Parking facilities | 7,684,110 | 7,689,432 |
| Other | 32,113,234 | 30,172,876 |
| Other receipts (payments) | <u>21,959,466</u> | <u>17,308,193</u> |
| Net cash provided (used) by operating activities | <u>(48,664,664)</u> | <u>(28,092,859)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| State appropriations | 93,843,542 | 91,329,197 |
| Pell grants | <u>20,290,530</u> | <u>18,755,390</u> |
| Net cash provided by noncapital financing activities | <u>114,134,072</u> | <u>110,084,587</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Proceeds of capital debt | 12,971,751 | 36,385,072 |
| Capital appropriations | 13,166,844 | 1,611,688 |
| Purchases of capital assets | (70,594,026) | (95,046,006) |
| Principal paid on debt and capital leases | (12,765,666) | (29,381,068) |
| Interest paid on debt and capital leases | (9,733,537) | (11,878,880) |
| Transfers (to) from other University System of Maryland institutions | <u>(3,710,392)</u> | <u>10,386,803</u> |
| Net cash provided (used) by capital and related financing activities | <u>(70,665,026)</u> | <u>(87,922,391)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sales and maturities of investments | 245,311 | 251,765 |
| Interest on investments | 2,576,890 | 2,334,417 |
| Investment expense | (15,389) | (15,225) |
| Purchases of investments | <u>(3,602,469)</u> | <u>(5,000)</u> |
| Net cash provided (used) by investing activities | <u>(795,657)</u> | <u>2,565,957</u> |
| Net increase (decrease) in cash and cash equivalents | (5,991,275) | (3,364,706) |
| Cash and cash equivalents - beginning of the year | <u>190,456,930</u> | <u>193,821,636</u> |
| Cash and cash equivalents - end of the year | <u><u>\$184,465,655</u></u> | <u><u>\$190,456,930</u></u> |

**UNIVERSITY OF MARYLAND EASTERN SHORE
BALANCE SHEETS
JUNE 30, 2014 AND 2013**

| | June 30, | | | |
|--|----------------------|---------------------|----------------------|---------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$15,537,864 | \$67,631 | \$17,534,660 | \$89,520 |
| Accounts receivable, net | 5,601,045 | 1,365,255 | 5,354,982 | 6,202,023 |
| Notes receivable, current portion | 968,798 | | 1,112,169 | |
| Prepaid expenses and other assets | 192,352 | 1,018,321 | 167,864 | |
| Inter-institutional balances | 816,525 | | 1,142,608 | |
| Total current assets | 23,116,584 | 2,451,207 | 25,312,283 | 6,291,543 |
| Noncurrent assets: | | | | |
| Accounts receivable, net | | 445,008 | | 132,842 |
| Endowment investments | 5,679,734 | 18,942,890 | 4,255,452 | 18,695,232 |
| Other investments | | 6,379,681 | | 4,938,708 |
| Notes receivable, net | 4,561,252 | | 4,396,026 | |
| Other assets | | 595,952 | | 535,728 |
| Capital assets, net | 175,236,978 | 7,674,882 | 165,274,913 | 635,206 |
| Total noncurrent assets | 185,477,964 | 34,038,413 | 173,926,391 | 24,937,716 |
| Total assets | 208,594,548 | 36,489,620 | 199,238,674 | 31,229,259 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Unamortized loss on refundings of debt | 812,276 | | 961,319 | |
| Total assets and deferred outflows of resources | \$209,406,824 | \$36,489,620 | \$200,199,993 | \$31,229,259 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$8,007,667 | \$1,684,411 | \$7,679,522 | \$5,555,536 |
| Accrued workers' compensation, current portion | 226,455 | | 188,790 | |
| Accrued vacation costs, current portion | 1,267,306 | | 1,312,644 | |
| Revenue bonds and notes payable, current portion | 4,121,633 | | 3,450,945 | |
| Unearned revenue | 1,500,104 | 534,460 | 1,242,006 | 107,960 |
| Total current liabilities | 15,123,165 | 2,218,871 | 13,873,907 | 5,663,496 |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 1,234,545 | | 1,029,210 | |
| Accrued vacation costs | 3,126,580 | | 3,025,967 | |
| Endowments invested on behalf of primary government | | 5,679,733 | | 4,255,452 |
| Other payables | | 385,000 | | |
| Revenue bonds and notes payable | 36,818,297 | 5,180,188 | 41,652,865 | |
| Total noncurrent liabilities | 41,179,422 | 11,244,921 | 45,708,042 | 4,255,452 |
| Total liabilities | 56,302,587 | 13,463,792 | 59,581,949 | 9,918,948 |
| NET POSITION | | | | |
| Unrestricted | 8,049,512 | 6,105,198 | 9,511,242 | 5,754,143 |
| Net investment in capital assets | 135,109,324 | | 121,132,422 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | 28,009 | 6,664,498 | 28,009 | 6,109,200 |
| Research | | 167,173 | | 161,687 |
| Other | | 5,071,205 | | 4,760,636 |
| Expendable: | | | | |
| Scholarships and fellowships | 2,490,094 | 1,366,543 | 2,308,037 | 1,332,818 |
| Research | | 1,044,163 | | 803,256 |
| Loans | 6,072,667 | | 6,328,434 | |
| Other | 1,354,631 | 2,607,048 | 1,309,900 | 2,388,571 |
| Total net position | 153,104,237 | 23,025,828 | 140,618,044 | 21,310,311 |
| Total liabilities and net position | \$209,406,824 | \$36,489,620 | \$200,199,993 | \$31,229,259 |

UNIVERSITY OF MARYLAND EASTERN SHORE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2014 AND 2013

| | Years ended June 30, | | | |
|--|----------------------|----------------------|---------------------|----------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$29,721,896 | | \$31,578,523 | |
| Less: scholarship allowances | (12,778,043) | \$16,943,853 | (13,220,151) | \$18,358,372 |
| Federal grants and contracts | | 10,206,737 | | 9,615,628 |
| State and local grants and contracts | | 7,989,390 | | 11,429,384 |
| Nongovernmental grants and contracts | | 981,497 | | 723,619 |
| Sales and services of educational departments | | 99,522 | | 124,685 |
| Auxiliary enterprises: | | | | |
| Residential facilities | 11,029,223 | | 10,683,119 | |
| Less: scholarship allowances | (867,394) | 10,161,829 | (892,040) | 9,791,079 |
| Dining facilities | 6,748,494 | | 7,120,906 | |
| Less: scholarship allowances | (1,017,786) | 5,730,708 | (1,316,696) | 5,804,210 |
| Intercollegiate athletics | | 3,080,131 | | 2,599,818 |
| Parking facilities | | 168,172 | | 153,745 |
| Other auxiliary enterprises revenues | | 5,586,889 | | 6,088,561 |
| Other operating revenues | | 1,645,874 | | 1,506,290 |
| Total operating revenues | | 62,594,602 | | 66,195,391 |
| OPERATING EXPENSES: | | | | |
| Instruction | | 32,590,669 | | 34,738,926 |
| Research | | 11,462,056 | | 10,342,997 |
| Public service | | 2,204,405 | | 1,690,796 |
| Academic support | | 10,018,179 | | 11,351,171 |
| Student services | | 5,579,003 | | 5,624,346 |
| Institutional support | | 10,941,050 | | 10,186,062 |
| Operation and maintenance of plant | | 11,796,293 | | 11,365,006 |
| Scholarships and fellowships | | 518,066 | | 470,315 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 8,421,944 | | 7,695,016 |
| Dining facilities | | 5,148,438 | | 5,482,603 |
| Intercollegiate athletics | | 3,692,029 | | 3,608,159 |
| Other auxiliary enterprises expenses | | 5,305,603 | | 6,657,294 |
| Total operating expenses | | 107,677,735 | | 109,212,691 |
| Operating income (loss) | | (45,083,133) | | (43,017,300) |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| State appropriations | | 33,958,589 | | 32,222,965 |
| Pell grants | | 8,718,903 | | 9,272,682 |
| Gifts | | | \$1,512,376 | 307,000 |
| Investment income (loss) | 908,004 | | 2,391,252 | \$779,093 |
| Less: Investment expense | (15,746) | 892,258 | 612,168 | (916,388) |
| Interest on indebtedness | | (1,592,594) | (13,785) | 598,383 |
| Other revenues (expenses), gains and (losses) | | 36,638 | | (1,720,205) |
| Other affiliated foundation revenues | | | 163,653 | 1,071,839 |
| Other affiliated foundation expenses | | | (2,351,764) | 1,466,684 |
| Transfers (to) from other University System of Maryland institutions | | (72,652) | | (1,658,258) |
| Total nonoperating revenues (expenses) | | 41,941,142 | 1,715,517 | 41,815,465 |
| Income (loss) before other revenue | | (3,141,991) | 1,715,517 | (1,201,835) |
| OTHER REVENUE: | | | | |
| Capital appropriations | | 15,628,184 | | 4,153,111 |
| Total other revenue | | 15,628,184 | | 4,153,111 |
| Increase (decrease) in net position | | 12,486,193 | 1,715,517 | 2,951,276 |
| Net position - beginning of year | | 140,618,044 | 21,310,311 | 137,666,768 |
| Net position - end of year | | \$153,104,237 | \$23,025,828 | \$140,618,044 |

**UNIVERSITY OF MARYLAND EASTERN SHORE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2014 AND 2013**

| | Years ended June 30, | |
|---|-----------------------------|----------------------------|
| | 2014 | 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Tuition and fees | \$17,173,134 | \$18,502,769 |
| Research contracts and grants | 18,730,639 | 21,951,080 |
| Payments to employees | (70,450,920) | (69,282,736) |
| Payments to suppliers and contractors | (28,682,763) | (30,035,098) |
| Loans issued to students | (1,092,250) | (997,500) |
| Collections of loans to students | 1,070,394 | 1,015,725 |
| Auxiliary enterprises: | | |
| Residential facilities | 10,161,829 | 9,791,079 |
| Dining facilities | 5,730,708 | 5,804,210 |
| Intercollegiate athletics | 3,080,131 | 2,599,818 |
| Parking facilities | 168,172 | 153,745 |
| Other | 5,816,631 | 5,946,320 |
| Other receipts (payments) | <u>1,160,494</u> | <u>3,895,684</u> |
| Net cash provided (used) by operating activities | <u>(37,133,801)</u> | <u>(30,654,904)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| State appropriations | 33,958,589 | 32,222,965 |
| Pell grants | <u>8,718,903</u> | <u>9,272,682</u> |
| Net cash provided by noncapital financing activities | <u>42,677,492</u> | <u>41,495,647</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Proceeds of capital debt | 11,336 | 1,970,381 |
| Capital appropriations | 15,628,184 | 4,153,111 |
| Purchases of capital assets | (17,243,149) | (8,659,030) |
| Principal paid on debt and capital leases | (3,865,453) | (5,817,831) |
| Interest paid on debt and capital leases | (1,805,552) | (2,033,004) |
| Transfers (to) from other University System of Maryland institutions | <u>266,171</u> | <u>(956,541)</u> |
| Net cash provided (used) by capital and related financing activities | <u>(7,008,463)</u> | <u>(11,342,914)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sales and maturities of investments | 192,877 | 14,426 |
| Interest on investments | 381,079 | 375,228 |
| Investment expense | (15,746) | (13,785) |
| Purchases of investments | <u>(1,090,234)</u> | <u>(307,000)</u> |
| Net cash provided (used) by investing activities | <u>(532,024)</u> | <u>68,869</u> |
| Net increase (decrease) in cash and equivalents | (1,996,796) | (433,302) |
| Cash and cash equivalents - beginning of the year | <u>17,534,660</u> | <u>17,967,962</u> |
| Cash and cash equivalents - end of the year | <u>\$15,537,864</u> | <u>\$17,534,660</u> |

FROSTBURG STATE UNIVERSITY
BALANCE SHEETS
JUNE 30, 2014 AND 2013

| | June 30, | | | |
|---|----------------------|---------------------|----------------------|---------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$23,046,702 | \$806,056 | \$26,554,267 | \$583,354 |
| Accounts receivable, net | 2,156,870 | 86,619 | 2,055,028 | 105,785 |
| Notes receivable, current portion | 119,619 | | 117,528 | |
| Inventories | 939,827 | | 898,206 | |
| Prepaid expenses and other assets | 565,694 | 17,905 | 357,925 | 18,161 |
| Inter-institutional balances | 241,400 | | 563,728 | |
| Total current assets | 27,070,112 | 910,580 | 30,546,682 | 707,300 |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | 171,336 | | 157,338 | |
| Accounts receivable, net | | 322,747 | | 497,476 |
| Endowment investments | 2,453,381 | 17,106,970 | 1,135,319 | 15,385,773 |
| Other investments | | 3,433,400 | | 2,011,432 |
| Notes receivable, net | 967,830 | | 950,909 | |
| Other assets | | 276,050 | | 257,845 |
| Capital assets, net | 162,194,781 | 307,318 | 139,926,156 | 977 |
| Total noncurrent assets | 165,787,328 | 21,446,485 | 142,169,722 | 18,153,503 |
| Total assets | 192,857,440 | 22,357,065 | 172,716,404 | 18,860,803 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Unamortized loss on refundings of debt | 231,501 | | 258,931 | |
| Total assets and deferred outflows of resources | \$193,088,941 | \$22,357,065 | \$172,975,335 | \$18,860,803 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$8,822,405 | \$25,514 | \$8,208,430 | \$16,129 |
| Accrued workers' compensation, current portion | 104,935 | | 121,675 | |
| Accrued vacation costs, current portion | 3,464,763 | | 3,362,255 | |
| Revenue bonds and notes payable, current portion | 1,303,902 | | 1,479,995 | |
| Unearned revenue | 1,845,180 | 39,746 | 1,352,666 | 32,866 |
| Total current liabilities | 15,541,185 | 65,260 | 14,525,021 | 48,995 |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 572,065 | | 663,325 | |
| Accrued vacation costs | 89,358 | | | |
| Endowments invested on behalf of primary government | | 2,453,384 | | 1,135,319 |
| Revenue bonds and notes payable | 20,959,281 | | 21,834,016 | |
| Total noncurrent liabilities | 21,620,704 | 2,453,384 | 22,497,341 | 1,135,319 |
| Total liabilities | 37,161,889 | 2,518,644 | 37,022,362 | 1,184,314 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred service concession arrangement receipts | 22,277,842 | | 23,450,360 | |
| NET POSITION | | | | |
| Unrestricted | 12,996,948 | 801,553 | 16,311,501 | 288,003 |
| Net investment in capital assets | 117,885,257 | | 93,420,716 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | | 12,094,102 | | 10,820,115 |
| Research | | 32,589 | | 31,171 |
| Other | 750,000 | 4,977,836 | 750,000 | 4,617,153 |
| Expendable: | | | | |
| Scholarships and fellowships | 9,248 | 257,505 | 9,748 | 100,766 |
| Research | 411,489 | 7,915 | 465,882 | 42,373 |
| Loans | 1,105,530 | | 1,132,963 | |
| Capital projects | 171,336 | | 157,338 | |
| Other | 319,402 | 1,666,921 | 254,465 | 1,776,908 |
| Total net position | 133,649,210 | 19,838,421 | 112,502,613 | 17,676,489 |
| Total liabilities, deferred inflows of resources, and net position | \$193,088,941 | \$22,357,065 | \$172,975,335 | \$18,860,803 |

