

University of Maryland Baltimore Foundation, Inc.

Financial Statements
Years Ended June 30, 2025 and 2024

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



**University of Maryland
Baltimore Foundation, Inc.**

Financial Statements
Years Ended June 30, 2025 and 2024

University of Maryland Baltimore Foundation, Inc.

Contents

Independent Auditor's Report	3-4
Financial Statements	
Statements of Financial Position	5
Statements of Activities	6-7
Statements of Functional Expenses	8-9
Statements of Cash Flows	10
Notes to Financial Statements	11-29



Independent Auditor's Report

To the Board of Trustees
University of Maryland Baltimore Foundation, Inc.
Baltimore, Maryland

Opinion

We have audited the financial statements of the **University of Maryland Baltimore Foundation, Inc.** (the "Foundation" or "UMBF"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

BDO USA, P.C.

October 24, 2025

Financial Statements

University of Maryland Baltimore Foundation, Inc.

Statements of Financial Position

<i>June 30,</i>	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 2,379,404	\$ 12,681,840
Due from other foundations	23,955	23,112
Prepaid expenses	607,813	468,812
Contributions receivable, net - current portion	18,448,050	18,534,622
Total current assets	21,459,222	31,708,386
Investments		
Endowment	378,787,735	355,680,215
Operating	114,086,515	92,970,570
Total investments	492,874,250	448,650,785
Other assets		
Contributions receivable, net - non-current portion	14,488,085	15,470,578
Assets held under split-interest agreements	2,899,139	2,853,078
Total other assets	17,387,224	18,323,656
Total assets	\$ 531,720,696	\$ 498,682,827
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 3,267,390	\$ 1,141,488
Other liabilities		
Payable under split-interest agreements	1,590,526	2,015,467
Total liabilities	4,857,916	3,156,955
Net assets		
Without donor restrictions	51,384,133	46,856,131
With donor restrictions	475,478,647	448,669,741
Total net assets	526,862,780	495,525,872
Total liabilities and net assets	\$ 531,720,696	\$ 498,682,827

The accompanying notes are an integral part of these financial statements.

University of Maryland Baltimore Foundation, Inc.

Statement of Activities

<i>Year ended June 30, 2025</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions and grants	\$ 5,107,075	\$ 32,111,182	\$ 37,218,257
Investment return, net	6,050,365	27,368,642	33,419,007
Net assets released from restrictions	32,670,918	(32,670,918)	-
Total revenues	43,828,358	26,808,906	70,637,264
Expenses			
Program services			
Student and faculty support	12,428,470	-	12,428,470
Campus programs	18,997,772	-	18,997,772
Research	3,511,001	-	3,511,001
Capital projects	168,189	-	168,189
Total program services	35,105,432	-	35,105,432
Supporting services			
General and administrative	3,503,005	-	3,503,005
Fundraising	691,919	-	691,919
Total supporting services	4,194,924	-	4,194,924
Total expenses	39,300,356	-	39,300,356
Change in net assets	4,528,002	26,808,906	31,336,908
Net assets, beginning of year	46,856,131	448,669,741	495,525,872
Net assets, end of year	\$ 51,384,133	\$ 475,478,647	\$ 526,862,780

The accompanying notes are an integral part of these financial statements.

University of Maryland Baltimore Foundation, Inc.

Statement of Activities

<i>Year ended June 30, 2024</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions and grants	\$ 5,068,291	\$ 26,036,862	\$ 31,105,153
Investment return, net	5,558,585	27,006,315	32,564,900
Net assets released from restrictions	28,739,102	(28,739,102)	-
Total revenues	39,365,978	24,304,075	63,670,053
Expenses			
Program services			
Student and faculty support	11,566,747	-	11,566,747
Campus programs	15,595,598	-	15,595,598
Research	2,790,436	-	2,790,436
Capital projects	461,557	-	461,557
Total program services	30,414,338	-	30,414,338
Supporting services			
General and administrative	2,690,080	-	2,690,080
Fundraising	2,079,933	-	2,079,933
Total supporting services	4,770,013	-	4,770,013
Total expenses	35,184,351	-	35,184,351
Change in net assets	4,181,627	24,304,075	28,485,702
Net assets, beginning of year	42,674,504	424,365,666	467,040,170
Net assets, end of year	\$ 46,856,131	\$ 448,669,741	\$ 495,525,872

The accompanying notes are an integral part of these financial statements.

University of Maryland Baltimore Foundation, Inc.

Statement of Functional Expenses

Year Ended June 30, 2025	Program Services					Supporting Services			Total Expenses
	Student and Faculty Support	Campus Programs	Research	Capital Projects	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Grant expense	\$ 12,319,091	\$ 13,674,515	\$ 3,442,222	\$ 118,453	\$ 29,554,281	\$ -	\$ 1,557	\$ 1,557	\$ 29,555,838
Salary and fringe expense	-	-	-	-	-	2,487,648	-	2,487,648	2,487,648
Consultants	17,090	1,995,140	5,788	-	2,018,018	251,971	16,426	268,397	2,286,415
Conferences, conventions and meetings	79,739	1,725,721	18,514	-	1,823,974	114,356	321,110	435,466	2,259,440
Office expense and IT costs	1,140	507,085	7,265	32,400	547,890	423,077	84,634	507,711	1,055,601
Advertising and promotion	1,486	543,632	1,083	-	546,201	8,676	143,687	152,363	698,564
Equipment rentals, repairs and maintenance	450	263,917	1,500	17,336	283,203	18,653	9,939	28,592	311,795
Travel	8,909	164,408	30,664	-	203,981	7,220	2,742	9,962	213,943
Printing and publications	-	60,598	3,655	-	64,253	673	98,580	99,253	163,506
Professional fees	-	15,178	-	-	15,178	120,730	-	120,730	135,908
Taxes, insurances and bank fees	-	9,198	-	-	9,198	70,001	1,500	71,501	80,699
Other expenses	-	24,000	-	-	24,000	-	-	-	24,000
Research	565	14,380	310	-	15,255	-	-	-	15,255
Bad debt expense	-	-	-	-	-	-	11,744	11,744	11,744
Total expenses	\$ 12,428,470	\$ 18,997,772	\$ 3,511,001	\$ 168,189	\$ 35,105,432	\$ 3,503,005	\$ 691,919	\$ 4,194,924	\$ 39,300,356

The accompanying notes are an integral part of these financial statements.

