

BRANDEIS UNIVERSITY

Financial Statements

June 30, 2022

(with summarized comparative information for June 30, 2021)

(With Independent Auditors' Report Thereon)



RSM US LLP

Independent Auditor's Report

Board of Trustees
Brandeis University

Opinion

We have audited the financial statements of Brandeis University (the University), which comprise the balance sheets as of June 30, 2022 and 2021, the related statements of activities, 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 University as of June 30, 2022 and 2021, 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 University 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 University's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 University'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 University'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.

RSM US LLP

Boston, Massachusetts
October 31, 2022

BRANDEIS UNIVERSITY

Balance Sheet

June 30, 2022

(with comparative information as of June 30, 2021)

(In thousands of dollars)

Assets	2022	2021
Cash and cash equivalents	\$ 55,236	\$ 40,854
Accounts receivable, net	25,004	21,071
Notes receivable, net	4,728	6,233
Contributions receivable, net	18,526	7,679
Long-term investments	1,228,761	1,314,834
Funds held by bond trustee, restricted	1,672	16,832
Funds held in trust by others and other assets	34,038	39,025
Lease right-of-use assets, net	7,896	6,674
Property, plant and equipment, net	351,861	358,453
	<hr/>	<hr/>
Total assets	\$ 1,727,722	\$ 1,811,655
	<hr/> <hr/>	<hr/> <hr/>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	\$ 36,867	\$ 39,539
Sponsored program advances	13,044	8,600
Student deposits and deferred revenue	9,593	7,391
Lease obligations	9,330	7,979
Other long-term liabilities	17,353	19,988
Long-term debt, net	268,698	280,802
Total liabilities	354,885	364,299
	<hr/>	<hr/>
Net assets:		
Without donor restrictions	190,662	205,659
With donor restrictions	1,182,175	1,241,697
Total net assets	1,372,837	1,447,356
	<hr/>	<hr/>
Total liabilities and net assets	\$ 1,727,722	\$ 1,811,655
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to financial statements.

BRANDEIS UNIVERSITY

Statement of Activities

Year ended June 30, 2022

(with summarized comparative information for the year ended June 30, 2021)

(In thousands of dollars)

	<u>Net assets without donor restrictions</u>	<u>Net assets with donor restrictions</u>	<u>2022</u>	<u>2021</u>
Operating revenues and other support:				
Tuition and fees (net of financial aid)	\$ 174,692	\$ -	\$ 174,692	\$ 156,571
Residence hall, and dining	46,341	-	46,341	30,189
Net tuition and fees, residence hall, and dining	221,033	-	221,033	186,760
Net assets utilized in operations	28,048	-	28,048	27,287
Sponsored programs – direct	54,309	-	54,309	51,813
Sponsored programs – indirect	14,767	-	14,767	14,573
Other investment income	623	-	623	338
Investment income from funds held in trust by others	348	-	348	330
Endowment return utilized	59,313	-	59,313	61,774
Other auxiliary enterprises	421	-	421	142
Other sources	9,198	-	9,198	7,964
Total operating revenues and other support	388,060	-	388,060	350,981
Operating expenses:				
Compensation	190,803	-	190,803	185,069
Employee benefits	47,741	-	47,741	32,083
Utilities and general repairs	20,504	-	20,504	17,497
Depreciation	29,392	-	29,392	29,023
Interest	9,582	-	9,582	10,412
Supplies, services, and other	87,335	-	87,335	71,277
Total operating expenses	385,357	-	385,357	345,361
Change in net assets from operating activities	2,703	-	2,703	5,620
Nonoperating activities:				
Net investment return	(5,615)	(41,732)	(47,347)	280,686
Endowment return utilized in operations	(7,853)	(51,460)	(59,313)	(61,774)
Net assets utilized in operations	(9,492)	(18,556)	(28,048)	(27,287)
Net assets released for capital purposes	237	(237)	-	-
Contributions	9,976	51,867	61,843	27,154
Other changes	(4,953)	596	(4,357)	(7,282)
Change in net assets from nonoperating activities	(17,700)	(59,522)	(77,222)	211,497
Change in net assets	(14,997)	(59,522)	(74,519)	217,117
Net assets at beginning of year	205,659	1,241,697	1,447,356	1,230,239
Net assets at end of year	\$ 190,662	\$ 1,182,175	\$ 1,372,837	\$ 1,447,356

See accompanying notes to financial statements.