FROSTBURG STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2014 AND 2013

| | Years ended June 30, | | | |
|--|----------------------|----------------------|---------------------|----------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$34,351,534 | | \$33,496,207 | |
| Less: scholarship allowances | <u>(8,026,414)</u> | \$26,325,120 | <u>(7,404,498)</u> | \$26,091,709 |
| Federal grants and contracts | | 1,478,947 | | 1,896,872 |
| State and local grants and contracts | | 1,873,237 | | 1,732,183 |
| Nongovernmental grants and contracts | | 277,016 | | 212,269 |
| Sales and services of educational departments | | 1,217,358 | | 947,968 |
| Auxiliary enterprises: | | | | |
| Residential facilities | 7,142,354 | | 6,843,982 | |
| Less: scholarship allowances | <u>(55,424)</u> | 7,086,930 | <u>(64,808)</u> | 6,779,174 |
| Dining facilities | 7,547,492 | | 7,193,439 | |
| Less: scholarship allowances | <u>(17,450)</u> | 7,530,042 | <u>(18,332)</u> | 7,175,107 |
| Intercollegiate athletics | 3,288,915 | | 3,116,651 | |
| Less: scholarship allowances | <u>(59,074)</u> | 3,229,841 | <u>(79,426)</u> | 3,037,225 |
| Bookstore | 2,004,573 | | 2,023,627 | |
| Less: scholarship allowances | <u>(1,325)</u> | 2,003,248 | <u>(4,728)</u> | 2,018,899 |
| Other auxiliary enterprises revenues | 4,886,593 | | 4,924,333 | |
| Less: scholarship allowances | <u>(23,448)</u> | 4,863,145 | <u>(39,478)</u> | 4,884,855 |
| Other operating revenues | | <u>720,849</u> | | <u>517,345</u> |
| Total operating revenue | | <u>56,605,733</u> | | <u>55,293,606</u> |
| OPERATING EXPENSES: | | | | |
| Instruction | | 31,444,779 | | 30,751,905 |
| Research | | 193,236 | | 124,456 |
| Public service | | 3,564,636 | | 3,014,610 |
| Academic support | | 9,532,270 | | 9,341,503 |
| Student services | | 5,403,136 | | 5,046,795 |
| Institutional support | | 12,610,914 | | 12,842,650 |
| Operation and maintenance of plant | | 12,441,521 | | 9,814,450 |
| Scholarships and fellowships | | 6,697,240 | | 6,098,765 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 5,338,901 | | 4,203,745 |
| Dining facilities | | 4,886,961 | | 4,870,680 |
| Intercollegiate athletics | | 3,480,004 | | 3,485,953 |
| Bookstore | | 1,824,705 | | 2,291,768 |
| Other auxiliary enterprises expenses | | <u>4,462,641</u> | | <u>4,943,741</u> |
| Total operating expenses | | <u>101,880,944</u> | | <u>96,831,021</u> |
| Operating income (loss) | | <u>(45,275,211)</u> | | <u>(41,537,415)</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| State appropriations | | 34,511,355 | | 33,450,191 |
| Pell grants | | 7,509,432 | | 6,933,682 |
| Gifts | | 773,495 | \$1,737,042 | 901,112 |
| Investment income | 537,047 | | 2,147,280 | 409,578 |
| Less: Investment expense | <u>(4,201)</u> | 532,846 | <u>(3,948)</u> | 405,630 |
| Interest on indebtedness | | (787,798) | | (799,565) |
| Other revenues (expenses), gains and (losses) | | 19,729 | | (24,791) |
| Other affiliated foundation revenues | | | 508,490 | 492,456 |
| Other affiliated foundation expenses | | | (2,230,880) | (2,023,926) |
| Transfers (to) from other University System of Maryland institutions | | <u>(675,876)</u> | | <u>(522,153)</u> |
| Total nonoperating revenues (expenses) | | <u>41,883,183</u> | <u>2,161,932</u> | <u>40,344,106</u> |
| Income (loss) before other revenues | | <u>(3,392,028)</u> | <u>2,161,932</u> | <u>(1,193,309)</u> |
| OTHER REVENUES: | | | | |
| Capital appropriations | | 24,333,142 | | 25,206,918 |
| Capital gifts and grants | | <u>205,483</u> | | <u>21,355</u> |
| Total other revenues | | <u>24,538,625</u> | | <u>25,228,273</u> |
| Increase (decrease) in net position | | <u>21,146,597</u> | <u>2,161,932</u> | <u>24,034,964</u> |
| Net position - beginning of year | | <u>112,502,613</u> | <u>17,676,489</u> | <u>88,467,649</u> |
| Net position - end of year | | <u>\$133,649,210</u> | <u>\$19,838,421</u> | <u>\$112,502,613</u> |

**FROSTBURG STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2014 AND 2013**

| | Years ended June 30, | |
|---|-----------------------------|----------------------------|
| | 2014 | 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Tuition and fees | \$26,391,987 | \$26,359,157 |
| Research contracts and grants | 3,791,556 | 3,849,566 |
| Payments to employees | (63,148,686) | (61,740,802) |
| Payments to suppliers and contractors | (31,784,353) | (27,498,310) |
| Loans issued to students | (216,718) | (175,068) |
| Collections of loans to students | 197,706 | 146,501 |
| Auxiliary enterprises: | | |
| Residential facilities | 5,914,411 | 5,606,655 |
| Dining facilities | 7,485,665 | 7,158,933 |
| Intercollegiate athletics | 3,222,210 | 3,037,225 |
| Bookstore | 2,368,633 | 2,051,215 |
| Other | 4,892,838 | 4,850,870 |
| Other receipts (payments) | <u>2,587,880</u> | <u>2,420,812</u> |
| Net cash provided (used) by operating activities | <u>(38,296,871)</u> | <u>(33,933,246)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| State appropriations | 34,511,355 | 33,450,191 |
| Pell grants | <u>7,509,432</u> | <u>6,933,682</u> |
| Net cash provided by noncapital financing activities | <u>42,020,787</u> | <u>40,383,873</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Proceeds of capital debt | 21,051 | 1,070,160 |
| Capital appropriations | 24,333,142 | 25,206,918 |
| Purchases of capital assets | (28,591,844) | (31,161,212) |
| Principal paid on debt and capital leases | (1,226,989) | (2,085,620) |
| Interest paid on debt and capital leases | (855,110) | (899,765) |
| Transfers (to) from other University System of Maryland institutions | <u>(112,517)</u> | <u>(539,988)</u> |
| Net cash provided (used) by capital and related financing activities | <u>(6,432,267)</u> | <u>(8,409,507)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sales and maturities of investments | 5,773 | 6,210 |
| Interest on investments | 372,501 | 334,964 |
| Investment expense | (4,201) | (3,948) |
| Purchases of investments | <u>(1,159,289)</u> | <u></u> |
| Net cash provided (used) by investing activities | <u>(785,216)</u> | <u>337,226</u> |
| Net increase (decrease) in cash and cash equivalents | (3,493,567) | (1,621,654) |
| Cash and cash equivalents - beginning of the year | <u>26,711,605</u> | <u>28,333,259</u> |
| Cash and cash equivalents - end of the year | <u>\$23,218,038</u> | <u>\$26,711,605</u> |

**COPPIN STATE UNIVERSITY
BALANCE SHEETS
JUNE 30, 2014 AND 2013**

| | June 30, | | | |
|--|----------------------|---------------------|----------------------|---------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$1,378,655 | \$1,842,066 | | \$1,804,975 |
| Accounts receivable, net | 2,702,222 | 488,083 | \$4,473,784 | 367,280 |
| Notes receivable, current portion | 56,192 | | 56,192 | |
| Prepaid expenses and other assets | | 4,797 | 30,080 | 4,245 |
| Inter-institutional balances | (565,863) | | (3,215,572) | |
| Total current assets | <u>3,571,206</u> | <u>2,334,946</u> | <u>1,344,484</u> | <u>2,176,500</u> |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | 81,951 | | 61,547 | |
| Endowment investments | 1,584,558 | 8,678,293 | 779,586 | 8,084,447 |
| Other investments | | 1,584,558 | | 825,202 |
| Notes receivable, net | 1,555,448 | | 1,520,296 | |
| Other assets | | 130,752 | | |
| Capital assets, net | 312,354,583 | | 280,316,557 | |
| Total noncurrent assets | <u>315,576,540</u> | <u>10,393,603</u> | <u>282,677,986</u> | <u>8,909,649</u> |
| Total assets | <u>319,147,746</u> | <u>12,728,549</u> | <u>284,022,470</u> | <u>11,086,149</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Unamortized loss on refundings of debt | 392,775 | | 456,379 | |
| Total assets and deferred outflows of resources | <u>\$319,540,521</u> | <u>\$12,728,549</u> | <u>\$284,478,849</u> | <u>\$11,086,149</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$6,985,155 | \$85,982 | \$5,991,349 | \$170,474 |
| Accrued workers' compensation, current portion | 154,845 | | 164,145 | |
| Accrued vacation costs, current portion | 1,349,525 | | 1,170,164 | |
| Revenue bonds and notes payable, current portion | 2,697,953 | | 1,862,615 | |
| Unearned revenue | 2,702,346 | | 2,290,778 | |
| Total current liabilities | <u>13,889,824</u> | <u>85,982</u> | <u>11,479,051</u> | <u>170,474</u> |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 844,155 | | 894,855 | |
| Accrued vacation costs | 1,458,942 | | 1,720,763 | |
| Endowments invested on behalf of primary government | | 1,584,558 | | 779,586 |
| Other payables | | 5,150 | | 5,662 |
| Revenue bonds and notes payable | 34,778,173 | | 28,287,515 | |
| Total noncurrent liabilities | <u>37,081,270</u> | <u>1,589,708</u> | <u>30,903,133</u> | <u>785,248</u> |
| Total liabilities | <u>50,971,094</u> | <u>1,675,690</u> | <u>42,382,184</u> | <u>955,722</u> |
| NET POSITION | | | | |
| Unrestricted | (10,737,493) | 113,169 | (12,692,750) | 89,532 |
| Net investment in capital assets | 275,271,232 | | 250,890,488 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | 413,474 | | 413,474 | |
| Other | 240,125 | 6,925,191 | 240,125 | 6,712,337 |
| Expendable: | | | | |
| Scholarships and fellowships | 16,233 | 470,693 | 9,301 | 676,366 |
| Loans | 3,278,189 | | 3,174,480 | |
| Capital projects | 81,951 | | 61,547 | |
| Other | 5,716 | 3,543,806 | | 2,652,192 |
| Total net position | <u>268,569,427</u> | <u>11,052,859</u> | <u>242,096,665</u> | <u>10,130,427</u> |
| Total liabilities and net position | <u>\$319,540,521</u> | <u>\$12,728,549</u> | <u>\$284,478,849</u> | <u>\$11,086,149</u> |

COPPIN STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2014 AND 2013

| | Years ended June 30, | | | |
|--|----------------------|----------------------|---------------------|----------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$16,007,356 | | \$15,997,942 | |
| Less: scholarship allowances | <u>(11,248,255)</u> | \$4,759,101 | <u>(12,091,181)</u> | \$3,906,761 |
| Federal grants and contracts | | 5,313,160 | | 6,718,493 |
| State and local grants and contracts | | 1,476,370 | | 1,960,047 |
| Nongovernmental grants and contracts | | 1,195,805 | | 970,055 |
| Sales and services of educational departments | | 770,004 | | 844,240 |
| Auxiliary enterprises: | | | | |
| Residential facilities | 3,269,971 | | 3,216,805 | |
| Less: scholarship allowances | | 3,269,971 | <u>(46,618)</u> | 3,170,187 |
| Dining facilities | | 2,410,025 | | 2,465,850 |
| Intercollegiate athletics | 2,980,672 | | 3,091,057 | |
| Less: scholarship allowances | <u>(1,261,083)</u> | 1,719,589 | <u>(1,114,720)</u> | 1,976,337 |
| Parking facilities | | 1,751,155 | | 1,848,018 |
| Other auxiliary enterprises revenues | | <u>1,919,920</u> | | <u>1,917,743</u> |
| Total operating revenues | | <u>24,585,100</u> | | <u>25,777,731</u> |
| OPERATING EXPENSES: | | | | |
| Instruction | | 23,855,080 | | 24,499,434 |
| Research | | 9,138 | | 56,581 |
| Public service | | 198 | | 149,236 |
| Academic support | | 6,788,350 | | 7,388,534 |
| Student services | | 5,130,375 | | 5,472,146 |
| Institutional support | | 19,337,911 | | 18,278,352 |
| Operation and maintenance of plant | | 8,467,149 | | 9,053,544 |
| Scholarships and fellowships | | 410,336 | | 286,269 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 2,251,326 | | 2,141,980 |
| Dining facilities | | 2,275,238 | | 2,193,382 |
| Intercollegiate athletics | | 3,812,918 | | 3,572,802 |
| Parking facilities | | 321,408 | | 439,877 |
| Other auxiliary enterprises expenses | | <u>1,984,217</u> | | <u>2,173,076</u> |
| Total operating expenses | | <u>74,643,644</u> | | <u>75,705,213</u> |
| Operating income (loss) | | <u>(50,058,544)</u> | | <u>(49,927,482)</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| State appropriations | | 40,011,072 | | 38,067,908 |
| Pell grants | | 7,984,335 | | 8,338,756 |
| Gifts | | | \$851,903 | \$517,649 |
| Investment income (loss) | 153,989 | | 999,584 | 592,479 |
| Less: Investment expense | <u>(2,886)</u> | 151,103 | <u>(2,881)</u> | 49,595 |
| Interest on indebtedness | | (1,101,013) | | (1,159,965) |
| Other revenues (expenses), gains and (losses) | | (945,672) | | (6,806) |
| Other affiliated foundation revenues | | | 228,572 | 259,811 |
| Other affiliated foundation expenses | | | (1,157,627) | (1,418,994) |
| Transfers (to) from other University System of Maryland institutions | | <u>378,179</u> | | <u>542,212</u> |
| Total nonoperating revenues (expenses) | | <u>46,478,004</u> | <u>922,432</u> | <u>45,831,700</u> |
| Income (loss) before other revenue | | <u>(3,580,540)</u> | <u>922,432</u> | <u>(4,095,782)</u> |
| OTHER REVENUE: | | | | |
| Capital appropriations | | <u>30,053,302</u> | | <u>9,512,346</u> |
| Total other revenue | | <u>30,053,302</u> | | <u>9,512,346</u> |
| Increase (decrease) in net position | | <u>26,472,762</u> | <u>922,432</u> | <u>5,416,564</u> |
| Net position - beginning of year | | <u>242,096,665</u> | <u>10,130,427</u> | <u>236,680,101</u> |
| Net position - end of year | | <u>\$268,569,427</u> | <u>\$11,052,859</u> | <u>\$242,096,665</u> |