University of Maryland Baltimore Foundation, Inc.

Statement of Functional Expenses

Year Ended June 30, 2024	Program Services					Supporting Services			Total Expenses
	Student and Faculty Support	Campus Programs	Research	Capital Projects	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Grant expense	\$ 11,378,418	\$ 10,387,241	\$ 2,590,581	\$ 288,955	\$ 24,645,195	\$ -	\$ 843	\$ 843	\$ 24,646,038
Salary and fringe expense	-	-	-	-	-	2,035,650	-	2,035,650	2,035,650
Consultants	21,005	328,866	6	-	349,877	88,135	6,031	94,166	444,043
Conferences, conventions and meetings	130,216	1,993,236	39,997	-	2,163,449	128,961	315,786	444,747	2,608,196
Office expense and IT costs	2,171	332,797	3,028	79,805	417,801	189,767	110,566	300,333	718,134
Advertising and promotion	1,460	756,288	59	-	757,807	29,200	123,925	153,125	910,932
Equipment rentals, repairs and maintenance	16,220	1,513,564	118,417	92,797	1,740,998	25,506	56,455	81,961	1,822,959
Travel	8,737	145,716	25,811	-	180,264	3,447	3,407	6,854	187,118
Printing and publications	5,789	89,720	8,082	-	103,591	10,128	121,990	132,118	235,709
Professional fees	-	20,632	-	-	20,632	118,062	-	118,062	138,694
Taxes, insurances and bank fees	-	3,047	-	-	3,047	61,224	1,656	62,880	65,927
Other expenses	-	24,000	-	-	24,000	-	-	-	24,000
Research	2,731	491	4,455	-	7,677	-	-	-	7,677
Bad debt expense	-	-	-	-	-	-	1,339,274	1,339,274	1,339,274
Total expenses	\$ 11,566,747	\$ 15,595,598	\$ 2,790,436	\$ 461,557	\$ 30,414,338	\$ 2,690,080	\$ 2,079,933	\$ 4,770,013	\$ 35,184,351

The accompanying notes are an integral part of these financial statements.

University of Maryland Baltimore Foundation, Inc.

Statements of Cash Flows

<i>Years ended June 30,</i>	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 31,336,908	\$ 28,485,702
Adjustments to reconcile change in net assets to cash		
Provided by operating activities:		
Contributions restricted for long-term investment	(9,859,598)	(8,171,019)
Net realized and unrealized gains on investments	(23,347,482)	(23,468,383)
Write off of uncollectible contributions receivable	219,244	1,327,998
Write off of other assets	-	1,357,472
(Accretion) decrction of discount on contributions receivable	(628,104)	50,625
Change in allowance for contributions receivable	(207,500)	10,985
(Increase) decrease in assets:		
Due from other foundations	(843)	(880)
Prepaid expenses	(139,001)	(225,515)
Contributions receivable	1,685,425	2,891,154
Assets held under split-interest agreements	(46,061)	(181,599)
(Decrease) increase in liabilities:		
Accounts payable and accrued expenses	2,125,902	(399,119)
Payable under split-interest agreements	(424,941)	75,920
Net cash provided by operating activities	713,949	1,753,341
Cash flows from investing activities		
Purchases of investments	(39,343,325)	(38,320,089)
Proceeds from sales of investments	18,467,342	37,935,521
Net cash used in investing activities	(20,875,983)	(384,568)
Cash flows from financing activities		
Proceeds from contributions restricted for long-term investments	9,859,598	8,171,019
Net cash provided by financing activities	9,859,598	8,171,019
(Decrease) increase in cash and cash equivalents	(10,302,436)	9,539,792
Cash and cash equivalents, beginning of year	12,681,840	3,142,048
Cash and cash equivalents, end of year	\$ 2,379,404	\$ 12,681,840

The accompanying notes are an integral part of these financial statements.

University of Maryland Baltimore Foundation, Inc.

Notes to Financial Statements

1. Nature of Operations

The University of Maryland Baltimore Foundation, Inc. (the “Foundation” or “UMBF”), an independent Foundation incorporated in 2000, is established to receive, manage, and invest private gifts and/or property for the benefit of the University of Maryland, Baltimore (“UMB”) and its related programs and supporting activities.

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Foundation are presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents

Cash and short-term investments with maturities at dates of purchase of three months or less are classified as cash equivalents, except that any such investments purchased, with funds held in trusts or by external endowment investment managers are classified with investments, respectively. Cash equivalents include short-term U.S. Treasury securities and other short-term, highly liquid investments and are carried at cost, which approximates market value.