BRANDEIS UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2022

(with comparative information for the year ended June 30, 2021)

(In thousands of dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (74,519)	\$ 217,117
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization, net	27,982	27,613
Donations of securities	(5,058)	(2,519)
Proceeds from sale of donated securities	1,938	1,734
Net realized and unrealized investment loss (gain)	45,354	(281,937)
Net change from funds held in trust by others	2,182	(2,014)
Loss on disposal of fixed assets	2	84
Contributions restricted for long-term investment	(22,800)	(6,460)
Change in operating assets, net	(13,197)	(6,746)
Change in operating liabilities, net	2,291	2,821
Net cash used in operating activities	<u>(35,825)</u>	<u>(50,307)</u>
Cash flows from investing activities:		
Acquisition and construction of property, plant and equipment	(22,020)	(26,251)
Purchases of investments	(220,203)	(255,599)
Proceeds from sales and maturities of investments	259,668	354,662
Notes receivable issued	(75)	(89)
Notes receivable repaid	1,580	1,451
Net cash provided by investing activities	<u>18,950</u>	<u>74,174</u>
Cash flows from financing activities:		
Principal payments on bonds, notes and leases	(11,077)	(10,382)
Cost of issuance of bonds and notes	-	(22)
Payments on line of credit	-	(35,000)
Change in funds held by bond trustee	15,160	13,199
Proceeds from sale of donated securities restricted for long-term purposes	4,374	3,273
Contributions restricted for long-term investment	22,800	6,460
Net cash provided by (used in) financing activities	<u>31,257</u>	<u>(22,472)</u>
Change in cash and cash equivalents	14,382	1,395
Cash and cash equivalents, beginning of year	<u>40,854</u>	<u>39,459</u>
Cash and cash equivalents, end of year	<u>\$ 55,236</u>	<u>\$ 40,854</u>
Supplemental data:		
Interest paid	\$ 11,087	\$ 11,731
Decrease in accrued liabilities attributable to property, plant, and equipment	782	510

See accompanying notes to financial statements.

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2022

(with comparative information for June 30, 2021)

(In thousands of dollars)

(1) Organization

Brandeis University (the University) is a private, not-for-profit, nonsectarian, co-educational institution of higher education with approximately 5,300 full-time equivalent undergraduate and graduate students. Established in 1948, the University offers educational programs for undergraduates in liberal arts and sciences, and graduate education and training in the arts and sciences, business, social policy and management.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The University's financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP). The financial statements have been prepared to focus on the University as a whole and to present balances and transactions based on the existence or absence of donor-imposed restrictions, as follows:

Without donor restrictions: net assets not subject to donor stipulations restricting their use, but may be designated for specific purposes by the University or may be limited by contractual agreements with outside parties. Such net assets may be designated by the Board of Trustees (the Board) for specific purposes, including to function as endowment.

With donor restrictions: net assets subject to donor stipulations that restrict the purpose and usage or contain a time restriction, which may be perpetual. These net assets are released from restrictions when the specified time elapses or actions have been taken to meet the restrictions. As further described in note 14, the University is subject to the Massachusetts Uniform Prudent Management of Institutional Funds Act (UPMIFA), under which donor-restricted endowment funds may be appropriated for expenditure by the Board in accordance with the standard of prudence prescribed by UPMIFA. Net assets of such funds in excess of their historic dollar value are classified as donor restricted until appropriated by the Board and spent on their intended purpose. In addition, net assets with donor restrictions includes donor-restricted endowment funds with underwater valuation. Life income trusts and pledges receivable for which the ultimate use is restricted by the donor are also reported as net assets with donor restrictions.

For comparison purposes, the 2022 statement of activities has been presented with 2021 summarized comparative information in total but not by net asset class. This summarized 2021 information is not intended to and does not include sufficient detail to constitute a complete presentation of changes in net assets in conformity with GAAP. Accordingly, such information should be read in conjunction with the University's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

(b) Liquidity Information

In order to provide information about liquidity, assets have been sequenced in the balance sheet according to their nearness to conversion to cash, and liabilities have been sequenced according to the nearness of their maturity and resulting use of cash.

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2022

(with comparative information for June 30, 2021)

(In thousands of dollars)

(c) Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents, except those held as long-term investments, or funds held by bond trustee, consist of bank deposits, certificate of deposits, money market funds and investments with original maturities of three months or less at the date of purchase, and are carried at cost, which approximates fair value. The University maintains its cash in bank deposit accounts, which, at times may exceed federally insured limits. The University has not experienced losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

(d) Fair Value

Investments and funds held in trust by others are reported at fair value in the University's financial statements. Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. GAAP establishes a fair value hierarchy that prioritizes inputs used to measure fair value into three levels:

Level 1 – quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities;

Level 2 – observable prices that are based on inputs not quoted in active markets, but corroborated by market data; and

Level 3 – unobservable inputs are used when little or no market data is available.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, the University utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. Certain investments meeting defined criteria are reported at their net asset value (NAV), which is used as a practical expedient to estimate their fair values, and these investments are not categorized in the fair value hierarchy.