**COPPIN STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2014 AND 2013**

| | Years ended June 30, | |
|---|-----------------------------|---------------------|
| | 2014 | 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Tuition and fees | \$5,472,018 | \$2,667,778 |
| Research contracts and grants | 8,127,446 | 10,084,403 |
| Payments to employees | (47,170,343) | (49,483,433) |
| Payments to suppliers and contractors | (18,472,169) | (17,158,295) |
| Loans issued to students | (98,423) | (509,587) |
| Collections of loans to students | 63,271 | 444,885 |
| Auxiliary enterprises: | | |
| Residential facilities | 3,336,751 | 3,170,187 |
| Dining facilities | 2,410,025 | 2,465,850 |
| Intercollegiate athletics | 1,719,589 | 1,976,337 |
| Parking facilities | 1,752,155 | 1,848,018 |
| Other | 1,971,922 | 1,917,743 |
| Other receipts (payments) | 1,967,069 | 927,461 |
| Net cash provided (used) by operating activities | (38,920,689) | (41,648,653) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| State appropriations | 40,011,072 | 38,067,908 |
| Pell grants | 7,984,335 | 8,338,756 |
| Net cash provided by noncapital financing activities | 47,995,407 | 46,406,664 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Proceeds of capital debt | 9,581,432 | 1,133,923 |
| Capital appropriations | 30,053,302 | 9,512,346 |
| Purchases of capital assets | (41,039,157) | (10,821,067) |
| Principal paid on debt and capital leases | (1,822,999) | (2,295,311) |
| Interest paid on debt and capital leases | (1,165,775) | (1,240,853) |
| Transfers (to) from other University System of Maryland institutions | (2,575,600) | (1,284,148) |
| Net cash provided (used) by capital and related financing activities | (6,968,797) | (4,995,110) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sales and maturities of investments | 46,222 | 53,654 |
| Investment expense | (2,886) | (2,881) |
| Purchases of investments | (750,198) | |
| Net cash provided (used) by investing activities | (706,862) | 50,773 |
| Net increase (decrease) in cash and cash equivalents | 1,399,059 | (186,326) |
| Cash and cash equivalents - beginning of the year | 61,547 | 247,873 |
| Cash and cash equivalents - end of the year | \$1,460,606 | \$61,547 |

**UNIVERSITY OF BALTIMORE
BALANCE SHEETS
JUNE 30, 2014 AND 2013**

| | June 30, | | | |
|--|----------------------|---------------------|----------------------|---------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$33,180,539 | \$10,699,703 | \$39,179,967 | \$11,784,329 |
| Accounts receivable, net | 2,250,128 | 7,040,434 | 5,377,722 | 2,610,300 |
| Notes receivable, current portion | 327,352 | | 361,296 | |
| Prepaid expenses and other assets | 1,089,503 | | 944,893 | |
| Inter-institutional balances | (7,246,302) | | (7,707,171) | |
| Total current assets | 29,601,220 | 17,740,137 | 38,156,707 | 14,394,629 |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | 90,987 | | 122,877 | |
| Accounts receivable, net | | | | 5,292,974 |
| Endowment investments | 1,051,991 | 43,577,440 | | 38,750,242 |
| Other investments | | 5,056,415 | | 3,308,431 |
| Notes receivable, net | 2,642,303 | | 2,886,481 | |
| Other assets | | 21,071 | | 1,040,107 |
| Capital assets, net | 190,668,318 | 836,126 | 189,177,176 | 865,696 |
| Total noncurrent assets | 194,453,599 | 49,491,052 | 192,186,534 | 49,257,450 |
| Total assets | 224,054,819 | 67,231,189 | 230,343,241 | 63,652,079 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Unamortized loss on refundings of debt | 633,031 | | 708,472 | |
| Total assets and deferred outflows of resources | \$224,687,850 | \$67,231,189 | \$231,051,713 | \$63,652,079 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$8,887,615 | \$495,470 | \$13,411,700 | \$2,887,445 |
| Accrued workers' compensation, current portion | 109,275 | | 98,115 | |
| Accrued vacation costs, current portion | 2,776,458 | | 2,725,010 | |
| Revenue bonds and notes payable, current portion | 2,097,827 | | 1,863,328 | |
| Unearned revenue | 7,480,926 | 644,551 | 7,098,496 | 717,097 |
| Total current liabilities | 21,352,101 | 1,140,021 | 25,196,649 | 3,604,542 |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 595,725 | | 534,885 | |
| Accrued vacation costs | 1,498,270 | | 1,198,045 | |
| Endowments invested on behalf of primary government | | 1,051,991 | | |
| Revenue bonds and notes payable | 22,657,086 | | 23,676,443 | |
| Total noncurrent liabilities | 24,751,081 | 1,051,991 | 25,409,373 | |
| Total liabilities | 46,103,182 | 2,192,012 | 50,606,022 | 3,604,542 |
| NET POSITION | | | | |
| Unrestricted | 8,977,590 | 6,502,767 | 12,729,160 | 6,947,467 |
| Net investment in capital assets | 166,546,436 | | 164,345,877 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | | 23,997,911 | | 23,702,328 |
| Other | | 12,100,842 | | 11,719,402 |
| Expendable: | | | | |
| Scholarships and fellowships | | 11,114,421 | | 7,217,490 |
| Loans | 2,969,655 | | 3,247,777 | |
| Capital projects | 90,987 | | 122,877 | |
| Other | | 11,323,236 | | 10,460,850 |
| Total net position | 178,584,668 | 65,039,177 | 180,445,691 | 60,047,537 |
| Total liabilities and net position | \$224,687,850 | \$67,231,189 | \$231,051,713 | \$63,652,079 |

UNIVERSITY OF BALTIMORE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2014 AND 2013

| | Years ended June 30, | | | |
|--|----------------------|----------------------|---------------------|----------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$64,192,005 | | \$64,717,567 | |
| Less: scholarship allowances | (16,349,259) | \$47,842,746 | (15,037,957) | \$49,679,610 |
| Federal grants and contracts | | 818,754 | | 976,093 |
| State and local grants and contracts | | 7,006,806 | | 6,652,782 |
| Nongovernmental grants and contracts | | 2,703,278 | | 2,476,552 |
| Sales and services of educational departments | | 1,031,060 | | 1,046,658 |
| Auxiliary enterprises: | | | | |
| Parking facilities | | 1,021,793 | | 794,829 |
| Other auxiliary enterprises revenues | | 7,594,812 | | 7,737,208 |
| Other operating revenues | | 161,042 | | 139,035 |
| Total operating revenues | | 68,180,291 | | 69,502,767 |
| OPERATING EXPENSES: | | | | |
| Instruction | | 40,638,257 | | 37,119,854 |
| Research | | 6,061,941 | | 6,366,802 |
| Academic support | | 13,821,405 | | 12,837,020 |
| Student services | | 9,606,342 | | 9,370,963 |
| Institutional support | | 21,071,391 | | 21,742,736 |
| Operation and maintenance of plant | | 4,831,461 | | 5,017,348 |
| Scholarships and fellowships | | 3,200,092 | | 2,719,982 |
| Auxiliary enterprises: | | | | |
| Parking facilities | | 725,256 | | 756,889 |
| Other auxiliary enterprises expenses | | 5,604,162 | | 2,975,103 |
| Total operating expenses | | 105,560,307 | | 98,906,697 |
| Operating income (loss) | | (37,380,016) | | (29,403,930) |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| State appropriations | | 31,159,514 | | 30,462,629 |
| Pell grants | | 6,122,699 | | 6,055,227 |
| Gifts | | | \$3,600,551 | \$8,587,078 |
| Investment income (loss) | | 214,691 | 6,480,402 | 200,017 |
| Interest on indebtedness | | (679,462) | | (720,658) |
| Other affiliated foundation revenues | | | 80,842 | 89,278 |
| Other affiliated foundation expenses | | | (5,170,155) | (20,184,327) |
| Transfers (to) from other University System of Maryland institutions | | (3,290,956) | | (3,210,300) |
| Total nonoperating revenues (expenses) | | 33,526,486 | 4,991,640 | (7,447,077) |
| Income (loss) before other revenue | | (3,853,530) | 4,991,640 | (7,447,077) |
| OTHER REVENUE: | | | | |
| Capital appropriations | | 526,113 | | 26,310,415 |
| Capital gifts and grants | | 1,466,394 | | 16,618,433 |
| Total other revenue | | 1,992,507 | | 42,928,848 |
| Increase (decrease) in net position | | (1,861,023) | 4,991,640 | (7,447,077) |
| Net position - beginning of year | | 180,445,691 | 60,047,537 | 134,133,858 |
| Net position - end of year | | \$178,584,668 | \$65,039,177 | \$180,445,691 |

**UNIVERSITY OF BALTIMORE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2014 AND 2013**

| | Years ended June 30, | |
|---|----------------------|---------------------|
| | 2014 | 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Tuition and fees | \$48,231,670 | \$51,507,800 |
| Research contracts and grants | 10,738,191 | 8,653,439 |
| Payments to employees | (77,051,333) | (77,207,789) |
| Payments to suppliers and contractors | (25,330,668) | (10,946,929) |
| Loans issued to students | (488,699) | (346,430) |
| Collections of loans to students | 472,141 | 456,054 |
| Auxiliary enterprises: | | |
| Parking facilities | 1,021,793 | 794,829 |
| Other | 7,594,812 | 7,737,208 |
| Other receipts (payments) | 4,001,887 | 1,708,202 |
| | <u>(30,810,206)</u> | <u>(17,643,616)</u> |
| Net cash provided (used) by operating activities | | |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| State appropriations | 31,159,514 | 30,462,629 |
| Pell grants | 6,122,699 | 6,055,227 |
| | <u>37,282,213</u> | <u>36,517,856</u> |
| Net cash provided by noncapital financing activities | | |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Proceeds of capital debt | 64,599 | 2,356,846 |
| Capital appropriations | 526,113 | 26,310,415 |
| Capital grants and gifts received | 1,466,394 | 14,251,783 |
| Purchases of capital assets | (8,393,768) | (47,399,153) |
| Principal paid on debt and capital leases | (1,781,801) | (3,674,518) |
| Interest paid on debt and capital leases | (804,738) | (931,427) |
| Transfers (to) from other University System of Maryland institutions | (2,619,882) | (3,781,528) |
| | <u>(11,543,083)</u> | <u>(12,867,582)</u> |
| Net cash provided (used) by capital and related financing activities | | |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest on investments | 83,883 | 77,074 |
| Purchases of investments | (1,044,125) | |
| | <u>(960,242)</u> | <u>77,074</u> |
| Net cash provided (used) by investing activities | | |
| Net increase (decrease) in cash and cash equivalents | (6,031,318) | 6,083,732 |
| Cash and cash equivalents - beginning of the year | 39,302,844 | 33,219,112 |
| Cash and cash equivalents - end of the year | <u>\$33,271,526</u> | <u>\$39,302,844</u> |

**SALISBURY UNIVERSITY
BALANCE SHEETS
JUNE 30, 2014 AND 2013**

| | June 30, | | | |
|---|----------------------|---------------------|----------------------|---------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$99,447,359 | \$218,571 | \$94,009,655 | \$446,745 |
| Accounts receivable, net | 2,562,112 | 660,059 | 2,051,724 | 393,781 |
| Notes receivable, current portion | 244,912 | | 183,208 | |
| Prepaid expenses and other assets | 1,262,601 | 172,212 | 1,361,858 | 197,606 |
| Inter-institutional balances | 3,273,916 | | 4,854,729 | |
| Total current assets | 106,790,900 | 1,050,842 | 102,461,174 | 1,038,132 |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | | | 37 | |
| Accounts receivable, net | | 6,406,662 | | 5,963,394 |
| Endowment investments | 1,412,756 | 55,216,958 | | 45,733,024 |
| Other investments | | 8,919,848 | | 6,828,912 |
| Notes receivable, net | 841,036 | | 672,784 | |
| Other assets | | 2,122,549 | | 2,184,238 |
| Capital assets, net | 351,938,616 | 1,325,391 | 346,187,983 | 1,372,742 |
| Total noncurrent assets | 354,192,408 | 73,991,408 | 346,860,804 | 62,082,310 |
| Total assets | 460,983,308 | 75,042,250 | 449,321,978 | 63,120,442 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Unamortized loss on refundings of debt | 589,847 | | 865,917 | |
| Total assets and deferred outflows of resources | \$461,573,155 | \$75,042,250 | \$450,187,895 | \$63,120,442 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$12,602,101 | \$170,624 | \$11,421,358 | \$259,695 |
| Accrued workers' compensation, current portion | 203,825 | | 202,585 | |
| Accrued vacation costs, current portion | 1,899,495 | | 1,964,141 | |
| Revenue bonds and notes payable, current portion | 5,073,101 | 1,753,960 | 6,040,031 | 1,875,757 |
| Unearned revenue | 1,953,246 | 223,706 | 2,519,062 | 227,254 |
| Total current liabilities | 21,731,768 | 2,148,290 | 22,147,177 | 2,362,706 |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 1,111,175 | | 1,104,415 | |
| Accrued vacation costs | 2,278,094 | | 1,874,958 | |
| Endowments invested on behalf of primary government | | 1,412,756 | | |
| Other payables | | 3,196,466 | | 3,215,557 |
| Revenue bonds and notes payable | 104,097,685 | 4,840 | 104,346,178 | |
| Total noncurrent liabilities | 107,486,954 | 4,614,062 | 107,325,551 | 3,215,557 |
| Total liabilities | 129,218,722 | 6,762,352 | 129,472,728 | 5,578,263 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred service concession arrangement receipts | 28,484,162 | | 30,245,050 | |
| NET POSITION | | | | |
| Unrestricted | 87,804,106 | 5,919,741 | 82,821,207 | 5,093,776 |
| Net investment in capital assets | 214,873,515 | | 206,422,641 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | | 11,964,395 | | 11,657,005 |
| Research | | 324,725 | | 315,104 |
| Other | | 14,627,693 | | 13,903,003 |
| Expendable: | | | | |
| Scholarships and fellowships | | 9,365,273 | | 6,087,209 |
| Research | 18,305 | 753,646 | 18,305 | 579,581 |
| Loans | 1,174,345 | | 1,207,927 | |
| Capital projects | | | 37 | |
| Other | | 25,324,425 | | 19,906,501 |
| Total net position | 303,870,271 | 68,279,898 | 290,470,117 | 57,542,179 |
| Total liabilities, deferred inflows of resources, and net position | \$461,573,155 | \$75,042,250 | \$450,187,895 | \$63,120,442 |