Valuation of Investments

The Foundation carries its investments at market value to the extent that market quotations are readily available and reliable. To the extent that market quotations are not available or are considered to be unreliable, fair value is estimated by the investment manager under the general oversight of the Board of Trustees of the Foundation after consideration of factors considered to be relevant, including but not limited to, the type of investment, position size, marketability, (or absence thereof) cost, restrictions on transfer, and available quotations of similar instruments. Additionally, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the valuations currently assigned. There is no single standard for determining fair value in good faith, as fair value depends upon circumstances of each individual case. In general, fair value is the amount that the Foundation might reasonably expect to receive upon the current sale of the investment in an arms-length transaction in the investment’s principal market.

The change in net unrealized gains or losses on investment securities is reflected in investment return and net in the statements of activities. All gains and losses arising from the sale, collection, or other disposition of investments are accounted for on a specific identification basis calculated as of the transaction date. For endowment assets, substantially all of which are held in a pool, investment gains or losses are distributed monthly among the individual endowment funds on the basis of the number of units of the pool held by each individual endowment account. Refer to note 4 for further detail on valuation of investments.

University of Maryland Baltimore Foundation, Inc.

Notes to Financial Statements

Contributions Receivable

Unconditional promises to give with payments due in future periods are reported as support with donor restrictions when the funds are pledged. Amounts due are recorded at the net realizable value discounted using a rate of return that a market participant would expect to receive over the payment period at the date the pledge is received. An allowance for uncollectible pledges is recorded for pledges which may become uncollectible in future periods. Amounts deemed to be uncollectible have been written off. The contributions receivable balance is based on management's best estimate of the amounts expected to be collected. The amounts the Foundation will ultimately realize could differ from the amounts assumed in arriving at the present value and allowance for doubtful accounts. The Foundation's policy is to write-off specifically identified contributions receivable that are deemed to be uncollectible. The Foundation wrote off \$219,244 and \$1,327,998 in contributions receivables for the years ended June 30, 2025 and 2024.

Split-Interest Agreements

The Foundation also receives contributions in the form of charitable gift annuities and charitable remainder unitrusts, for which the Foundation acts as trustee and holds the assets. When the trust's obligations to all beneficiaries expire, the remaining assets revert to the Foundation to be used according to the donor's wishes.

The Foundation recognizes the estimated fair value of these agreements as contributions receivable and revenue from those trusts where the Foundation is not the trustee. Where the Foundation is the trustee, the estimated fair value is recognized as an asset. The fair value of the distributions, expected to be paid over the term of the trust agreements, is recorded as a liability and the difference is recorded as contribution revenue.

Amortization of the related discount and revaluation of expected cash flows are recognized as changes in the value of split-interest agreements in the year in which they occur.

The Foundation recognizes a liability for the portion of the proceeds under the split-interest agreements to be paid to beneficiaries under the terms of the agreements. The estimated annual liabilities expected terms are based on Internal Revenue Service (IRS) actuarial tables. The discount rates used to compute the present value of these payables are the original discount rates used at the time of the gift under Internal Revenue Code (IRC) Section 7520 and range from 1.0% to 6.2%.

Contributions and Grants

Contributions, including unconditional promises to give, are recognized in the period received. Contributions received are considered to be available for use unless specifically restricted by the donor. Amounts received that are designated for a future period, or are restricted by the donor for specific purposes, are reported as support with donor restrictions.

Contributions for which donors have stipulated restrictions, but which are met within the same reporting period, are reported as support without donor restrictions.

The Foundation reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as support with donor restrictions.

University of Maryland Baltimore Foundation, Inc.

Notes to Financial Statements

Unconditional promises to give with payments due in future periods are reported as donor restricted support. Amounts outstanding are recorded at the net realizable value discounted based on the period of future payment, using a rate of return that a market participant would expect to receive at the date the pledge is received.

Conditional promises to give are recognized as revenue when conditions on which they depend have been substantially met. Refer to Note 8 for discussion of conditional promises to give.

Classification of Net Assets

The Foundation classifies its net assets into two categories: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions

Net assets without donor restrictions are not subject to donor-imposed restrictions. These net assets generally result from providing services and receiving contributions without donor restrictions, less expenses incurred in providing services, raising contributions, and performing administrative functions.

These net assets also include board designated net assets, which are not subject to donor restriction and are designated by the Board for a specific use.

Net assets with donor restrictions

Net assets with donor restrictions are subject to stipulations imposed by donors. These net assets generally result from contributions and other inflows of assets, the use of which is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Generally, the donors of these assets permit the Foundation to use the income earned on related investments for general or specific purposes.

When a donor restriction expires as a result of a stipulated time restriction ending or purpose restriction being accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions.

University of Maryland Baltimore Foundation, Inc.

Notes to Financial Statements

Expenses

The Foundation expends certain funds considered as general and administrative, in nature. These funds are either on behalf of UMB or its related programs and supporting activities or for the Foundation's business operations and have been classified as such.

Functional Allocation of Expenses

The costs of providing various program and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, costs have been directly charged to the programs and supporting services benefited. Program expenses are in support of UMB's institution or department or program activity. General and administrative expenses relate to operation of the accounting office of the Foundation, including the salary reimbursement to UMB. Fundraising expenses support fundraising initiatives and activities throughout UMB. See Note 12 for the program and supporting service descriptions.

Administrative Fees

The Foundation management designates investments from all net asset classes into operating and endowment categories. Administrative fees are charged as follows:

Investments-Operating

The Foundation's operating investment reserve fund was charged 0.8% of the average monthly total operating investment fund balance, in support of Foundation operating expenses. This reserve fund was also charged 0.8% of the average balance to be used at the discretion of the President of the University of Maryland, Baltimore. The Foundation pays 0.35% of the market value to the University System of Maryland Foundation, Inc. ("USMF") for current use fund investment management services in accordance with the terms of an investment management agreement through May 31, 2024. Beginning in June 2024, the Foundation engaged two external investment managers for current use fund investment management services, paying each manager a fee equal to 0.10% of the market value of the investment under management.