(e) Funds Held by Bond Trustee

Funds held by bond trustee represents bond proceeds that will be drawn down to fund various capital projects. Funds held by bond trustee is invested in the Massachusetts Development Finance Agency's (MDFA) Short Term Asset Reserve Fund (STAR).

(f) Funds Held in Trust by Others and Other Assets

Funds held in trust by others (FHITBO) are perpetual trusts held in perpetuity by external trustees, as specified by the donors, and are reported by the University at fair value based on the underlying assets held by the trust. These assets are considered to be Level 3 within the fair value hierarchy. Trust income is distributed at least annually to the University in accordance with the terms of the trusts and is recorded as investment income. Changes in the fair value of the trusts are recorded as increases or decreases to net assets with donor restrictions. The University had \$9,683 and \$11,865 of FHITBO as of June 30, 2022 and 2021, respectively. Other assets include prepayments, inventories, and deferral of qualifying cloud computing arrangement implementation costs.

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2022

(with comparative information for June 30, 2021)

(In thousands of dollars)

(g) Leasing

The University determines if an arrangement is a lease at inception. The University has both leases under which it is obligated as a lessee and leases for which it is a lessor. Finance leases are included in property, plant, and equipment, operating leases are included in right of use assets, and the related lease obligations in the balance sheet.

Lease right-of-use assets represent the University's right to use an underlying asset for the lease term. Lease obligations represent the University's liability to make lease payments arising from the lease. Operating and finance lease right-of-use assets and related obligations are recognized at commencement date based on the present value of lease payments over the lease term discounted using an appropriate incremental borrowing rate. The incremental borrowing rate is based on the information available at commencement date in determining the present value of lease payments. The value of an option to extend or terminate a lease is reflected to the extent it is reasonably certain management will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Interest expense is recognized as a component of the lease payment for finance leases.

Rental income arising from operating leases as a lessor is included in operating revenue in other sources in the statement of activities.

(h) Property, Plant, and Equipment

Property, plant, and equipment are stated at cost less accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of land improvements (18 years), buildings (60 years), building systems and improvements (18–50 years), equipment and furnishings (5–15 years), software (5 years), and leases (3–5 years).

Costs incurred in connection with construction projects are accumulated in construction in progress until complete and placed into service at which time the cost is transferred to the respective asset class and depreciation begins.

Expenses for the repair and maintenance of facilities are recognized during the period incurred. Betterments, which add to the value of the related assets or materially extend the lives of the assets, are capitalized.

(i) Other Long-Term Liabilities

Other long-term liabilities include liabilities associated with asset retirement obligations arising from regulatory requirements to perform certain asset retirement activities, primarily asbestos removal, at or prior to disposal of certain property. As of June 30, 2022 and 2021, the estimated liabilities were \$6,011 and \$5,640, respectively. In addition, the University carries a liability related to refundable advances received under the Federal Perkins Loan Program (the Program) as discussed in note 6. As of June 30, 2022 and 2021, those liabilities were \$1,717 and \$2,931, respectively.

Other long-term liabilities also include liabilities associated with gift annuities and charitable remainder trusts, as discussed in note 2(j).

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2022

(with comparative information for June 30, 2021)

(In thousands of dollars)

(j) Charitable Remainder Trusts

The University is the beneficiary of a number of gift annuities and charitable remainder trusts, which are included in long-term investments on the balance sheet. The University initially recognizes a contribution as well as an interest in the underlying investment from which a specified amount, or percentage, of the fair value of the trusts' assets is paid to the donor or named beneficiary each year. Actuarial methods are used to calculate that portion of the investment representing the present value of the liability to the donor and that portion representing the contribution. Net contribution revenue recognized under such agreements was \$392 and \$81 for the years ended June 30, 2022 and 2021, respectively.

The fair value of interests in gift annuities and charitable remainder trusts is based on quoted market prices of underlying investments, which amount to \$21,730 and \$26,067 for the years ended June 30, 2022 and 2021, respectively.