SALISBURY UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2014 AND 2013

| | Years ended June 30, | | | |
|--|----------------------|----------------------|---------------------|----------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$66,465,301 | | \$62,747,558 | |
| Less: scholarship allowances | <u>(14,090,925)</u> | \$52,374,376 | <u>(12,745,422)</u> | \$50,002,136 |
| Federal grants and contracts | | 1,433,434 | | 1,676,045 |
| State and local grants and contracts | | 3,443,471 | | 3,071,798 |
| Nongovernmental grants and contracts | | 1,314,421 | | 1,058,898 |
| Sales and services of educational departments | | 328,821 | | 288,257 |
| Auxiliary enterprises: | | | | |
| Residential facilities | 26,297,836 | | 24,153,248 | |
| Less: scholarship allowances | <u>(498,367)</u> | 25,799,469 | <u>(379,455)</u> | 23,773,793 |
| Dining facilities | 13,542,780 | | 12,459,953 | |
| Less: scholarship allowances | <u>(13,195)</u> | 13,529,585 | <u>(3,820)</u> | 12,456,133 |
| Intercollegiate athletics | | 6,096,280 | | 5,806,649 |
| Bookstore | | 4,732,719 | | 4,792,501 |
| Parking facilities | | 583,484 | | 534,085 |
| Other auxiliary enterprises revenues | 2,604,332 | | 2,663,015 | |
| Less: scholarship allowances | <u>(2,128)</u> | 2,602,204 | <u>(385)</u> | 2,662,630 |
| Other operating revenues | | <u>150,871</u> | | <u>165,963</u> |
| Total operating revenues | | <u>112,389,135</u> | | <u>106,288,888</u> |
| OPERATING EXPENSES: | | | | |
| Instruction | | 49,555,999 | | 48,779,937 |
| Research | | 1,024,430 | | 717,817 |
| Public service | | 7,160,742 | | 6,229,573 |
| Academic support | | 10,277,975 | | 9,255,275 |
| Student services | | 6,151,947 | | 5,873,805 |
| Institutional support | | 15,127,725 | | 14,472,350 |
| Operation and maintenance of plant | | 17,823,795 | | 16,727,030 |
| Scholarships and fellowships | | 335,544 | | 36,257 |
| Auxiliary enterprises | | | | |
| Residential facilities | | 12,817,884 | | 11,905,239 |
| Dining facilities | | 13,007,981 | | 11,961,879 |
| Intercollegiate athletics | | 3,901,550 | | 4,049,941 |
| Bookstores | | 4,260,693 | | 4,494,948 |
| Parking facilities | | 591,645 | | 608,881 |
| Other auxiliary enterprises expenses | | <u>3,497,767</u> | | <u>2,451,921</u> |
| Total operating expenses | | <u>145,535,677</u> | | <u>137,564,853</u> |
| Operating income (loss) | | <u>(33,146,542)</u> | | <u>(31,275,965)</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| State appropriations | | 40,656,352 | | 40,142,526 |
| Pell grants | | 7,441,185 | | 7,210,514 |
| Gifts | | | \$5,309,154 | \$3,708,204 |
| Investment income (loss) | | 1,201,912 | 9,770,656 | 920,949 |
| Interest on indebtedness | | (4,010,795) | | (3,806,647) |
| Other revenues (expenses), gains and (losses) | | (1,451,737) | | 1,541,282 |
| Other affiliated foundation revenues | | | 1,519,080 | 1,782,379 |
| Other affiliated foundation expenses | | | (5,861,171) | (5,292,794) |
| Transfers (to) from other University System of Maryland institutions | | <u>(2,090,048)</u> | | <u>(2,074,807)</u> |
| Total nonoperating revenues (expenses) | | <u>41,746,869</u> | <u>10,737,719</u> | <u>43,933,817</u> |
| Income (loss) before other revenues | | <u>8,600,327</u> | <u>10,737,719</u> | <u>12,657,852</u> |
| OTHER REVENUES: | | | | |
| Capital appropriations | | 4,793,881 | | 246,751 |
| Capital gifts and grants | | <u>5,946</u> | | <u>21,060</u> |
| Total other revenues | | <u>4,799,827</u> | | <u>267,811</u> |
| Increase (decrease) in net position | | <u>13,400,154</u> | <u>10,737,719</u> | <u>12,925,663</u> |
| Net position, beginning of year | | <u>290,470,117</u> | <u>57,542,179</u> | <u>277,544,454</u> |
| Net position, end of year | | <u>\$303,870,271</u> | <u>\$68,279,898</u> | <u>\$290,470,117</u> |

**SALISBURY UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2014 AND 2013**

| | Years ended June 30, | |
|---|----------------------------|----------------------------|
| | 2014 | 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Tuition and fees | \$51,642,968 | \$50,292,852 |
| Research contracts and grants | 6,019,947 | 5,176,370 |
| Payments to employees | (96,689,602) | (92,145,306) |
| Payments to suppliers and contractors | (33,839,667) | (31,684,307) |
| Loans issued to students | (503,793) | (68,000) |
| Collections of loans to students | 273,837 | 249,007 |
| Auxiliary enterprises: | | |
| Residential facilities | 24,055,841 | 22,010,384 |
| Dining facilities | 13,524,122 | 12,441,505 |
| Intercollegiate athletics | 6,094,783 | 5,807,166 |
| Bookstore | 4,732,719 | 4,792,501 |
| Parking facilities | 583,484 | 534,085 |
| Other | 2,582,359 | 2,641,948 |
| Other receipts (payments) | (1,675,219) | 1,890,347 |
| Net cash provided (used) by operating activities | <u>(23,198,221)</u> | <u>(18,061,448)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| State appropriations | 40,656,352 | 40,142,526 |
| Pell grants | 7,441,185 | 7,210,514 |
| Net cash provided by noncapital financing activities | <u>48,097,537</u> | <u>47,353,040</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Proceeds of capital debt | 4,289,809 | 13,315,804 |
| Capital appropriations | 4,793,881 | 246,751 |
| Purchases of capital assets | (18,644,070) | (17,938,255) |
| Principal paid on debt and capital leases | (10,468,218) | (8,008,992) |
| Interest paid on debt and capital leases | (4,273,306) | (4,068,295) |
| Transfers (to) from other University System of Maryland institutions | 5,051,099 | (2,580,483) |
| Net cash provided (used) by capital and related financing activities | <u>(19,250,805)</u> | <u>(19,033,470)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest on investments | 1,191,349 | 920,949 |
| Purchases of investments | (1,402,193) | |
| Net cash provided (used) by investing activities | <u>(210,844)</u> | <u>920,949</u> |
| Net increase (decrease) in cash and cash equivalents | 5,437,667 | 11,179,071 |
| Cash and cash equivalents - beginning of the year | <u>94,009,692</u> | <u>82,830,621</u> |
| Cash and cash equivalents - end of the year | <u><u>\$99,447,359</u></u> | <u><u>\$94,009,692</u></u> |

**UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE
BALANCE SHEETS
JUNE 30, 2014 AND 2013**

| | June 30, | | | |
|---|----------------------|---------------------|----------------------|---------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$253,430,046 | | \$261,309,824 | |
| Accounts receivable, net | 25,856,778 | \$336,663 | 29,180,124 | \$4,901,719 |
| Notes receivable, current portion | 113,904 | | 119,944 | |
| Inventories | 1,105,492 | | 1,733,097 | |
| Prepaid expenses and other assets | 2,731,851 | 706,308 | 1,615,979 | |
| Inter-institutional balances | 5,751,581 | | 685,592 | |
| Total current assets | 288,989,652 | 1,042,971 | 294,644,560 | 4,901,719 |
| Noncurrent assets: | | | | |
| Accounts receivable, net | | 301,723 | | 308,419 |
| Endowment investments | 3,734,648 | 16,128,492 | 143,638 | 13,465,740 |
| Other investments | | 9,528,662 | | 5,664,160 |
| Notes receivable, net | 1,479,281 | | 1,069,698 | |
| Capital assets, net | 171,121,498 | 3,953,976 | 179,019,481 | 3,605,262 |
| Total noncurrent assets | 176,335,427 | 29,912,853 | 180,232,817 | 23,043,581 |
| Total assets | \$465,325,079 | \$30,955,824 | \$474,877,377 | \$27,945,300 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$26,225,838 | | \$28,460,704 | \$4,150,740 |
| Accrued workers' compensation, current portion | 155,000 | | 142,910 | |
| Accrued vacation costs, current portion | 7,486,169 | | 6,870,772 | |
| Unearned revenue | 31,825,325 | | 36,598,949 | |
| Total current liabilities | 65,692,332 | | 72,073,335 | 4,150,740 |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 845,000 | | 779,090 | |
| Accrued vacation costs | 5,174,950 | | 4,928,863 | |
| Endowments invested on behalf of primary government | | \$3,734,648 | | 143,638 |
| Total noncurrent liabilities | 6,019,950 | 3,734,648 | 5,707,953 | 143,638 |
| Total liabilities | 71,712,282 | 3,734,648 | 77,781,288 | 4,294,378 |
| NET POSITION | | | | |
| Unrestricted | 220,791,280 | 6,074,777 | 216,482,273 | 5,156,775 |
| Net investment in capital assets | 171,121,498 | | 179,019,481 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | 29,423 | 8,297,636 | 29,423 | 7,267,727 |
| Research | | 208,138 | | 192,348 |
| Other | | 6,313,905 | | 5,663,427 |
| Expendable: | | | | |
| Scholarships and fellowships | 56,563 | 1,726,505 | 55,038 | 1,585,563 |
| Research | | 1,319,206 | | 955,580 |
| Loans | 1,614,033 | | 1,509,874 | |
| Other | | 3,281,009 | | 2,829,502 |
| Total net position | 393,612,797 | 27,221,176 | 397,096,089 | 23,650,922 |
| Total liabilities and net position | \$465,325,079 | \$30,955,824 | \$474,877,377 | \$27,945,300 |

UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2014 AND 2013

| | Years ended June 30, | | | |
|--|----------------------|----------------------|---------------|----------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$287,664,641 | | \$314,526,058 | |
| Less: scholarship allowances | (26,285,998) | \$261,378,643 | (27,423,523) | \$287,102,535 |
| Federal grants and contracts | | 1,195,331 | | 1,426,336 |
| State and local grants and contracts | | 3,379,898 | | 3,480,568 |
| Nongovernmental grants and contracts | | 1,808,583 | | 1,140,931 |
| Sales and services of educational departments | | 1,580,096 | | 1,991,642 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 36,020 | | 74,120 |
| Bookstore | | 4,670,909 | | 5,482,229 |
| Parking facilities | | 864 | | 5,612 |
| Other operating revenues | | 15,123,101 | | 10,425,768 |
| Total operating revenues | | 289,173,445 | | 311,129,741 |
| OPERATING EXPENSES: | | | | |
| Instruction | | 104,016,736 | | 100,344,811 |
| Research | | 88,494 | | 84,216 |
| Public service | | 14,752,879 | | 12,069,854 |
| Academic support | | 65,260,833 | | 75,775,292 |
| Student services | | 80,476,590 | | 75,702,709 |
| Institutional support | | 48,603,729 | | 44,643,039 |
| Operation and maintenance of plant | | 19,285,503 | | 21,455,227 |
| Scholarships and fellowships | | 25,394,818 | | 26,285,877 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 71,882 | | 79,783 |
| Bookstore | | 4,840,648 | | 5,632,796 |
| Parking facilities | | 95,086 | | 460,714 |
| Total operating expenses | | 362,887,198 | | 362,534,318 |
| Operating income (loss) | | (73,713,753) | | (51,404,577) |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| State appropriations | | 34,719,575 | | 33,982,373 |
| Pell grants | | 30,781,251 | | 32,870,720 |
| Gifts | | | \$3,621,613 | \$883,476 |
| Investment income | 2,467,468 | | 1,740,999 | 3,270,728 |
| Less: Investment expense | (531) | 2,466,937 | (529) | 2,131,664 |
| Other revenues (expenses), gains and (losses) | | 2,795,583 | | (934,948) |
| Other affiliated foundation revenues | | | 4,609 | 785 |
| Other affiliated foundation expenses | | | (1,796,967) | (1,856,975) |
| Transfers (to) from other University System of Maryland institutions | | (532,885) | | (354,003) |
| Total nonoperating revenues (expenses) | | 70,230,461 | | 67,695,806 |
| Increase (decrease) in net position | | (3,483,292) | | 2,298,014 |
| Net position - beginning of period | | 397,096,089 | | 380,804,860 |
| Net position - end of period | | \$393,612,797 | | \$397,096,089 |

**UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2014 AND 2013**

| | Years ended June 30, | |
|---|----------------------|---------------|
| | 2014 | 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Tuition and fees | \$261,159,057 | \$284,601,596 |
| Research contracts and grants | 5,781,941 | 9,402,451 |
| Payments to employees | (204,970,370) | (199,454,414) |
| Payments to suppliers and contractors | (145,731,352) | (139,618,446) |
| Loans issued to students | (428,024) | (74,000) |
| Collections of loans to students | 24,481 | 224,116 |
| Auxiliary enterprises: | | |
| Residential facilities | 36,020 | 74,120 |
| Bookstore | 4,670,909 | 5,482,229 |
| Parking facilities | 864 | 5,612 |
| Other receipts (payments) | 18,905,519 | 12,169,461 |
| Net cash provided (used) by operating activities | (60,550,955) | (27,187,275) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| State appropriations | 34,719,575 | 33,982,373 |
| Pell grants | 30,781,251 | 32,870,720 |
| Net cash provided by noncapital financing activities | 65,500,826 | 66,853,093 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Proceeds from sales of capital assets | 2,348,960 | 1,228,857 |
| Purchases of capital assets | (8,455,662) | (23,203,533) |
| Transfers (to) from other University System of Maryland institutions | (5,598,874) | (442,975) |
| Net cash provided (used) by capital and related financing activities | (11,705,576) | (22,417,651) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sales and maturities of investments | 8,541 | 9,327 |
| Interest on investments | 2,423,124 | 2,122,100 |
| Investment expense | (531) | (529) |
| Purchases of investments | (3,555,207) | (2,130,898) |
| Net cash provided (used) by investing activities | (1,124,073) | 2,130,898 |
| Net increase (decrease) in cash and cash equivalents | (7,879,778) | 19,379,065 |
| Cash and cash equivalents - beginning of the year | 261,309,824 | 241,930,759 |
| Cash and cash equivalents - end of the year | \$253,430,046 | \$261,309,824 |

UNIVERSITY OF MARYLAND, BALTIMORE COUNTY
BALANCE SHEETS
JUNE 30, 2014 AND 2013

| | June 30, | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$105,873,726 | \$447,122 | \$103,149,867 | \$976,735 |
| Accounts receivable, net | 15,388,884 | 2,506,837 | 15,798,195 | 23,713,215 |
| Notes receivable, current portion | 445,524 | | 428,618 | |
| Inventories | 812,043 | | 909,100 | |
| Prepaid expenses and other assets | 223,655 | 4,421,341 | 316,466 | 8,926 |
| Inter-institutional balances | (566,570) | | 70,323 | |
| Total current assets | 122,177,262 | 7,375,300 | 120,672,569 | 24,698,876 |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | 1,010,865 | | 1,506,177 | |
| Accounts receivable, net | | 2,651,938 | | 3,478,830 |
| Endowment investments | 4,898,925 | 67,910,025 | 1,634,080 | 68,379,924 |
| Other investments | | 30,132,937 | | 22,319,752 |
| Notes receivable, net | 1,640,176 | | 1,501,835 | |
| Other assets | | | | 40,233 |
| Capital assets, net | 477,028,975 | 3,151,357 | 439,498,970 | 2,857,727 |
| Total noncurrent assets | 484,578,941 | 103,846,257 | 444,141,062 | 97,076,466 |
| Total assets | 606,756,203 | 111,221,557 | 564,813,631 | 121,775,342 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Unamortized loss on refundings of debt | 2,083,563 | | 2,401,186 | |
| Total assets and deferred outflows of resources | \$608,839,766 | \$111,221,557 | \$567,214,817 | \$121,775,342 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$25,533,515 | \$46,181 | \$24,764,102 | \$21,144,821 |
| Accrued workers' compensation, current portion | 204,910 | | 195,920 | |
| Accrued vacation costs, current portion | 7,563,273 | | 7,011,980 | |
| Revenue bonds and notes payable, current portion | 8,170,149 | 50,761 | 7,567,560 | 49,261 |
| Unearned revenue | 11,316,328 | 5,866,418 | 13,668,360 | 6,418,421 |
| Total current liabilities | 52,788,175 | 5,963,360 | 53,207,922 | 27,612,503 |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 1,117,090 | | 1,068,080 | |
| Accrued vacation costs | 4,872,084 | | 4,429,642 | |
| Endowments invested on behalf of primary government | | 4,898,925 | | 1,634,080 |
| Other payables | | 452,977 | | 602,977 |
| Revenue bonds and notes payable | 96,324,217 | 266,884 | 102,494,078 | 318,014 |
| Total noncurrent liabilities | 102,313,391 | 5,618,786 | 107,991,800 | 2,555,071 |
| Total liabilities | 155,101,566 | 11,582,146 | 161,199,722 | 30,167,574 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred service concession arrangement receipts | 37,740,913 | | 39,538,099 | |
| NET POSITION | | | | |
| Unrestricted | 75,892,989 | 26,674,839 | 70,609,473 | 24,025,067 |
| Net investment in capital assets | 336,877,259 | | 292,300,419 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | 130,474 | 29,009,433 | 130,474 | 26,558,325 |
| Research | | 727,674 | | 702,895 |
| Other | | 22,074,097 | | 20,695,758 |
| Expendable: | | | | |
| Scholarships and fellowships | | 5,772,564 | | 5,794,058 |
| Research | | 4,410,762 | | 3,491,934 |
| Loans | 2,085,700 | | 1,930,453 | |
| Capital projects | 1,010,865 | | 1,506,177 | |
| Other | | 10,970,042 | | 10,339,731 |
| Total net position | 415,997,287 | 99,639,411 | 366,476,996 | 91,607,768 |
| Total liabilities, deferred inflows of resources, and net position | \$608,839,766 | \$111,221,557 | \$567,214,817 | \$121,775,342 |

UNIVERSITY OF MARYLAND, BALTIMORE COUNTY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2014 AND 2013

| | Years ended June 30, | | | |
|--|----------------------|----------------------|---------------------|----------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Tuition and fees | \$116,254,890 | | \$111,991,576 | |
| Less: scholarship allowances | (17,018,256) | \$99,236,634 | (16,864,825) | \$95,126,751 |
| Federal grants and contracts | | 42,296,504 | | 40,197,146 |
| State and local grants and contracts | | 30,644,004 | | 27,766,379 |
| Nongovernmental grants and contracts | | 13,450,020 | | 20,507,510 |
| Sales and services of educational departments | | 4,468,447 | | 3,932,812 |
| Auxiliary enterprises: | | | | |
| Residential facilities | 24,040,369 | | 23,385,342 | |
| Less: scholarship allowances | (5,024,364) | 19,016,005 | (5,026,989) | 18,358,353 |
| Dining facilities | 13,156,598 | | 12,868,317 | |
| Less: scholarship allowances | (2,695,722) | 10,460,876 | (2,641,522) | 10,226,795 |
| Intercollegiate athletics | | 10,381,957 | | 9,819,301 |
| Bookstore | 6,352,895 | | 6,450,783 | |
| Less: scholarship allowances | (3,727) | 6,349,168 | (6,406) | 6,444,377 |
| Parking facilities | | 1,576,598 | | 1,524,483 |
| Other auxiliary enterprises revenues | | 18,090,501 | | 17,555,497 |
| Other operating revenues | | 18,319,266 | | 13,270,254 |
| Total operating revenues | | 274,289,980 | | 264,729,658 |
| OPERATING EXPENSES: | | | | |
| Instruction | | 104,541,671 | | 101,860,155 |
| Research | | 60,962,894 | | 56,831,603 |
| Public service | | 21,104,865 | | 20,393,150 |
| Academic support | | 23,159,458 | | 23,474,255 |
| Student services | | 15,956,121 | | 15,298,496 |
| Institutional support | | 33,097,421 | | 31,515,116 |
| Operation and maintenance of plant | | 25,890,361 | | 25,258,991 |
| Scholarships and fellowships | | 21,406,652 | | 17,908,397 |
| Auxiliary enterprises: | | | | |
| Residential facilities | | 18,401,602 | | 15,168,393 |
| Dining facilities | | 11,793,054 | | 11,220,394 |
| Intercollegiate athletics | | 7,688,892 | | 7,807,363 |
| Bookstore | | 6,076,560 | | 6,327,929 |
| Parking facilities | | 462,262 | | 452,460 |
| Other auxiliary enterprises expenses | | 13,081,825 | | 12,487,540 |
| Total operating expenses | | 363,623,638 | | 346,004,242 |
| Operating income (loss) | | (89,333,658) | | (81,274,584) |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| State appropriations | | 98,847,396 | | 96,306,355 |
| Pell grants | | 13,421,285 | | 13,005,945 |
| Gifts | | 2,675 | \$5,818,175 | 11,125 |
| Investment income | 1,491,445 | | 9,286,309 | 1,236,400 |
| Less: Investment expense | (6,047) | 1,485,398 | (5,860) | 1,230,540 |
| Interest on indebtedness | | (3,997,632) | | (3,990,600) |
| Other revenues (expenses), gains and (losses) | | (281,290) | | 29,690,030 |
| Other affiliated foundation revenues | | | 2,537,711 | 2,542,283 |
| Other affiliated foundation expenses | | | (9,610,552) | (8,969,215) |
| Transfers (to) from other University System of Maryland institutions | | (5,039,479) | | (4,150,018) |
| Total nonoperating revenues (expenses) | | 104,438,353 | 8,031,643 | 132,103,377 |
| Income (loss) before other revenues | | 15,104,695 | 8,031,643 | 50,828,793 |
| OTHER REVENUES: | | | | |
| Capital appropriations | | 33,966,979 | | 31,692,596 |
| Capital gifts and grants | | 448,617 | | 487,130 |
| Total other revenues | | 34,415,596 | | 32,179,726 |
| Increase (decrease) in net position | | 49,520,291 | 8,031,643 | 83,008,519 |
| Net position - beginning of year | | 366,476,996 | 91,607,768 | 283,468,477 |
| Net position - end of year | | \$415,997,287 | \$99,639,411 | \$366,476,996 |
| | | | | \$91,607,768 |

UNIVERSITY OF MARYLAND, BALTIMORE COUNTY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2014 AND 2013

| | Years ended June 30, | |
|---|-----------------------------|-----------------------------|
| | 2014 | 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Tuition and fees | \$101,270,428 | \$95,972,501 |
| Research contracts and grants | 80,644,814 | 87,075,490 |
| Payments to employees | (214,423,642) | (205,107,982) |
| Payments to suppliers and contractors | (128,311,727) | (116,537,165) |
| Loans issued to students | (113,796) | (240,220) |
| Collections of loans to students | 333,219 | 284,625 |
| Auxiliary enterprises: | | |
| Residential facilities | 17,598,269 | 13,262,202 |
| Dining facilities | 10,669,615 | 10,253,365 |
| Intercollegiate athletics | 10,589,121 | 9,844,813 |
| Bookstore | 6,475,861 | 6,461,120 |
| Parking facilities | 1,608,058 | 1,528,444 |
| Other | 18,451,483 | 17,601,108 |
| Other receipts (payments) | <u>23,229,529</u> | <u>17,300,894</u> |
| Net cash provided (used) by operating activities | <u>(71,978,768)</u> | <u>(62,300,805)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| State appropriations | 98,847,396 | 96,306,355 |
| Pell grants | <u>13,421,285</u> | <u>13,005,945</u> |
| Net cash provided by noncapital financing activities | <u>112,268,681</u> | <u>109,312,300</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Proceeds of capital debt | 1,000,909 | 18,483,051 |
| Capital appropriations | 33,966,979 | 31,692,596 |
| Purchases of capital assets | (56,599,030) | (58,724,818) |
| Principal paid on debt and capital leases | (8,206,674) | (14,255,025) |
| Interest paid on debt and capital leases | (4,334,006) | (4,503,064) |
| Transfers (to) from other University System of Maryland institutions | <u>(2,110,097)</u> | <u>1,059,307</u> |
| Net cash provided (used) by capital and related financing activities | <u>(36,281,919)</u> | <u>(26,247,953)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sales and maturities of investments | 65,103 | 60,958 |
| Interest on investments | 1,267,631 | 1,125,025 |
| Investment expense | (6,047) | (5,860) |
| Purchases of investments | <u>(3,106,134)</u> | <u></u> |
| Net cash provided (used) by investing activities | <u>(1,779,447)</u> | <u>1,180,123</u> |
| Net increase (decrease) in cash and cash equivalents | 2,228,547 | 21,943,665 |
| Cash and cash equivalents - beginning of the year | <u>104,656,044</u> | <u>82,712,379</u> |
| Cash and cash equivalents - end of the year | <u><u>\$106,884,591</u></u> | <u><u>\$104,656,044</u></u> |

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
BALANCE SHEETS
JUNE 30, 2014 AND 2013**

| | June 30, | | | |
|--|---------------------|--------------------|---------------------|--------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$10,371,457 | | \$10,578,530 | |
| Accounts receivable, net | 5,343,189 | \$18,685 | 5,258,939 | \$715,554 |
| Prepaid expenses and other assets | | 300,315 | | 295 |
| Inter-institutional balances | (21,852) | | 682 | |
| Total current assets | 15,692,794 | 319,000 | 15,838,151 | 715,849 |
| Noncurrent assets: | | | | |
| Endowment investments | 373,074 | 1,943,633 | | 1,317,754 |
| Other investments | | 1,895,183 | | 1,505,482 |
| Notes receivable, net | | | | 7,003 |
| Capital assets, net | 70,102,411 | 17,155 | 71,056,938 | |
| Total noncurrent assets | 70,475,829 | 3,855,971 | 71,056,938 | 2,830,239 |
| Total assets | 86,168,623 | 4,174,971 | 86,895,089 | 3,546,088 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Unamortized loss on refundings of debt | 120,687 | | 137,092 | |
| Total assets and deferred outflows of resources | \$86,289,310 | \$4,174,971 | \$87,032,181 | \$3,546,088 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$1,738,411 | | \$1,878,582 | \$415,074 |
| Accrued workers' compensation, current portion | 7,130 | | 10,540 | |
| Accrued vacation costs, current portion | 617,688 | | 595,550 | |
| Revenue bonds and notes payable, current portion | 1,289,142 | | 1,212,074 | |
| Unearned revenue | 495,536 | \$445,442 | 660,064 | 270,718 |
| Total current liabilities | 4,147,907 | 445,442 | 4,356,810 | 685,792 |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 38,870 | | 57,460 | |
| Accrued vacation costs | 2,255,280 | | 2,174,453 | |
| Endowments invested on behalf of primary government | | 373,074 | | |
| Revenue bonds and notes payable | 8,965,521 | | 9,851,831 | |
| Total noncurrent liabilities | 11,259,671 | 373,074 | 12,083,744 | |
| Total liabilities | 15,407,578 | 818,516 | 16,440,554 | 685,792 |
| NET POSITION | | | | |
| Unrestricted | 10,912,953 | 714,355 | 10,245,739 | 623,614 |
| Net investment in capital assets | 59,968,435 | | 60,345,888 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | | 1,062,724 | | 878,948 |
| Research | | 26,657 | | 23,262 |
| Other | | 808,657 | | 684,926 |
| Expendable: | | | | |
| Scholarships and fellowships | | 203,048 | | 191,764 |
| Research | | 155,147 | | 115,571 |
| Other | | 385,867 | | 342,211 |
| Total net position | 70,881,732 | 3,356,455 | 70,591,627 | 2,860,296 |
| Total liabilities and net position | \$86,289,310 | \$4,174,971 | \$87,032,181 | \$3,546,088 |