Investments-Endowment

Professional investment fees are deducted by the investment manager prior to the distribution of income. In addition, UMBF annually assesses each endowment account a fee for operating and administrative expenses at a rate of 1.0%, based on the market value as of December 31 of the previous fiscal year. Also, from each endowment account USMF assesses a fee following the terms of an investment management agreement as follows:

- Through December 31, 2024, fees were assessed annually at a flat rate of 0.35% (35 basis points) on the December 31 market value of the endowment;
- Effective March 20, 2025, fees are assessed quarterly under the new pooled funds agreement. The revised fee schedule applies annualized tiered rates, calculated on the market value at the end of each calendar quarter as follows: 0.30% annually on the first \$350 million, 0.275% annually on endowment funds value between \$351 million and \$500 million, and 0.25% annually on endowment funds value in excess of \$500 million.

University of Maryland Baltimore Foundation, Inc.

Notes to Financial Statements

Income Taxes

The Foundation is organized and operated exclusively for charitable and educational purposes within the meaning of the provisions of section 501(c)(3) of the Internal Revenue Code. The Foundation had no material unrelated business income for the years ended June 30, 2025 and 2024, therefore, no provision for income taxes has been made.

U.S. GAAP requires management to evaluate tax positions taken by the Foundation and recognize a tax liability (or asset) if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Foundation and has concluded that as of June 30, 2025 and 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. Therefore, no asset or liability has been recorded as of June 30, 2025 and 2024 for uncertain tax positions. The Foundation is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in process.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Significant items subject to such estimates and assumptions include the fair value of non-traditional investments and the net realizable value of accounts and contributions receivable. Actual results could differ from those estimates.

Recent Accounting Pronouncements Not Yet Adopted

In March 2022, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2022-03, *Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions* (Topic 820). The amendments clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments also clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. This amendment also requires the following disclosures for equity securities subject to contractual sale restrictions: (1) The fair value of equity securities subject to contractual sale restrictions reflected in the statement of financial position; (2) The nature and remaining duration of the restriction(s); and (3) The circumstances that could cause a lapse in the restriction(s). Early adoption is permitted, and the updates should be applied prospectively with any adjustments from the adoption of the amendments recognized in the change in net asset and disclosed on the date of adoption. For all non-public entities, this ASU is effective for fiscal years beginning after December 15, 2025. Management is currently evaluating the impact of this ASU on its financial statements.

University of Maryland Baltimore Foundation, Inc.

Notes to Financial Statements

3. Liquidity and Availability of Resources

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date consist of the following:

<i>June 30,</i>	2025	2024
Cash and cash equivalents	\$ 2,379,404	\$ 12,681,840
Investments - operating	114,086,515	92,970,570
Total financial assets available within one year	116,465,919	105,652,4110
Less: Amounts unavailable for general expenditures with one year, due to:		
School/Unit/UMB Designated operating funds	(105,406,385)	(95,799,461)
Board Designated Net Assets - other scholarship matching funds	(1,508,937)	(1,603,228)
Financial assets available to meet cash needs for general expenditures within one year	\$ 9,550,597	\$ 8,249,721

The Foundation manages its investment pool to ensure liquidity is provided to the affiliated institutions to meet their spending needs. The portfolio's allocation to public risk assets provides market exposure and the liquidity needed to support recurring program expenditures as they become due. The investment-operating portfolio is managed with 100% allocation to Safe Assets. Refer to Note 9 for the description of Safe Assets.

The majority (approximately 91% for both 2025 and 2024) of financial resources available within one year of the date of the statement of financial position is under direction of the university schools. The balance consists of board approved Foundation general operational expenses, board designated funds (i.e. scholarship match), and the board's discretionary funds.

4. Fair Value Measurements

FASB Accounting Standards Codification (ASC) *Fair Value Measurement* (820) defines fair value, requires disclosure about fair value, and establishes a three-level hierarchy for fair value measurements based upon the inputs to the valuations of an asset or liability at the measurement date. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three-level hierarchy classifies the inputs used to determine fair value:

Level 1: Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in this category included listed equities and listed mutual funds.

Level 2: Pricing inputs including market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market. Investments which are generally included in this category include less liquid and restricted equity securities and fixed income securities.

University of Maryland Baltimore Foundation, Inc.

Notes to Financial Statements

Level 3: Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant judgment or estimation. Investments that are included in this category generally include investments in private risk assets and investment funds as well as off-shore hedge funds.

An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment on the part of the Foundation. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the perceived risk of that investment.

Some of the Foundation's investments may be illiquid and the Foundation may not be able to vary the portfolio in response to changes in economic and other conditions. Some of the investments that are purchased and sold are traded in private, unregistered transactions and are therefore subject to restrictions on resale or otherwise have no established trading market. In addition, if the Foundation is required to liquidate all or a portion of its portfolio quickly, the Foundation may realize significantly less than the value at which it previously recorded those investments.

The Foundation reports certain investments using the net asset value (NAV) per share as determined by investment managers under the so called "practical expedient." The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met. These investment funds are held as units or interest in institutional funds or limited partnerships, which are stated at NAV or its equivalent. The Foundation uses the NAV as a practical expedient to estimate the fair value, unless it is probable that all or a portion of the investment will be sold for an amount different than NAV. The Foundation has not categorized these investments in levels within the fair value hierarchy table.

University of Maryland Baltimore Foundation, Inc.