The fair value of the liability on gift annuities and charitable remainder trusts is based on present value techniques and assumptions including life expectancy and estimated rate of return. Liabilities to the donors are recorded at the present value of the estimated future payments to be distributed over the life of the donor or named beneficiary, which amount to \$9,625 and \$11,150 for the years ended June 30, 2022 and 2021, respectively. These liabilities are valued on a recurring basis and are considered to be Level 2 within the fair value hierarchy.

(k) Revenue Recognition

Revenues are reported as an increase in net assets without donor restrictions, unless they are limited by donor-imposed restrictions. Expirations of donor-restrictions are reflected in the statement of activities as net assets utilized in operations. Net realized gains (losses) from the sale or other disposition of investments and the change in unrealized appreciation (depreciation) of investments are reported as revenue without donor-restrictions, unless restricted by donor-imposed stipulations or law.

Revenue is recognized when or as the University satisfies performance obligations by rendering promised goods or services.

Tuition, student fees, residence hall and dining revenues are recorded as revenue when the related services are rendered during the academic year, which falls within the fiscal year. Payments are generally required to be received in advance of the academic term and are recorded as student deposits and deferred revenue. Tuition and student fees received for courses that cross fiscal years are prorated in accordance with the number of days of instruction. Other auxiliary enterprise revenues are recognized when the goods or services are provided.

(l) Contributions and Sponsored Programs

Contributions with and without donor restrictions are reported as increases to net assets. Contributions include unconditional promises (contributions receivable) that are reported at present value of expected cash flows, net of an allowance for uncollectable contributions receivable. Contributions of noncash assets are recorded at fair value on the date of the contribution.

Contributions without donor restrictions and contributions with donor restrictions for which time or purpose restrictions have been met are reclassified to operating activities as net assets utilized in

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2022

(with comparative information for June 30, 2021)

(In thousands of dollars)

operations, unless the purpose is capital in nature. For the years ended June 30, 2022 and 2021, net assets utilized in operations include \$18,556 and \$21,139 of net assets released from restrictions, respectively. Contributions for capital purposes are reported as nonoperating activities and released from restriction when the related asset is placed into service.

Grants and contracts awarded by federal and other sponsors, which generally are considered nonexchange transactions restricted by sponsors for certain purposes, are recognized as revenue when qualifying expenditures are incurred or other conditions under the agreements are met. The University has elected the simultaneous release policy available under Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which allows a not-for-profit organization to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that the revenue is recognized.

Federal and other sponsored grants and contracts may be subject to fiscal funding clauses or annual appropriations. The University estimates that conditional awards outstanding as of June 30, 2022 and 2021 approximate the University's recent historical annual sponsored program activity.

(m) Allocation of Expenses

The statement of activities presents operating expenses by natural classification. Note 4 displays a matrix of operating expenses by both natural and functional categories. Depreciation, amortization, interest, and operation of plant expenses are allocated to functional expense categories on the basis of square feet utilized.

(n) Fundraising Expenses

Fundraising expense was \$12,333 and \$12,233 for the years ended June 30, 2022 and 2021, respectively, and is classified as institutional support in note 4.

(o) Income Taxes

The University is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code, as amended (the Code), and is generally exempt from income taxes pursuant to Section 501(a) of the Code. The University is required to assess uncertain tax positions and has determined that there were no such positions that are material to the financial statements.

(p) Collections

Collections at Brandeis University are protected and preserved for public exhibition, education, research and the furtherance of public service. Collections are not capitalized and contributions of collections are not recognized as contribution revenue. Sales and purchases of collection items are reported as nonoperating revenue and expenses in the University's financial statements in the period in which the items are sold or acquired, respectively. The proceeds from the sale of collection items, if any, are used for the acquisition of new artwork.

(q) Nonoperating Activities

Nonoperating activities reflect all contributions, transactions of a long-term investment or capital in nature, investment return net of appropriations for current operational support in accordance with the

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2022

(with comparative information for June 30, 2021)

(In thousands of dollars)

University's endowment spending policy, collection of artwork, and other net asset changes resulting from transactions that do not arise from or currently affect operations, including one-time non-structural costs.

Other changes, net, in the non-operating section of statement of activities include non-structural COVID-19 costs, which may be reimbursed by the federal government.

(r) Estimates

The preparation of financial statements in conformity with 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. Actual results may differ from those estimates, and the differences may be material.

(s) Related-Party Transactions

Members of the Board and senior management may, from time to time, be associated either directly or indirectly with companies doing business with the University. The University has a written conflict of interest policy that requires each individual to certify compliance with such policy on an annual basis as well as disclose any potential related-party transactions. When such a relationship exists, measures are taken to mitigate any actual or perceived conflict, including requiring that such transactions be conducted at arms' length, with terms that are fair and reasonable to and for the benefit of the University. As of June 30, 2022 and 2021, there were no material related party transactions identified. The University has \$1,331 in unsecured related party pledge receivables as of June 30, 2022.