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2014 AND 2013**

| | Years ended June 30, | | | |
|--|----------------------|--------------------|---------------------|--------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Federal grants and contracts | \$13,132,796 | | \$16,158,029 | |
| State and local grants and contracts | 5,367,293 | | 4,267,223 | |
| Nongovernmental grants and contracts | 2,832,400 | | 2,323,330 | |
| Sales and services of educational departments | 2,573,008 | | 2,728,607 | |
| Total operating revenues | 23,905,497 | | 25,477,189 | |
| OPERATING EXPENSES: | | | | |
| Research | 45,163,154 | | 46,629,730 | |
| Operation and maintenance of plant | 354,584 | | 665,110 | |
| Total operating expenses | 45,517,738 | | 47,294,840 | |
| Operating income (loss) | (21,612,241) | | (21,817,651) | |
| NONOPERATING REVENUE (EXPENSES): | | | | |
| State appropriations | 20,122,072 | | 19,567,752 | |
| Gifts | | \$661,007 | | \$627,411 |
| Investment income | 133,264 | 182,884 | 105,552 | 455,353 |
| Interest on indebtedness | (273,343) | | (293,734) | |
| Other affiliated foundation revenues | | 10,866 | | 1,336 |
| Other affiliated foundation expenses | | (358,598) | | (309,362) |
| Transfers (to) from other University System of Maryland institutions | 451,667 | | 441,118 | |
| Total nonoperating revenues (expenses) | 20,433,660 | 496,159 | 19,820,688 | 774,738 |
| Income (loss) before other revenues | (1,178,581) | 496,159 | (1,996,963) | 774,738 |
| OTHER REVENUE: | | | | |
| Capital appropriations | 1,468,686 | | 241,840 | |
| Total other revenue | 1,468,686 | | 241,840 | |
| Increase (decrease) in net position | 290,105 | 496,159 | (1,755,123) | 774,738 |
| Net position - beginning of year | 70,591,627 | 2,860,296 | 72,346,750 | 2,085,558 |
| Net position - end of year | \$70,881,732 | \$3,356,455 | \$70,591,627 | \$2,860,296 |

**UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2014 AND 2013**

| | Years ended June 30, | |
|---|-----------------------------|----------------------------|
| | 2014 | 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Research contracts and grants | \$21,083,711 | \$23,125,969 |
| Payments to employees | (27,337,174) | (26,706,025) |
| Payments to suppliers and contractors | (14,614,525) | (17,084,579) |
| Other receipts (payments) | <u>2,573,008</u> | <u>2,779,697</u> |
| Net cash provided (used) by operating activities | <u>(18,294,980)</u> | <u>(17,884,938)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| State appropriations | <u>20,122,072</u> | <u>19,567,752</u> |
| Net cash provided by noncapital financing activities | <u>20,122,072</u> | <u>19,567,752</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Proceeds of capital debt | 2,613 | 481,669 |
| Capital appropriations | 1,468,686 | 241,840 |
| Purchases of capital assets | (2,671,470) | (1,834,957) |
| Principal paid on debt and capital leases | (1,203,223) | (1,310,720) |
| Interest paid on debt and capital leases | (293,706) | (327,980) |
| Transfers (to) from other University System of Maryland institutions | <u>903,089</u> | <u>644,573</u> |
| Net cash provided (used) by capital and related financing activities | <u>(1,794,011)</u> | <u>(2,105,575)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest on investments | 130,474 | 105,552 |
| Purchases of investments | <u>(370,284)</u> | <u></u> |
| Net cash provided (used) by investing activities | <u>(239,810)</u> | <u>105,552</u> |
| Net increase (decrease) in cash and cash equivalents | (206,729) | (317,209) |
| Cash and cash equivalents - beginning of the year | <u>10,578,530</u> | <u>10,895,739</u> |
| Cash and cash equivalents - end of the year | <u><u>\$10,371,801</u></u> | <u><u>\$10,578,530</u></u> |

**UNIVERSITY SYSTEM OF MARYLAND OFFICE
BALANCE SHEETS
JUNE 30, 2014 AND 2013**

| | June 30, | | | |
|--|----------------------|---------------------|----------------------|---------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$158,391,467 | \$76,181 | \$148,665,828 | \$48,547 |
| Accounts receivable, net | 1,594,495 | 1,982,584 | 503,097 | 4,454,306 |
| Prepaid expenses and other assets | | 1,848,819 | | 272,779 |
| Inter-institutional balances | <u>6,115,583</u> | | <u>6,096,669</u> | |
| Total current assets | <u>166,101,545</u> | <u>3,907,584</u> | <u>155,265,594</u> | <u>4,775,632</u> |
| Noncurrent assets: | | | | |
| Restricted cash and cash equivalents | 112,177,273 | | 37,782,594 | |
| Accounts receivable, net | | 215,044 | | |
| Endowment investments | 19,943,290 | 8,806,672 | 8,892,664 | 13,328,093 |
| Other investments | | 75,059,935 | | 57,481,268 |
| Other assets | | 420,190 | | 275,035 |
| Capital assets, net | <u>81,669,953</u> | <u>5,278,891</u> | <u>83,881,529</u> | <u>3,281,756</u> |
| Total noncurrent assets | <u>213,790,516</u> | <u>89,780,732</u> | <u>130,556,787</u> | <u>74,366,152</u> |
| Total assets | 379,892,061 | 93,688,316 | 285,822,381 | 79,141,784 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Unamortized loss on refundings of debt | <u>984,118</u> | | <u>1,088,022</u> | |
| Total assets and deferred outflows of resources | <u>\$380,876,179</u> | <u>\$93,688,316</u> | <u>\$286,910,403</u> | <u>\$79,141,784</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | \$4,717,843 | \$766,899 | \$4,138,628 | \$5,348,070 |
| Accrued workers' compensation, current portion | 13,175 | | 12,710 | |
| Accrued vacation costs, current portion | 640,751 | | 544,408 | |
| Revenue bonds and notes payable, current portion | 6,747,545 | | 2,649,491 | |
| Unearned revenue | | <u>293,013</u> | | <u>12,534</u> |
| Total current liabilities | <u>12,119,314</u> | <u>1,059,912</u> | <u>7,345,237</u> | <u>5,360,604</u> |
| Noncurrent liabilities: | | | | |
| Accrued workers' compensation | 71,825 | | 69,290 | |
| Accrued vacation costs | 1,001,895 | | 1,032,415 | |
| Endowments invested on behalf of primary government | | 19,925,100 | | 8,852,501 |
| Other payables | | 52,064,174 | | 46,728,768 |
| Revenue bonds and notes payable | <u>130,651,166</u> | | <u>63,289,713</u> | |
| Total noncurrent liabilities | <u>131,724,886</u> | <u>71,989,274</u> | <u>64,391,418</u> | <u>55,581,269</u> |
| Total liabilities | <u>143,844,200</u> | <u>73,049,186</u> | <u>71,736,655</u> | <u>60,941,873</u> |
| NET POSITION | | | | |
| Unrestricted | 178,007,681 | 4,564,642 | 155,902,211 | 3,968,114 |
| Net investment in capital assets | 55,157,186 | | 54,949,795 | |
| Restricted: | | | | |
| Nonexpendable: | | | | |
| Scholarships and fellowships | 347,604 | 5,421,880 | 347,604 | 5,592,792 |
| Research | | 136,003 | | 148,019 |
| Other | 471,330 | 4,125,662 | 471,330 | 4,358,222 |
| Expendable: | | | | |
| Scholarships and fellowships | 212,991 | 1,744,031 | 805,055 | 1,220,107 |
| Research | | 1,332,598 | 356,535 | 735,328 |
| Capital projects | 2,275,492 | | 1,863,245 | |
| Other | <u>559,695</u> | <u>3,314,314</u> | <u>477,973</u> | <u>2,177,330</u> |
| Total net position | <u>237,031,979</u> | <u>20,639,130</u> | <u>215,173,748</u> | <u>18,199,911</u> |
| Total liabilities and net position | <u>\$380,876,179</u> | <u>\$93,688,316</u> | <u>\$286,910,403</u> | <u>\$79,141,784</u> |

**UNIVERSITY SYSTEM OF MARYLAND OFFICE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2014 AND 2013**

| | Years ended June 30, | | | |
|--|----------------------|---------------------|----------------------|---------------------|
| | 2014 | | 2013 | |
| | Institution | Component Units | Institution | Component Units |
| OPERATING REVENUES: | | | | |
| Federal grants and contracts | \$2,726,176 | | \$3,442,513 | |
| State and local grants and contracts | 6,318 | | 148,656 | |
| Nongovernmental grants and contracts | 703,997 | | 330,093 | |
| Other operating revenues | <u>212,920</u> | | <u>174,300</u> | |
| Total operating revenues | <u>3,649,411</u> | | <u>4,095,562</u> | |
| OPERATING EXPENSES: | | | | |
| Academic support | 5,701,427 | | 6,334,077 | |
| Institutional support | <u>17,744,980</u> | | <u>14,006,220</u> | |
| Total operating expenses | <u>23,446,407</u> | | <u>20,340,297</u> | |
| Operating income (loss) | <u>(19,796,996)</u> | | <u>(16,244,735)</u> | |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| State appropriations | 20,718,530 | | 19,262,886 | |
| Gifts | 6,060 | \$1,169,112 | | \$1,178,823 |
| Investment income (loss) | \$2,782,203 | 3,103,318 | \$2,005,919 | (8,373,680) |
| Less: Investment expense | <u>(32,903)</u> | 2,749,300 | <u>(33,342)</u> | 1,972,577 |
| Interest on indebtedness | (6,348,315) | | (6,263,571) | |
| Other revenues (expenses), gains and (losses) | 2,449,118 | | 2,256,464 | |
| Other affiliated foundation revenues | | 3,237,521 | | 2,333,915 |
| Other affiliated foundation expenses | | (5,070,732) | | (4,026,893) |
| Transfers (to) from other University System of Maryland institutions | <u>21,402,272</u> | | <u>16,271,985</u> | |
| Total nonoperating revenue (expenses) | <u>40,976,965</u> | <u>2,439,219</u> | <u>33,500,341</u> | <u>(8,887,835)</u> |
| Income (loss) before other revenue | <u>21,179,969</u> | <u>2,439,219</u> | <u>17,255,606</u> | <u>(8,887,835)</u> |
| OTHER REVENUE: | | | | |
| Capital gifts and grants | <u>678,262</u> | | | |
| Total other revenue | <u>678,262</u> | | | |
| Increase (decrease) in net position | <u>21,858,231</u> | <u>2,439,219</u> | <u>17,255,606</u> | <u>(8,887,835)</u> |
| Net position - beginning of year | <u>215,173,748</u> | <u>18,199,911</u> | <u>197,918,142</u> | <u>27,087,746</u> |
| Net position - end of year | <u>\$237,031,979</u> | <u>\$20,639,130</u> | <u>\$215,173,748</u> | <u>\$18,199,911</u> |

**UNIVERSITY SYSTEM OF MARYLAND OFFICE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2014 AND 2013**

| | Years ended June 30, | |
|---|----------------------|----------------------|
| | <u>2014</u> | <u>2013</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Research contracts and grants | \$3,589,117 | \$3,746,769 |
| Payments to employees | (14,031,868) | (13,761,506) |
| Payments to suppliers and contractors | (6,491,057) | (8,929,299) |
| Other receipts (payments) | 1,706,367 | 3,601,934 |
| | <u>1,706,367</u> | <u>3,601,934</u> |
| Net cash provided (used) by operating activities | <u>(15,227,441)</u> | <u>(15,342,102)</u> |
| | | |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| State appropriations | <u>20,718,530</u> | <u>19,262,886</u> |
| Net cash provided by noncapital financing activities | <u>20,718,530</u> | <u>19,262,886</u> |
| | | |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Proceeds of capital debt | 94,407,454 | 35,993,077 |
| Purchases of capital assets | (180,667) | (432,163) |
| Principal paid on debt and capital leases | (1,823,473) | (18,691,937) |
| Interest paid on debt and capital leases | (5,837,194) | (7,053,436) |
| Transfers (to) from other University System of Maryland institutions | 364,435 | (36,410,290) |
| | <u>364,435</u> | <u>(36,410,290)</u> |
| Net cash provided (used) by capital and related financing activities | <u>86,930,555</u> | <u>(26,594,749)</u> |
| | | |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sales and maturities of investments | 118,330 | 22,616,919 |
| Interest on investments | 1,613,247 | 1,383,456 |
| Investment expense | (32,903) | (257,003) |
| Purchases of investments | (10,000,000) | |
| | <u>(10,000,000)</u> | <u></u> |
| Net cash provided (used) by investing activities | <u>(8,301,326)</u> | <u>23,743,372</u> |
| Net increase (decrease) in cash and cash equivalents | 84,120,318 | 1,069,407 |
| Cash and cash equivalents - beginning of the year | <u>186,448,422</u> | <u>185,379,015</u> |
| Cash and cash equivalents - end of the year | <u>\$270,568,740</u> | <u>\$186,448,422</u> |