Notes to Financial Statements

The following tables present the financial investments carried at fair value as of June 30, 2025 and 2024 by the fair valuation hierarchy defined above:

June 30, 2025					
	Quoted Prices in Active Markets for Identical Investments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Reported at NAV*	Total Fair Value
Investments					
Cash equivalents and money market funds ⁽¹⁾	\$ 13,911,501	\$ -	\$ -	\$ -	13,911,501
U.S. government and agency bonds ⁽²⁾	-	17,884,619	-	-	17,884,619
Corporate notes and bonds ⁽²⁾	-	70,895,954	-	-	70,895,954
Government mortgage- backed securities ⁽²⁾	-	-	-	-	-
U.S. treasury bills obligations ⁽³⁾	-	1,977,116	-	-	1,977,116
Certificates of deposit ⁽³⁾	-	9,417,325	-	-	9,417,325
Commonfund ⁽⁴⁾	-	-	-	3,388,801	3,388,801
Investment in special strategies - USMF ⁽⁵⁾	-	-	375,398,934	-	375,398,934
Total investments	\$ 13,911,501	\$ 100,175,014	\$ 375,398,934	\$ 3,388,801	\$ 492,874,250
Assets held under split interest agreements					
	\$ -	\$ 2,899,139	\$ -	\$ -	2,899,139

* Certain investments that are measured at fair value using net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying statements of financial position.

University of Maryland Baltimore Foundation, Inc.

Notes to Financial Statements

June 30, 2024					
	Quoted Prices in Active Markets for Identical Investments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Reported at NAV*	Total Fair Value
Investments					
Cash equivalents and money market funds ⁽¹⁾	\$ 6,578,535	\$ -	\$ -	\$ -	6,578,535
U.S. government and agency bonds ⁽²⁾	-	21,675,598	-	-	21,675,598
Corporate notes and bonds ⁽²⁾	-	61,021,891	-	-	61,021,891
Government mortgage-backed securities ⁽²⁾	-	159,408	-	-	159,408
U.S. treasury bills obligations ⁽³⁾	-	655,851	-	-	655,851
Certificates of deposit ⁽³⁾	-	2,879,287	-	-	2,879,287
Commonfund ⁽⁴⁾	-	-	-	2,952,186	2,952,186
Investment in special strategies - USMF ⁽⁵⁾	-	-	352,728,029	-	352,728,029
Total investments	\$ 6,578,535	\$ 86,392,035	\$ 352,728,029	\$ 2,952,186	\$ 448,650,785
Assets held under split interest agreements					
	\$ -	\$ 2,853,078	\$ -	\$ -	2,853,078

* Certain investments that are measured at fair value using net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying statements of financial position.

- (1) **Cash equivalents and money market funds:** Cash equivalents and money market funds held in the investment portfolio include amounts invested in accounts with depository institutions that are readily convertible to known amounts of cash. Total deposits maintained at these institutions at times exceed the amount insured by federal agencies and therefore, bear a risk of loss. The Foundation has not experienced such losses on these funds. The Foundation invests in these assets to maintain liquidity for spending needs. These investments are classified as Level 1. Valuations are based on quoted market prices.
- (2) **U.S. government and agency bonds, corporate notes and bonds and government mortgage-backed securities:** U.S. government and agency bonds, corporate notes and bonds and government mortgage-backed securities are valued using a discounted cash flow model and are classified within Level 2 of the fair value hierarchy.
- (3) **U.S. treasury bills obligations and certificates of deposit:** U.S. treasury bills obligations and certificates of deposit are not quoted in an active market and are classified within Level 2 of the fair value hierarchy.
- (4) **The Commonfund:** The Commonfund are multistrategy equity fund that invests in a broad spectrum of equity strategies, most of which are traded on a national stock exchange. The Commonfund however is not publicly traded. Fair value is based on the Commonfund's net asset value based on the practical expedient. The Foundation invests in the Commonfund to diversify their equity portfolio and gain exposure to the overall direction of global equity markets.

University of Maryland Baltimore Foundation, Inc.

Notes to Financial Statements

- (5) **Investments in special strategies:** Investment in special strategies are invested by USMF on behalf of UMBF in a unitized portfolio, which utilizes an array of different investment strategies. The Foundation invests in the unitized portfolio to benefit from economies of scale to gain access to the underlying investment strategies. The Foundation has a unitized ownership interest in this portfolio and does not have direct ownership of the underlying investments in the portfolio. The investment in special strategies-USMF is presented in Level 3 in the chart above as the portfolio does not trade in an active market, pricing inputs are unobservable and the portfolio is subject to certain redemption restrictions consistent with those of the underlying investments in the portfolio, as discussed below, and subject to the discretion of the management of USMF. The fair value of the special strategies-USMF investment has been estimated using the unit value per share of the portfolio based on unobservable inputs and relies on underlying general partners and investment managers for pricing information. The Foundation has no outstanding unfunded commitments to the USMF unitized portfolio at June 30, 2025 and 2024.

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

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

These valuation methods may produce a fair value estimate that may not be reflective of future fair values. Furthermore, while the Foundation believes that its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value could result in a materially different estimate of fair value at the reporting date. The Foundation's private investments are held with sophisticated investment managers who received audited financial statements during the year that aid in management's ability to approximate fair value.

The following table shows purchases and sales for financial instruments classified within Level 3 of the fair value hierarchy at:

<i>Years Ended June 30,</i>	2025	2024
Purchases of portfolio investments	\$ 11,625,659	\$ 29,083,420
Proceeds from sale of distribution of investments	(16,608,884)	(124,502,083)

University of Maryland Baltimore Foundation, Inc.