(t) Recently Adopted Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which provides new presentation and disclosure requirements about contributed nonfinancial assets for not-for-profit entities, including additional disclosure requirements for recognized contributed services. This ASU will not change the recognition and measurement requirements for those assets. The University adopted this standard for the year ended June 30, 2022. The University did not receive any significant contributions of non-financial assets during the years ended June 30, 2022 and 2021 and there was no impact to the University's financial statements and disclosures.

(u) Subsequent Events

The University evaluates subsequent events for potential recognition or disclosure through October 31, 2022, the date in which the financial statements were issued.

(3) Tuition and Fees, Residence Hall and Dining Revenues

Revenue from tuition and fees, residence halls, and dining services is reflected net of reductions from institutional student aid and is recognized as the services are provided over the academic year, which generally aligns with the University's fiscal year. Such revenue is determined based on published rates for such services, less scholarships and financial aid awarded by the University to qualifying students. Aid in excess of a student's tuition and fees is reflected as a reduction of residence hall and dining charges. Generally, disbursements made directly to students for living or other costs are reported as an expense.

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2022

(with comparative information for June 30, 2021)

(In thousands of dollars)

As of June 30, such revenue at the published rates and financial aid is as follows:

	<u>2022</u>	<u>2021</u>
Tuition and fees	\$ 289,720	\$ 261,674
Less scholarships and financial aid	<u>(115,028)</u>	<u>(105,103)</u>
Tuition and fees, net	174,692	156,571
Residence hall and dining	<u>46,341</u>	<u>30,189</u>
Tuition and fees, residence hall and dining revenues	<u>\$ 221,033</u>	<u>\$ 186,760</u>

Revenues recognized in the year ended June 30, 2022 and 2021, that were included in student deposits and deferred revenue in prior years are \$5,960 and \$10,410, respectively.

(4) Analysis of Expenses

Expenses by functional and natural classification for the year ended June 30, 2022 consist of the following:

	<u>Instruction</u>	<u>Sponsored Programs</u>	<u>Academic Support</u>	<u>Student Services</u>	<u>Auxiliary Enterprises</u>	<u>Institutional Support</u>	<u>Total</u>
Compensation	\$ 84,265	\$ 27,452	\$ 29,452	\$ 15,895	\$ 4,006	\$ 29,733	\$ 190,803
Employee benefits	23,122	5,983	7,792	3,786	1,010	6,048	47,741
Utilities and general repairs	4,127	2,767	1,878	2,958	6,324	2,450	20,504
Depreciation	6,009	4,074	2,651	4,249	9,018	3,391	29,392
Interest	1,959	1,328	864	1,385	2,940	1,106	9,582
Supplies, services, and other	14,601	21,090	14,850	7,720	20,330	8,744	87,335
Total	<u>\$ 134,083</u>	<u>\$ 62,694</u>	<u>\$ 57,487</u>	<u>\$ 35,993</u>	<u>\$ 43,628</u>	<u>\$ 51,472</u>	<u>\$ 385,357</u>

Expenses by functional and natural classification for the year ended June 30, 2021 consist of the following:

	<u>Instruction</u>	<u>Sponsored Programs</u>	<u>Academic Support</u>	<u>Student Services</u>	<u>Auxiliary Enterprises</u>	<u>Institutional Support</u>	<u>Total</u>
Compensation	\$ 83,036	\$ 26,515	\$ 27,723	\$ 15,747	\$ 3,835	\$ 28,213	\$ 185,069
Employee benefits	15,300	4,006	4,881	2,557	684	4,655	32,083
Utilities and general repairs	3,528	2,387	1,622	2,346	5,613	2,001	17,497
Depreciation	5,972	4,040	2,640	3,926	9,117	3,328	29,023
Interest	2,142	1,450	947	1,408	3,271	1,194	10,412
Supplies, services, and other	8,599	19,557	10,781	4,638	17,761	9,941	71,277
Total	<u>\$ 118,577</u>	<u>\$ 57,955</u>	<u>\$ 48,594</u>	<u>\$ 30,622</u>	<u>\$ 40,281</u>	<u>\$ 49,332</u>	<u>\$ 345,361</u>

The University's primary programs are instruction and sponsored programs. Expenses reported as academic support, student services, and auxiliary enterprises are incurred in support of these primary program activities.