UNIVERSITY SYSTEM OF MARYLAND
COMBINING BALANCE SHEETS, NONMAJOR COMPONENT UNITS
JUNE 30, 2014

| | 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 Argo-Ecology, Inc. | Bowie State University Foundation, Inc. | Towson University Foundation, Inc. | Towson University Public Media, Inc. | The Hawk Foundation, Inc. | Frostburg State University Foundation, Inc. | Coppin State University Development Foundation, Inc. | University of Baltimore Foundation, 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 | \$761,184 | \$81,064 | \$1,160,424 | \$81,654 | \$281,557 | \$4,634,175 | \$189,862 | \$67,631 | \$806,056 | \$1,842,066 | \$10,699,703 | \$139,374 | \$79,197 | \$438,371 | \$57,490 | \$447,122 | \$21,766,930 |
| Accounts receivable, net | 7,791 | | 337,584 | 10 | 332,757 | 185,816 | | 730,947 | 86,619 | 488,083 | 7,040,434 | 598,174 | 61,885 | 32,578 | 73,056 | 55,848 | 10,031,582 |
| Other assets | 180,646 | 31,384 | 12,041 | 1,061 | 2,984 | 131,974 | 6,826 | 9,225 | 17,905 | 4,797 | | 67,156 | 105,056 | 7,120 | | | 578,175 |
| Total current assets | 949,621 | 112,448 | 1,510,049 | 82,725 | 617,298 | 4,951,965 | 196,688 | 807,803 | 910,580 | 2,334,946 | 17,740,137 | 804,704 | 246,138 | 478,069 | 130,546 | 502,970 | 32,376,687 |
| Investments | | | | | | | | | | | | | | | | | |
| Endowment investments | 8,795,324 | 2,269,037 | | | 6,884,106 | 62,815,087 | | | 17,106,970 | 8,678,293 | 43,577,440 | 55,134,567 | 82,391 | 3,214,699 | | | 208,557,914 |
| Other investments | | 297,908 | 6,491,334 | | | | | | 980,016 | | 4,004,424 | 7,507,092 | | | | 9,184,500 | 28,465,274 |
| Total investments | 8,795,324 | 2,566,945 | 6,491,334 | | 6,884,106 | 62,815,087 | | | 18,086,986 | 8,678,293 | 47,581,864 | 62,641,659 | 82,391 | 3,214,699 | | 9,184,500 | 237,023,188 |
| Noncurrent assets | | | | | | | | | | | | | | | | | |
| Accounts receivable, net | | | | | | 871,275 | | | 322,747 | | | 6,406,662 | | | | | 7,600,684 |
| Capital assets, net | | | | | | 2,072 | 7,674,882 | | 307,318 | | 836,126 | 1,211,964 | 113,427 | 85,906 | 5,067 | 3,084,386 | 13,321,148 |
| Other assets | | | | | | | 593,142 | | 276,050 | 130,752 | 21,071 | 2,109,854 | 12,695 | | | | 3,143,564 |
| Total other assets | | | | | | 873,347 | 8,268,024 | | 906,115 | 130,752 | 857,197 | 9,728,480 | 126,122 | 85,906 | 5,067 | 3,084,386 | 24,065,396 |
| Total assets | \$9,744,945 | \$2,679,393 | \$8,001,383 | \$82,725 | \$7,501,404 | \$68,640,399 | \$196,688 | \$9,075,827 | \$19,903,681 | \$11,143,991 | \$66,179,198 | \$73,174,843 | \$454,651 | \$3,778,674 | \$135,613 | \$12,771,856 | \$293,465,271 |
| LIABILITIES | | | | | | | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | | | | | | | |
| Accounts payable & accrued expenses | \$34,565 | | \$1,189,398 | \$143 | \$29,109 | \$671,060 | \$92,006 | \$1,677,931 | \$25,514 | \$85,982 | \$495,470 | \$112,985 | \$57,639 | \$106,949 | \$85,609 | \$30,835 | \$4,695,195 |
| Long-term debt, current | | | | | | | | | | | | 1,750,000 | 3,960 | | 23,000 | 50,761 | 1,827,721 |
| Deferred income | 800 | | 241,667 | | | | | 525,310 | 39,746 | | 644,551 | 178,719 | 44,987 | | 58,434 | 5,605,411 | 7,339,625 |
| Total current liabilities | 35,365 | | 1,431,065 | 143 | 29,109 | 671,060 | 92,006 | 2,203,241 | 65,260 | 85,982 | 1,140,021 | 2,041,704 | 106,586 | 106,949 | 167,043 | 5,687,007 | 13,862,541 |
| Noncurrent liabilities | | | | | | | | | | | | | | | | | |
| Other payables | | | | | | | | 385,000 | | 5,150 | | 3,180,317 | 16,149 | | 5,020 | 452,977 | 4,044,613 |
| Long-term debt, noncurrent | | | | | | | | 5,180,188 | | | | | 4,840 | | | 266,884 | 5,451,912 |
| Total other liabilities | | | | | | | | 5,565,188 | | 5,150 | | 3,180,317 | 20,989 | | 5,020 | 719,861 | 9,496,525 |
| Total liabilities | 35,365 | | 1,431,065 | 143 | 29,109 | 671,060 | 92,006 | 7,768,429 | 65,260 | 91,132 | 1,140,021 | 5,222,021 | 127,575 | 106,949 | 172,063 | 6,406,868 | 23,359,066 |
| NET ASSETS | | | | | | | | | | | | | | | | | |
| Unrestricted | 998,247 | \$2,679,393 | 6,570,318 | 57,082 | 635,981 | 3,616,711 | 104,682 | 1,297,295 | 801,553 | 113,169 | 6,502,767 | 5,637,033 | 282,708 | 1,072,583 | (36,450) | 6,364,988 | 36,698,060 |
| Temporarily restricted: | | | | | | | | | | | | | | | | | |
| Scholarships & fellowships | | | | | | 11,542,006 | | | 257,505 | 470,693 | 11,114,421 | 9,365,273 | | | | | 32,749,898 |
| Research | | | | | | 7,639 | | | 7,915 | | | 753,646 | | | | | 769,200 |
| Other | 6,759,513 | | | 25,500 | 2,347,257 | 15,008,665 | | 10,103 | 1,666,921 | 3,543,806 | 11,323,236 | 25,288,699 | 35,726 | 430,580 | | | 66,440,006 |
| Permanently restricted: | | | | | | | | | | | | | | | | | |
| Scholarships & fellowships | | | | | | 22,224,188 | | | 12,094,102 | | 23,997,911 | 11,964,395 | | | | | 70,280,596 |
| Research | | | | | | 10,203 | | | 32,589 | | | 324,725 | | | | | 367,517 |
| Other | 1,951,820 | | | | 4,489,057 | 15,559,927 | | | 4,977,836 | 6,925,191 | 12,100,842 | 14,619,051 | 8,642 | 2,168,562 | | | 62,800,928 |
| Total net assets | 9,709,580 | 2,679,393 | 6,570,318 | 82,582 | 7,472,295 | 67,969,339 | 104,682 | 1,307,398 | 19,838,421 | 11,052,859 | 65,039,177 | 67,952,822 | 327,076 | 3,671,725 | (36,450) | 6,364,988 | 270,106,205 |
| Total liabilities and net assets | \$9,744,945 | \$2,679,393 | \$8,001,383 | \$82,725 | \$7,501,404 | \$68,640,399 | \$196,688 | \$9,075,827 | \$19,903,681 | \$11,143,991 | \$66,179,198 | \$73,174,843 | \$454,651 | \$3,778,674 | \$135,613 | \$12,771,856 | \$293,465,271 |

UNIVERSITY SYSTEM OF MARYLAND
COMBINING BALANCE SHEETS, NONMAJOR COMPONENT UNITS
JUNE 30, 2013

| | 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 Argo-Ecology, Inc. | Bowie State University Foundation, Inc. | Towson University Foundation, Inc. | The Hawk Foundation, Inc. | Frostburg State University Foundation, Inc. | Coppin State University Development Foundation, Inc. | University of Baltimore Foundation, Inc. | Salisbury University Foundation, Inc. | The Ward Foundation, Inc. | Maryland 4-H Foundation, Inc. | University Research Corporation International | The Maryland Center at Bowie State University, Inc. | University of Maryland Baltimore County Research Park | Total Nonmajor Component Units |
|---|--|--|---|---|---|------------------------------------|---------------------------|---|--|--|---------------------------------------|---------------------------|-------------------------------|---|---|---|--------------------------------|
| ASSETS | | | | | | | | | | | | | | | | | |
| Current assets | | | | | | | | | | | | | | | | | |
| Cash | \$1,151,741 | \$30,391 | \$1,613,600 | \$75,658 | \$429,480 | \$5,287,876 | \$89,520 | \$583,354 | \$1,804,975 | \$11,784,329 | \$367,727 | \$79,018 | \$614,884 | | \$14,701 | \$976,735 | \$24,903,989 |
| Accounts receivable, net | 6,899 | 406 | 456,724 | 13 | 305,265 | 164,930 | 264,344 | 105,785 | 367,280 | 2,610,300 | 367,114 | 26,667 | 46,718 | | 82,097 | 133,187 | 4,937,729 |
| Other assets | 135,976 | 25,000 | 13,613 | 1,061 | 2,969 | 128,722 | | 18,161 | 4,245 | | 76,151 | 121,455 | 7,049 | | | | 534,402 |
| Total current assets | 1,294,616 | 55,797 | 2,083,937 | 76,732 | 737,714 | 5,581,528 | 353,864 | 707,300 | 2,176,500 | 14,394,629 | 810,992 | 227,140 | 668,651 | | 96,798 | 1,109,922 | 30,376,120 |
| Investments | | | | | | | | | | | | | | | | | |
| Endowment investments | 6,488,822 | 2,140,422 | | | 6,193,061 | 54,516,247 | | 15,385,773 | 8,084,447 | 38,750,242 | 45,712,416 | 20,608 | 2,825,234 | | | | 180,117,272 |
| Other investments | | 265,098 | 5,787,219 | | | | | 876,110 | 45,616 | 3,308,431 | 6,828,912 | | | | | 8,382,086 | 25,493,472 |
| Total investments | 6,488,822 | 2,405,520 | 5,787,219 | | 6,193,061 | 54,516,247 | | 16,261,883 | 8,130,063 | 42,058,673 | 52,541,328 | 20,608 | 2,825,234 | | | 8,382,086 | 205,610,744 |
| Noncurrent assets | | | | | | | | | | | | | | | | | |
| Accounts receivable, net | | | | | | 954,239 | | 497,476 | | 5,292,974 | 5,963,394 | | | | | | 12,708,083 |
| Capital assets, net | | | | | | 3,502 | 635,206 | 977 | | 865,696 | 1,263,601 | 109,141 | 93,416 | | 4,714 | 2,857,727 | 5,833,980 |
| Other assets | | | | | | | 532,068 | 257,845 | | 1,040,107 | 2,159,854 | 24,384 | | | | | 4,014,258 |
| Total other assets | | | | | | 957,741 | 1,167,274 | 756,298 | | 7,198,777 | 9,386,849 | 133,525 | 93,416 | | 4,714 | 2,857,727 | 22,556,321 |
| Total assets | \$7,783,438 | \$2,461,317 | \$7,871,156 | \$76,732 | \$6,930,775 | \$61,055,516 | \$1,521,138 | \$17,725,481 | \$10,306,563 | \$63,652,079 | \$62,739,169 | \$381,273 | \$3,587,301 | | \$101,512 | \$12,349,735 | \$258,543,185 |
| LIABILITIES | | | | | | | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | | | | | | | |
| Accounts payable & accrued expenses | \$34,497 | | \$1,639,641 | | \$13,567 | \$482,591 | \$16,046 | \$16,126 | \$170,474 | \$2,887,445 | \$209,186 | \$50,509 | \$168,298 | | \$21,608 | \$35,576 | \$5,745,564 |
| Long-term debt, current | | | | | | | | | | | 1,875,757 | | | | 23,000 | 49,261 | 1,948,018 |
| Deferred income | 2,500 | | | | | | 75,310 | 32,866 | | 717,097 | 188,141 | 39,113 | | | 55,034 | 6,161,964 | 7,272,025 |
| Total current liabilities | 36,997 | | 1,639,641 | | 13,567 | 482,591 | 91,356 | 48,992 | 170,474 | 3,604,542 | 2,273,084 | 89,622 | 168,298 | | 99,642 | 6,246,801 | 14,965,607 |
| Noncurrent liabilities | | | | | | | | | | | | | | | | | |
| Other payables | | | | | | | | | 5,662 | | 3,215,557 | | | | 5,543 | 602,977 | 3,829,739 |
| Long-term debt, noncurrent | | | | | | | | | | | | | | | | 318,014 | 318,014 |
| Total other liabilities | | | | | | | | | 5,662 | | 3,215,557 | | | | 5,543 | 920,991 | 4,147,753 |
| Total liabilities | 36,997 | | 1,639,641 | | 13,567 | 482,591 | 91,356 | 48,992 | 176,136 | 3,604,542 | 5,488,641 | 89,622 | 168,298 | | 105,185 | 7,167,792 | 19,113,360 |
| NET ASSETS | | | | | | | | | | | | | | | | | |
| Unrestricted | 971,656 | \$2,461,317 | 6,231,515 | \$48,773 | 614,461 | 2,915,807 | 1,419,679 | 288,003 | 89,532 | 6,947,467 | 4,820,683 | 273,093 | 903,757 | | (3,673) | 5,181,943 | 33,164,013 |
| Temporarily restricted: | | | | | | | | | | | | | | | | | |
| Scholarships & fellowships | | | | | | 7,799,569 | | 100,766 | 676,366 | 7,217,490 | 6,087,209 | | | | | | 21,881,400 |
| Research | | | | | | 5,050 | | 42,373 | | | 579,581 | | | | | | 627,004 |
| Other | 6,524,785 | | | 27,959 | 1,825,690 | 12,785,860 | 10,103 | 1,776,908 | 2,652,192 | 10,460,850 | 19,896,585 | 9,916 | 569,353 | | | | 56,540,201 |
| Permanently restricted: | | | | | | | | | | | | | | | | | |
| Scholarships & fellowships | | | | | | 22,591,446 | | 10,820,115 | | 23,702,328 | 11,657,005 | | | | | | 68,770,894 |
| Research | | | | | | 10,203 | | 31,171 | | | 315,104 | | | | | | 356,478 |
| Other | 250,000 | | | | 4,477,057 | 14,464,990 | | 4,617,153 | 6,712,337 | 11,719,402 | 13,894,361 | 8,642 | 1,945,893 | | | | 58,089,835 |
| Total net assets | 7,746,441 | 2,461,317 | 6,231,515 | 76,732 | 6,917,208 | 60,572,925 | 1,429,782 | 17,676,489 | 10,130,427 | 60,047,537 | 57,250,528 | 291,651 | 3,419,003 | | (3,673) | 5,181,943 | 239,429,825 |
| Total liabilities and net assets | \$7,783,438 | \$2,461,317 | \$7,871,156 | \$76,732 | \$6,930,775 | \$61,055,516 | \$1,521,138 | \$17,725,481 | \$10,306,563 | \$63,652,079 | \$62,739,169 | \$381,273 | \$3,587,301 | | \$101,512 | \$12,349,735 | \$258,543,185 |

UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENTS OF NET ACTIVITIES, NONMAJOR COMPONENT UNITS
YEAR ENDED JUNE 30, 2014

| | 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 Argo-Ecology, Inc. | Bowie State University Foundation, Inc. | Towson University Foundation, Inc. | Towson University Public Media, Inc. | The Hawk Foundation, Inc. | Frostburg State University Foundation, Inc. | Coppin State University Development Foundation, Inc. | University of Baltimore Foundation, 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 | \$1,957,490 | \$6,465 | \$11,375 | \$10,000 | \$32 | \$445,876 | \$299,888 | \$300,000 | \$624,759 | \$82,160 | \$292,577 | \$683,213 | \$561,162 | \$171,169 | \$342,833 | \$638,953 | \$6,427,952 |
| Investment income | 35,677 | 318,888 | 921,171 | 320 | 1,631 | 1,022,823 | | 26,651 | 159,388 | 1,876 | 663,337 | 545,459 | 187,348 | 270,169 | | 713,375 | 4,868,113 |
| Other income | 245,897 | 24,566 | 2,212,347 | | 91,057 | 20 | 508 | 124,051 | 307,471 | 73,185 | 34,393 | 1,178,540 | 266,443 | 415,721 | 6,488 | 1,449,089 | 6,429,776 |
| Assets released from restrictions | 28,936 | | | 2,459 | 1,024,723 | 6,090,746 | | 237,350 | 1,652,812 | 1,024,043 | 3,735,148 | 3,264,971 | | 443,273 | | | 17,504,461 |
| Total revenues | 2,268,000 | 349,919 | 3,144,893 | 12,779 | 1,117,443 | 7,559,465 | 300,396 | 688,052 | 2,744,430 | 1,181,264 | 4,725,455 | 5,672,183 | 1,014,953 | 1,300,332 | 349,321 | 2,801,417 | 35,230,302 |
| Expenses | | | | | | | | | | | | | | | | | |
| Program | 1,734,209 | 46,651 | 1,519,054 | 2,681 | 1,007,786 | 5,931,888 | 110,103 | 398,901 | 1,938,067 | 1,023,360 | 4,312,385 | 4,053,983 | 667,999 | 815,145 | 370,365 | 572,296 | 24,504,873 |
| General & administrative | 262,057 | 85,192 | 791,269 | 1,789 | 42,202 | 533,992 | 41,365 | 105,835 | 292,813 | 115,559 | 605,130 | 580,691 | 255,344 | 166,734 | 11,733 | 142,491 | 4,034,196 |
| Fundraising | 245,143 | | | | 45,935 | 392,681 | 44,246 | | | 18,708 | 252,640 | 221,159 | 70,185 | 53,367 | | | 1,344,064 |
| Other expense | | | 495,767 | | | | | 305,700 | | | | | 11,810 | | | 903,585 | 1,716,862 |
| Total expenses | 2,241,409 | 131,843 | 2,806,090 | 4,470 | 1,095,923 | 6,858,561 | 195,714 | 810,436 | 2,230,880 | 1,157,627 | 5,170,155 | 4,855,833 | 1,005,338 | 1,035,246 | 382,098 | 1,618,372 | 31,599,995 |
| Change in unrestricted net assets | 26,591 | 218,076 | 338,803 | 8,309 | 21,520 | 700,904 | 104,682 | (122,384) | 513,550 | 23,637 | (444,700) | 816,350 | 9,615 | 265,086 | (32,777) | 1,183,045 | 3,630,307 |
| CHANGES IN TEMPORARILY RESTRICTED NET ASSETS | | | | | | | | | | | | | | | | | |
| Contributions & grants | 43,013 | | | | 799,797 | 3,234,916 | | 198,005 | 735,049 | 496,777 | 2,788,028 | 3,671,528 | 25,810 | 277,014 | | | 12,269,937 |
| Investment income | 1,625,872 | | | | 664,892 | 7,988,894 | | | 5,529 | 997,708 | 5,661,452 | 8,363,589 | | 27,486 | | | 25,335,422 |
| Other income | | | | | 93,601 | 899,264 | | 39,345 | 179,099 | 155,387 | 46,449 | 74,097 | | | | | 1,487,242 |
| Assets released from restrictions | (1,434,157) | | | (2,459) | (1,036,723) | (6,155,243) | | (237,350) | (907,383) | (963,931) | (3,736,612) | (3,264,971) | | (443,273) | | | (18,182,102) |
| Change in temporarily restricted net assets | 234,728 | | | (2,459) | 521,567 | 5,967,831 | | | 12,294 | 685,941 | 4,759,317 | 8,844,243 | 25,810 | (138,773) | | | 20,910,499 |
| CHANGES IN PERMANENTLY RESTRICTED NET ASSETS | | | | | | | | | | | | | | | | | |
| Contributions & grants | 296,599 | | | | | 660,426 | | | 377,234 | 272,966 | 519,946 | 367,441 | | 106,739 | | | 2,601,351 |
| Investment income | | | | | | | | | 1,982,363 | | 155,613 | 674,260 | | 19,670 | | | 2,831,906 |
| Other income | | | | | | 2,756 | | | 21,920 | | | | | | | | 24,676 |
| Assets released from restrictions | 1,405,221 | | | | 12,000 | 64,497 | | | (745,429) | (60,112) | 1,464 | | | | | | 677,641 |
| Change in permanently restricted net assets | 1,701,820 | | | | 12,000 | 727,679 | | | 1,636,088 | 212,854 | 677,023 | 1,041,701 | | 126,409 | | | 6,135,574 |
| Total change in net assets | 1,963,139 | 218,076 | 338,803 | 5,850 | 555,087 | 7,396,414 | 104,682 | (122,384) | 2,161,932 | 922,432 | 4,991,640 | 10,702,294 | 35,425 | 252,722 | (32,777) | 1,183,045 | 30,676,380 |
| Net assets - beginning of year | 7,746,441 | 2,461,317 | 6,231,515 | 76,732 | 6,917,208 | 60,572,925 | | 1,429,782 | 17,676,489 | 10,130,427 | 60,047,537 | 57,250,528 | 291,651 | 3,419,003 | (3,673) | 5,181,943 | 239,429,825 |
| Net assets - end of year | \$9,709,580 | \$2,679,393 | \$6,570,318 | \$82,582 | \$7,472,295 | \$67,969,339 | \$104,682 | \$1,307,398 | \$19,838,421 | \$11,052,859 | \$65,039,177 | \$67,952,822 | \$327,076 | \$3,671,725 | (\$36,450) | \$6,364,988 | \$270,106,205 |

UNIVERSITY SYSTEM OF MARYLAND
COMBINING STATEMENTS OF NET ACTIVITIES, NONMAJOR COMPONENT UNITS
YEAR ENDED JUNE 30, 2013

| | 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 Argo-Ecology, Inc. | Bowie State University Foundation, Inc. | Towson University Foundation, Inc. | The Hawk Foundation, Inc. | Frostburg State University Foundation, Inc. | Coppin State University Development Foundation, Inc. | University of Baltimore Foundation, Inc. | Salisbury University Foundation, Inc. | The Ward Foundation, Inc. | Maryland 4-H Foundation, Inc. | University Research Corporation International | 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 | \$1,057,273 | \$8,665 | \$5,000 | | \$238 | \$481,168 | \$419,994 | \$363,033 | \$70,688 | \$266,145 | \$296,182 | \$520,676 | \$240,076 | | \$268,255 | | \$3,997,393 |
| Investment income | 53,785 | 183,355 | 662,707 | \$555 | 1,093 | 679,492 | 26,784 | 66,720 | 2,099 | 854,023 | 345,764 | 151,155 | 145,432 | | | \$268,569 | 3,441,533 |
| Other income | 427,761 | (14,203) | 2,009,771 | | 99,546 | 17,253 | 1,447,310 | 231,750 | 72,064 | 33,276 | 1,402,997 | 291,304 | 295,644 | | 10,621 | 1,543,300 | 7,868,394 |
| Assets released from restrictions | 4,000 | | | 941 | 1,212,157 | 5,158,328 | 5,777 | 1,681,225 | 1,014,471 | 18,290,912 | 2,950,149 | 5,939 | 379,790 | | | | 30,703,689 |
| Total revenues | 1,542,819 | 177,817 | 2,677,478 | 1,496 | 1,313,034 | 6,336,241 | 1,899,865 | 2,342,728 | 1,159,322 | 19,444,356 | 4,995,092 | 969,074 | 1,060,942 | | 278,876 | 1,811,869 | 46,011,009 |
| Expenses | | | | | | | | | | | | | | | | | |
| Program | 861,938 | 416,998 | 1,294,767 | 11,550 | 923,087 | 5,387,686 | 310,343 | 1,522,325 | 996,287 | 19,298,111 | 3,747,727 | 662,041 | 723,475 | | 311,092 | 440,320 | 36,907,747 |
| General & administrative | 231,497 | 56,715 | 785,751 | 1,712 | 39,019 | 515,025 | 94,496 | 137,386 | 105,673 | 593,026 | 433,769 | 239,422 | 156,557 | | 7,989 | 94,747 | 3,492,784 |
| Fundraising | 202,582 | | | | 56,920 | 267,057 | | 20,978 | 23,834 | 293,190 | 162,332 | 41,838 | 37,337 | | | | 1,106,068 |
| Other expense | | | 754,233 | | | | 75,347 | 343,237 | 293,200 | | | 5,665 | | \$169,995 | | 918,857 | 2,560,534 |
| Total expenses | 1,296,017 | 473,713 | 2,834,751 | 13,262 | 1,019,026 | 6,169,768 | 480,186 | 2,023,926 | 1,418,994 | 20,184,327 | 4,343,828 | 948,966 | 917,369 | 169,995 | 319,081 | 1,453,924 | 44,067,133 |
| Change in unrestricted net assets | 246,802 | (295,896) | (157,273) | (11,766) | 294,008 | 166,473 | 1,419,679 | 318,802 | (259,672) | (739,971) | 651,264 | 20,108 | 143,573 | (169,995) | (40,205) | 357,945 | 1,943,876 |
| CHANGES IN TEMPORARILY RESTRICTED NET ASSETS | | | | | | | | | | | | | | | | | |
| Contributions & grants | 28,000 | | | | 568,043 | 3,888,545 | | 634,142 | 362,889 | 7,987,249 | 1,834,385 | 6,502 | 490,593 | | | | 15,800,348 |
| Investment income | 1,150,368 | | | | 353,745 | 5,192,400 | | 2,208 | 590,380 | 3,206,871 | 5,452,477 | | 34,438 | | | | 15,982,887 |
| Other income | | | | | 92,750 | 791,150 | 15,880 | 257,874 | 187,747 | 55,392 | 88,078 | | | | | | 1,488,871 |
| Assets released from restrictions | (4,000) | | | (941) | (1,225,049) | (5,190,741) | (5,777) | (977,818) | (1,014,471) | (18,719,998) | (3,914,949) | (5,939) | (379,790) | | | | (31,439,473) |
| Change in temporarily restricted net assets | 1,174,368 | | | (941) | (210,511) | 4,681,354 | 10,103 | (83,594) | 126,545 | (7,470,486) | 3,459,991 | 563 | 145,241 | | | | 1,832,633 |
| CHANGES IN PERMANENTLY RESTRICTED NET ASSETS | | | | | | | | | | | | | | | | | |
| Contributions & grants | 250,000 | | | | | 2,640,254 | | 379,280 | 84,072 | 333,684 | 1,050,459 | | | | | | 4,737,749 |
| Investment income (loss) | | | | | | | | 1,162,426 | | | 275,269 | | (12,036) | | | | 1,425,659 |
| Other income | | | | | | | | 12,001 | | 610 | | | | | | | 15,443 |
| Assets released from restrictions | | | | | 12,892 | 32,413 | | (703,407) | | 429,086 | 964,800 | | | | | | 735,784 |
| Change in permanently restricted net assets | 250,000 | | | | 12,892 | 2,684,668 | | 841,131 | 84,072 | 763,380 | 2,290,528 | | (12,036) | | | | 6,914,635 |
| Total change in net assets | 1,671,170 | (295,896) | (157,273) | (12,707) | 96,389 | 7,532,495 | 1,429,782 | 1,076,339 | (49,055) | (7,447,077) | 6,401,783 | 20,671 | 276,778 | (169,995) | (40,205) | 357,945 | 10,691,144 |
| Net assets - beginning of year | 6,075,271 | 2,757,213 | 6,388,788 | 89,439 | 6,820,819 | 53,040,430 | | 16,600,150 | 10,179,482 | 67,494,614 | 50,848,745 | 270,980 | 3,142,225 | 169,995 | 36,532 | 4,823,998 | 228,738,681 |
| Net assets - end of year | \$7,746,441 | \$2,461,317 | \$6,231,515 | \$76,732 | \$6,917,208 | \$60,572,925 | \$1,429,782 | \$17,676,489 | \$10,130,427 | \$60,047,537 | \$57,250,528 | \$291,651 | \$3,419,003 | | (\$3,673) | \$5,181,943 | \$239,429,825 |

UNIVERSITY SYSTEM OF MARYLAND

NOTES TO SUPPLEMENTAL INFORMATION YEARS ENDED JUNE 30, 2014 AND 2013

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 have not been allocated to the other units of the System and accordingly have been included in 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.