Notes to Financial Statements

The following table is a breakout of investments reported at NAV as defined above:

Investment Strategy	June 30, 2025 Fair Value	June 30, 2024 Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period (Days)
Public equity	\$ 3,388,801,	\$ 2,952,186	\$ -	Monthly	5

5. Management of Investments

The Foundation has signed an investment management agreement with USMF, whereby funds held by the Foundation will be invested according to the policies set and approved by USMF's Board of Directors. USMF serves as recordkeeper under this agreement and investment manager of approximately 76% and 79% of the Foundation's investments at June 30, 2025 and 2024, respectively. This agreement also allows the Foundation to invest its assets in USMF investment pools. The remaining investments are in four separately managed investment pools at June 30, 2025 and 2024. Approximately \$117.5 million and \$95.9 million is directly invested by management in four separately managed investment pools at June 30, 2025 and 2024, respectively. The assets in these funds consisted of donations and earnings at June 30, 2025 and 2024. The other investments of trusts and annuities are managed and directly invested by a third-party custodian.

6. Concentration of Credit Risk

The Foundation maintains cash in bank accounts in amounts that may exceed Federally insured limits at times. The Foundation has not experienced any losses in these accounts in the past and believes that it is not exposed to significant credit risk because the accounts are deposited with major financial institutions. At June 30, 2025 and 2024, cash and cash equivalents exceeded federally insured limits by \$2,639,398 and \$14,909,307, respectively.

The Foundation believes it has limited credit risk associated with accounts receivable and contributions receivable due to the size of the amount owed and its donor base.

7. Contributions Receivable

Promised contributions are due as follows at June 30:

	2025	2024
Due within one year	\$ 19,274,052	\$ 19,439,910
Due within one to five years	13,973,010	17,393,278
More than five years	3,845,750	908,085
Subtotal	37,092,812	37,741,273
Less: allowance for doubtful accounts	(1,499,920)	(1,707,420)
Less: unamortized discount	(2,656,757)	(2,028,653)
Contributions receivable, net	32,936,135	34,005,200
Less: contributions receivable - non- current portion	(14,488,085)	(15,470,578)
Contributions receivable - current portion	\$ 18,448,050	\$ 18,534,622

University of Maryland Baltimore Foundation, Inc.

Notes to Financial Statements

The discount rate used to calculate the present value component at June 30, 2025 and 2024 was 3.68% and 4.52%, respectively. The difference between the fair value of contributions receivable and the carrying value is deemed to be immaterial for financial statement purposes.

8. Conditional Promises to Give and Intentions (Unaudited)

To the extent the following items are conditional promises to give, they are not recorded in the Foundation's financial statements. Various contributors have informed the Foundation of intentions to give approximately \$133 million and \$131 million at June 30, 2025 and 2024, respectively. These intentions relate primarily to bequests and revocable trusts, which can be changed and/or amended at the contributor's discretion.

9. Endowments

The Foundation's endowment consists of approximately 890 individual accounts established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds that function as endowment funds. The net assets associated with endowment funds, including those that function as endowment are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Foundation has interpreted the "Maryland Uniform Prudent Management of Institutional Funds Act" (MUPMIFA) as requiring the preservation of at least 95% of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions, (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the endowment fund
- (2) The purposes of the Foundation and the endowment fund
- (3) The general economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

University of Maryland Baltimore Foundation, Inc.

Notes to Financial Statements

The Foundation's endowment funds consist of the following as of June 30, 2025:

	Without donor restrictions	With donor restrictions	Total
Board designated endowment funds	\$ 9,351,318	\$ -	\$ 9,351,318
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be held in perpetuity by donors	-	261,047,693	261,047,693
Other restricted endowment funds	-	393,815	393,815
Funds treated as endowment funds	-	10,201,046	10,201,046
Accumulated investment gains	3,730,649	115,285,697	119,016,346
Total	\$ 13,081,967	\$ 386,928,251	\$ 400,010,218

The Foundation's endowment funds consist of the following as of June 30, 2024:

	Without donor restrictions	With donor restrictions	Total
Board designated endowment funds	\$ 9,270,728	\$ -	\$ 9,270,728
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be held in perpetuity by donors	-	246,222,648	246,222,648
Other restricted endowment funds	-	393,765	393,765
Funds treated as endowment funds	-	10,024,022	10,024,022
Accumulated investment gains	2,938,698	103,669,919	106,608,617
Total	\$ 12,209,426	\$ 360,310,354	\$ 372,519,780

Changes in Endowment Net Assets

The following table represents the changes in endowment net assets for the years ended:

<i>June 30, 2025</i>	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of the year	\$ 12,209,426	\$ 360,310,354	\$ 372,519,780
Contributions and grants	80,591	14,990,188	15,070,779
Investment return, net	791,950	27,346,042	28,137,992
Appropriation of endowment assets for expenditure	-	(12,270,877)	(12,270,877)
Endowment fees	-	(3,447,456)	(3,447,456)
Endowment net assets, end of the year	\$ 13,081,967	\$ 386,928,251	\$ 400,010,218

University of Maryland Baltimore Foundation, Inc.

Notes to Financial Statements

<i>June 30, 2024</i>	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of the year	\$ 11,183,065	\$ 339,562,370	\$ 350,745,435
Contributions and grants	241,235	8,327,931	8,569,166
Investment return, net	785,126	27,003,027	27,788,153
Appropriation of endowment assets for expenditure	-	(11,408,292)	(11,408,292)
Endowment fees	-	(3,174,682)	(3,174,682)
Endowment net assets, end of the year	\$ 12,209,426	\$ 360,310,354	\$ 372,519,780

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or MUPMIFA requires the Foundation to retain as a fund of perpetual duration. This deficit can result from unfavorable market fluctuations that occurred after the investment of new donor-restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board. The Foundation allows for spending on underwater funds if permitted by the donor. Future market gains will be used to restore this deficiency. As of June 30, 2025, the Foundation had seven underwater endowment funds, which had corpus totaling \$2,405,368 and fair value of \$2,137,324, resulting in a deficit of \$268,044. As of June 30, 2024, the Foundation had one underwater endowment funds, which had corpus totaling \$48,500 and fair value of \$48,206, resulting in a deficit of \$294.