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2022

(with comparative information for June 30, 2021)

(In thousands of dollars)

(5) Accounts Receivable

The composition of accounts receivable as of June 30 is as follows:

	<u>2022</u>	<u>2021</u>
Student receivables	\$ 2,759	\$ 1,960
Sponsored program receivables	16,279	15,878
Other	6,958	4,667
	<u>25,996</u>	<u>22,505</u>
Less allowance for doubtful accounts	(992)	(1,434)
Accounts receivable, net	<u>\$ 25,004</u>	<u>\$ 21,071</u>

Accounts receivable balances are periodically reviewed to estimate an allowance for doubtful accounts. Management estimates the allowance based on a review of historical experience and specific characteristics associated with the individual receivables.

(6) Notes Receivable

The composition of notes receivable as of June 30 is as follows:

	<u>2022</u>	<u>2021</u>
Federal Perkins loan program	\$ 1,619	\$ 2,473
University student loan programs	7,031	7,710
	<u>8,650</u>	<u>10,183</u>
Less allowance for doubtful loans	(3,922)	(3,950)
Notes receivable, net	<u>\$ 4,728</u>	<u>\$ 6,233</u>

Notes receivable under the Program are funded by the U.S. government and University funds and are subject to significant restrictions. The Program has ended and a portion of the amounts are generally refundable to the U.S. government.

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2022

(with comparative information for June 30, 2021)

(In thousands of dollars)

(7) Contributions Receivable

The composition of contributions receivable as of June 30 is as follows:

	<u>2022</u>	<u>2021</u>
Amounts due in:		
Less than one year	\$ 10,093	\$ 3,524
Between one and five years	10,075	5,426
More than five years	<u>400</u>	<u>245</u>
Gross contributions receivable	20,568	9,195
Less:		
Allowance for unfulfilled contributions	(1,822)	(1,386)
Discount, at rates from 0.29% to 3.72%	<u>(220)</u>	<u>(130)</u>
Contributions receivable, net	<u>\$ 18,526</u>	<u>\$ 7,679</u>

Unconditional promises to give are periodically reviewed to estimate an allowance for doubtful collections. Management estimates the allowance based on a review of historical experience and a specific review of collection trends that differ from the plan on individual accounts. Adjustments to the allowance are charged to contribution revenues. An account is considered uncollectible when all collection efforts have been exhausted.

As of June 30, 2022, and 2021, over 75% of the University's gross contributions receivable was due from ten and fifteen donors, respectively.

(8) Long-Term Investments

The investment objective of the University is to invest its assets in a prudent manner to achieve a long-term rate of return sufficient to fund academic programs and university initiatives in accordance with the Board's approved spending policy. The University diversifies its investments among asset classes by incorporating several strategies and managers. Major investment decisions are authorized by the University's Trustee Investment Committee (Investment Committee) that oversees the University's investments.

In addition to equity and fixed income investments, the University may also hold shares or units in institutional funds and alternative investment funds involving hedged and private equity strategies. Hedged strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists, and may include stocks, bonds and securities sold short and often require the estimation of fair values by the fund managers in the absence of readily determinable market values. Because of the inherent uncertainties of valuation, these estimated fair values may differ significantly from values that would have been used had a ready market existed, and the differences could be material. Such valuations are determined by fund managers and generally consider variables such as operating results, comparable earnings multiples, projected cash flows, recent sales prices, and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held. Long-term investments also include assets associated with gift annuities and charitable remainder trusts.

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2022

(with comparative information for June 30, 2021)

(In thousands of dollars)

Investments are reported at estimated fair value. If an investment is held directly by the University and an active market with quoted prices exists, the market price of an identical security is used as the reported fair value. Reported fair values for shares in registered mutual funds are based on share prices reported by the funds as of the last business day of the fiscal year. The University's interests in alternative investment funds are generally reported at NAV reported by fund managers, which are used as a practical expedient to estimate the fair value of the University's interests therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of June 30, 2022 and 2021, the University had no plans or intentions to sell investments at amounts different from NAV. Registered mutual funds are classified in Level 1 of the fair value hierarchy.