Return and Risk Objectives

The Foundation has adopted spending policies for the endowment that seek to provide a steady and sustainable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of endowment assets. The investment return objectives of the Foundation are aligned with those of USMF, the custodian.

The USMF Investment Committee governs according to fundamental investment principles, approved by the Investment Committee and USMF Board of Directors, with the objective of achieving superior risk-adjusted returns in order to grow the corpus of the capital base and provide capital for spending distributions as directed by constituents. Specifically, the goal of the endowment is to achieve returns in excess of inflation plus spending plus fees. Within the context of risk-taking, specific risk metrics are outlined for staff and the Investment Committee to reassess the portfolio's positioning if these levels are breached.

Strategies Employed for Achieving Objectives

To satisfy its objectives, USMF employs a diversified asset allocation that allows for investment in public risk assets (primarily liquid investments), private risk assets (most illiquid investments), intermediate assets (private assets with shorter, finite illiquidity periods) and safe assets (cash and U.S. Government securities and prime money market funds).

University of Maryland Baltimore Foundation, Inc.

Notes to Financial Statements

The asset allocation target ranges inclusive of these securities as of both June 30, 2025 and 2024 is as follows:

Asset Class	Policy Target	Minimum	Maximum
Safe Assets	3%	0%	25%
Intermediate Assets	15%	5%	25%
Public Risk Assets	52%	25%	75%
Private Risk Assets	30%	10%	75%

The USMF endowment portfolio is constructed based on the following principles:

(1) Allocation: The overall goal of the USMF Investment Committee in establishing the asset class ranges is to create balance across the portfolio between sources of return, liquidity timeliness, and types of risk. The purpose and definition of each asset class and sub-class is as follows:

a) **Safe Assets** are defined as investments with little-to-no principal risk. These assets are cash, U.S. Government securities and money market funds. This portion of the portfolio is in place to provide capital preservation and stability during volatile periods as well as facilitate spending and capital call obligations. Maintaining safe assets minimizes the risk of becoming forced sellers of assets during moments of market stress.

b) **Intermediate Assets** represent private credit strategies whose term is generally longer than public risk assets, but shorter than private risk assets. Many strategies within this asset class have a contractual yield orientation, including strategies such as direct lending, distressed lending, and niche credit opportunities. They offer idiosyncratic return/risk profiles that are generally less volatile than growth assets, thereby aiming to reduce overall portfolio risk in tandem with earning attractive returns.

c) **Public Risk Assets** are generally traded in liquid markets/exchanges. This section of the portfolio pursues several objectives such as liquidity, diversification, and growth. Some of the investments will track closely to market indices, with a goal to earn or exceed the benchmark return. Others enhance portfolio diversification while targeting strong risk adjusted returns.

d) **Private Risk Assets** are the most illiquid portion of the portfolio, serving as the primary driver of long-term returns. Private risk assets are diversified across multiple strategies such as private equity, venture capital, private real estate/infrastructure, and other diversifying strategies. Given the intergenerational time horizon of the endowment, there is meaningful capacity for allocating to illiquid strategies that offer the potential for higher returns.

(2) Diversification: By allocating funds to asset classes whose returns are not highly correlated over time, the USMF Investment Committee aims to mitigate some of the volatility inherent in equities and thereby provide greater stability in spending distributions than might be possible with a more concentrated portfolio. Although such diversification means the endowment may not reap all of the benefits of equity bull markets, it will also limit losses during bear markets. No more than 5% of the endowment fund's assets may be invested in one fund and no more than 10% of the endowment fund's assets may be invested in one manager, with certain exceptions to these limits approved by the USMF Investment Committee.

University of Maryland Baltimore Foundation, Inc.

Notes to Financial Statements

(3) Rebalancing: In order to reap the benefits of diversification, portfolio holdings will be rebalanced as necessary to ensure that the actual portfolio asset allocation does not deviate materially from policy target allocations ranges.

Spending Policy and Relationship of Spending Policy to Investment Objectives

The Foundation has a spending rate policy for endowment funds in order to preserve the purchasing power of the assets, to protect against erosion of nominal principal and to promote stability and predictability of annual budgeting. The spending rate determines the amount to be distributed for current spending. If the agreement with the donor so provides, any amounts remaining after annual distributions are reinvested and become part of the corpus. If the agreement is silent as to earnings in excess of distributions, then under Foundation policy any amounts remaining after the distributions are reinvested and available for future spending. Some agreements provide that the corpus can be invaded to provide for spending stability.

The Foundation's policy of appropriating as of July 1 of the fiscal year was based on the following:

The Board of Directors has authorized a formulaic approach as an advisory tool to determine the annual spending rate. The approach is a combination of the following two factors by weighting (a) 30% and (b) 70% to calculate a per unit rate. Once calculated, the rate should be between 3.5% and 4.5% of the moving average market value for the year ended June 30, 2025 and 2024, respectively. Spending rates may not violate any donor restrictions.

- a) Compute the average market value for the most recent period ending December 31 using the previous twenty (20) quarters. Calculate 5% of this average market value. This is equivalent of using a moving average as each year the first four quarters drop off and the most recent four quarters are added.
- b) Calculate an adjusted spending rate using the prior year's percentage increased by the Higher Education Price Index (HEPI).

After considering the formulaic approach and other relevant inputs, an annual spending rate is established. The spending rates for both fiscal years 2025 and 2024 were 4.0%. The approved spending rate for both fiscal years 2025 and 2024 was 4.0%.

Newly created individual endowment funds, in order to have annual spendable income, must be invested for at least three months prior to the calculation date and meet minimum value requirements. In establishing this policy, the Finance Committee considered the long-term expected return on the endowment and its goal of preserving principal. Accordingly, over the long term, the Board of Trustees expects the current spending policy to allow its endowment to grow at a rate that protects capital on an inflation-adjusted basis.

A request must be made to carry-over unspent appropriated funds from more than one prior year into the current year.

University of Maryland Baltimore Foundation, Inc.

Notes to Financial Statements

10. Net Assets with Donor Restrictions

Net asset balances with donor restrictions of the Foundation consist of the following at:

<i>June 30,</i>	2025	2024
Subject to the Foundation's spending policy and appropriation:		
Investment in perpetuity (including original gift amounts of \$261,047,693 in 2025 and \$246,222,648 in 2024), with gains that once appropriated, is expendable to support:		
Program support	\$ 107,090,602	\$ 103,065,570
Student support	73,488,720	68,112,994
Faculty support	197,077,643	180,883,761
Research	9,044,551	8,035,743
Capital projects	226,735	212,286
	386,928,251	360,310,354
Subject to expenditure for specific purpose:		
Program support	45,540,997	45,075,695
Student support	22,334,744	23,302,361
Faculty support	2,445,375	1,743,279
Research	14,678,054	14,529,225
Capital projects	3,551,226	3,708,827
	88,550,396	88,359,387
Total	\$ 475,478,647	\$ 448,669,741

During the years ended June 30, 2025 and 2024, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donor or by the passage of time, as follows:

	2025	2024
Program support	\$ 14,216,078	\$ 11,361,490
Student support	7,212,970	6,305,373
Faculty support	7,238,047	8,894,754
Research	3,815,487	1,715,990
Capital projects	188,336	461,495
Total	\$ 32,670,918	\$ 28,739,102

University of Maryland Baltimore Foundation, Inc.

Notes to Financial Statements

11. Net Assets Without Donor Restrictions

The Foundation implemented Board-designated reserve policies as approved by the Board of Trustees to simplify and better reflect current economic realities. The following reflects the net assets for specific purposes within board-designated net assets at:

<i>June 30,</i>	2025	2024
Board-Designated Net Assets		
<i>Operating budget</i>		
Net assets were established to cover the Foundation's annual operating budget	\$ 4,091,653	\$ 3,620,331
<i>Scholarship Board-Designated fund</i>		
Scholarship match related to endowment	13,081,967	12,209,427
Other scholarship matching funds	1,508,937	1,603,228
Total Board-designated net assets	18,682,557	17,432,986
Undesignated net assets	32,701,576	29,423,145
Total	\$ 51,384,133	\$ 46,856,131

12. Description of Program and Supporting Services

The following program and supporting services are included in the statements of functional expenses:

Student and Faculty Support

These expenses are associated with student scholarships, awards and related activities. Faculty support is to assist in the various department's ability to fund the chair of the department, professorship, fellowship and other faculty support and related expenses.

Campus Programs

These expenses are associated with maintaining and improving the schools and units throughout UMB's campus for the day-to-day operations including university advancement, alumni activities, conferences, seminars and special events.

Research

This program is designed to assist departments with costs related to expanding research in many academic fields. Costs such as lab equipment, materials and computer programs are included in this area.

Capital Projects

These expenses include the construction, repair and maintenance of buildings and equipment throughout the UMB campus.

University of Maryland Baltimore Foundation, Inc.

Notes to Financial Statements

General and Administrative

These expenses relate to the day-to-day operation of the administrative, accounting office of the Foundation, including salary reimbursement to UMB.

Fundraising

These expenses are associated with fundraising initiatives and activities throughout UMB's campus.

13. Transfers from USMF

Prior to the establishment of the Foundation, USMF held funds that were contributed for the benefit of the University of Maryland, Baltimore. USMF is a separately incorporated, independent foundation that manages funds received for the benefit of the University System of Maryland. During fiscal year 1999, the Maryland State Legislature passed legislation allowing each University System of Maryland institution to establish its own separate, affiliated foundation. In July 1999, the Foundation was incorporated and on July 10, 2000, \$39,169,017 in operating funds was transferred from USMF to the Foundation.

The Foundation has signed an investment management agreement whereby funds of the Foundation will be invested by USMF, on behalf of the Foundation, according to the policies set by USMF's Investment Committee. USMF is the custodian of the Foundation investment assets under this agreement.

14. Split-Interest Agreements Requirements

As required by various State regulations, the Foundation internally reserves cash and investments in the amount of \$2,899,139 and \$2,853,078 associated with annuity liabilities of \$1,590,526 and \$2,015,467 as of June 30, 2025 and 2024, respectively.

15. Related Party Transactions

Foundation personnel are employees of the University of Maryland Baltimore. The University administers all payroll and fringe benefit costs. The Foundation reimburses the University for these costs on a quarterly basis, estimating the salary costs of individuals devoting effort to the Foundation. The amount reimbursed by the Foundation to the University was \$2,487,648 and \$2,035,650 for the years ended June 30, 2025 and 2024, respectively.

16. Subsequent Events

The Foundation evaluated subsequent events through October 24, 2025, the date the financial statements were available to be issued. There were no events that required adjustments to or disclosure in the financial statements.