The University's long-term investments at June 30, 2022 are summarized in the following table by strategy and, as applicable, their fair value hierarchy classification:

	Investments measured at NAV / Other*	Investments classified in fair value hierarchy			Total
		Level 1	Level 2	Level 3	
Endowment investments:					
Global equity	\$ 79,588	\$ 221	\$ -	\$ -	\$ 79,809
Non-U.S. equity	206,506	-	-	-	206,506
Private equity	295,022	-	-	-	295,022
Hedge fund/credit:			-		
Credit – private	305	-	-	-	305
Hedge funds – long/short	184,244	-	-	-	184,244
Hedge funds – multi strategy	174,600	-	-	-	174,600
Real assets – private	147,431	-	-	-	147,431
Cash and cash equivalents*	9,676	-	-	-	9,676
Treasuries and fixed income	-	107,575	-	-	107,575
Total endowment investments	<u>1,097,372</u>	<u>107,796</u>	<u>-</u>	<u>-</u>	<u>1,205,168</u>
Other investments:					
Cash and cash equivalents*	79	-	-	-	79
Mutual funds	-	23,514	-	-	23,514
Total other investments	<u>79</u>	<u>23,514</u>	<u>-</u>	<u>-</u>	<u>23,593</u>
Total long-term investments	<u>\$ 1,097,451</u>	<u>\$ 131,310</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,228,761</u>

* Cash and cash equivalents are not fair value measurements and are included in the above table for reconciliation purposes.

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2022

(with comparative information for June 30, 2021)

(In thousands of dollars)

The University's long-term investments at June 30, 2021 are summarized in the following table by strategy and, as applicable, their fair value hierarchy classification:

	Investments measured at NAV / Other*	Investments classified in fair value hierarchy			Total
		Level 1	Level 2	Level 3	
Endowment investments:					
Global equity	\$ 101,656	\$ 31	\$ -	\$ -	\$ 101,687
Non-U.S. equity	242,895	224	-	-	243,119
Private equity	293,468	-	-	-	293,468
Hedge fund/credit:					
Credit – private	610	-	-	-	610
Hedge funds – long/short	240,778	-	-	-	240,778
Hedge funds – multi strategy	206,613	-	-	-	206,613
Real assets – private	120,921	-	-	-	120,921
Cash and cash equivalents*	5,967	-	-	-	5,967
Receivable for investments sold*	18,890	-	-	-	18,890
Treasuries and fixed income	-	53,949	-	-	53,949
Total endowment investments	<u>1,231,798</u>	<u>54,204</u>	<u>-</u>	<u>-</u>	<u>1,286,002</u>
Other investments:					
Equities	-	1,063	-	-	1,063
Cash and cash equivalents*	81	-	-	-	81
Mutual funds	-	27,688	-	-	27,688
Total other investments	<u>81</u>	<u>28,751</u>	<u>-</u>	<u>-</u>	<u>28,832</u>
Total long-term investments	<u>\$ 1,231,879</u>	<u>\$ 82,955</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,314,834</u>

* Cash and cash equivalents and Receivables for investments sold are not fair value measurements and are included in the above table for reconciliation purposes.

(a) Investment Liquidity

Hedge funds and global equity are redeemable at NAV under the terms of subscription agreements and/or partnership agreements. Investments with daily liquidity generally do not require any notice prior to withdrawal. Investments with monthly, quarterly or annual redemption frequency typically require notice periods ranging from 30 to 180 days. The following table presents the University's long-term investments by their availability for the next 12 months following June 30:

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2022

(with comparative information for June 30, 2021)

(In thousands of dollars)

	June 30, 2022					
	<u>Daily</u>	<u>Monthly</u>	<u>Quarterly</u>	<u>Annual</u>	<u>Illiquid</u>	<u>Total</u>
Cash equivalents	\$ 9,755	\$ -	\$ -	\$ -	\$ -	\$ 9,755
Treasuries, fixed income and mutual funds	130,054	-	-	-	1,035	131,089
Equities	221	33,048	20,519	82,103	445,446	581,337
Hedge funds	-	-	43,038	142,831	173,280	359,149
Real assets	-	-	-	-	147,431	147,431
Total	<u>\$ 140,030</u>	<u>\$ 33,048</u>	<u>\$ 63,557</u>	<u>\$ 224,934</u>	<u>\$ 767,192</u>	<u>\$ 1,228,761</u>

	June 30, 2021					
	<u>Daily</u>	<u>Monthly</u>	<u>Quarterly</u>	<u>Annual</u>	<u>Illiquid</u>	<u>Total</u>
Cash equivalents	\$ 6,048	\$ -	\$ -	\$ -	\$ -	\$ 6,048
Receivable for investments sold	-	13,663	5,227	-	-	18,890
Treasuries, fixed income and mutual funds	80,511	-	-	-	1,126	81,637
Equities	1,318	42,960	23,334	62,146	509,579	639,337
Hedge funds	-	-	112,162	154,716	181,123	448,001
Real assets	-	-	-	-	120,921	120,921
Total	<u>\$87,877</u>	<u>\$56,623</u>	<u>\$ 140,723</u>	<u>\$ 216,862</u>	<u>\$812,749</u>	<u>\$ 1,314,834</u>

Investments categorized as illiquid include lock-ups with definite expiration dates, restricted shares, side pockets, or private equity and real asset funds where the University has no liquidity.

The University has certain investments with a fair value of \$68,476 at June 30, 2022 that have restricted redemptions for lock-up periods. Some of the investments with redemption restrictions allow earlier redemption for specified fees. The expiration of redemption lock-up period amounts are summarized in the table below:

<u>Fiscal year</u>	<u>Amount</u>
2023	\$ 44,081
2024	16,812
2025	6,387
2026	598
2027	598
Total	<u>\$ 68,476</u>

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2022

(with comparative information for June 30, 2021)

(In thousands of dollars)

(b) Commitments

Private credit, private equity, and real asset investments are generally made through limited partnerships. Under the terms of these agreements, the University is obligated to remit additional funding periodically as capital is called by the manager. These partnerships have a limited existence, generally between ten and fifteen years, and provide for annual one-year extensions after the initial contract period for the purpose of systematically liquidating portfolio positions and returning capital to the investors. However, depending on market conditions, the inability to execute the fund's strategy, and other factors, a manager may extend or reduce the term of a fund from that which was originally anticipated. As a result, the timing and amount of future capital calls expected to be exercised in any particular future year is uncertain. The aggregate amount of unfunded commitments associated with global equities, real assets, and private equity investments as of June 30, 2022 was \$8,484, \$99,909, and \$153,426 respectively.

(c) Derivatives

The endowment employs certain derivative financial instruments to replicate asset positions more cost effectively than through purchases or sales of the underlying assets.

As a result of entering into investment derivative agreements, the University is subject to market volatility consistent with the underlying asset classes. The University has established policies, procedures, and internal controls governing the use of derivatives.

The purchase and sale of exchange-traded derivatives require collateral deposits with the Futures Commission Merchant (FCM). Collateral is posted and moved on a daily basis as required by the rules of the exchange on which the derivatives are traded. In the event of the FCM's insolvency, recovery may be limited to the University's pro-rata share of segregated customer funds available. It is possible that the recovery amount could be less than the total cash or other collateral posted. The collateral is generally in the form of debt obligations issued by the U.S. Treasury or cash. Cash collateral and certain securities owned by the University were held at counterparty brokers to collateralize these positions and are included in long-term investments on the balance sheet. As of June 30, 2022 and 2021, the aggregate notional exposure on long-term assets was (\$76,927) and (\$53,179), respectively. The associated unrealized loss on these assets was (\$726) and (\$740), respectively, as of June 30, 2022 and 2021. The notional amount of these derivatives is not recorded on the University's financial statements.

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2022

(with comparative information for June 30, 2021)

(In thousands of dollars)

(9) Property, Plant and Equipment

The composition of property, plant, and equipment as of June 30 is as follows:

	<u>2022</u>	<u>2021</u>
Land and land improvements	\$ 49,400	\$ 47,904
Buildings	210,225	210,225
Building systems and improvements	452,293	432,026
Equipment, furnishings, and software	154,219	148,405
Leased vehicles and other equipment	<u>3,068</u>	<u>2,340</u>
	869,205	840,900
Less accumulated depreciation	(540,058)	(512,694)
Construction in progress	<u>22,714</u>	<u>30,247</u>
Property, plant and equipment, net	<u><u>\$ 351,861</u></u>	<u><u>\$ 358,453</u></u>

Depreciation expense amounted to \$29,392 in 2022 and \$29,023 in 2021. Operation and maintenance expenses amounted to \$25,566 in 2022 and \$22,231 in 2021.

(10) Financial Assets and Liquidity Resources

As of June 30, financial assets and other liquidity resources available within one year for general expenditures as defined by the University and representing operating expenses, scheduled principal payments on debt, and capital construction costs, were as follows:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 55,236	\$ 40,854
Accounts receivable, net, due within one year	25,004	21,071
Notes receivable, net, due within one year	703	771
Scheduled pledge payments, net, available for operations	1,530	1,899
Funds held by bond trustee	1,672	16,832
Subsequent year's Board-approved endowment draw	<u>66,170</u>	<u>63,492</u>
Total financial assets available within one year	<u><u>\$ 150,315</u></u>	<u><u>\$ 144,919</u></u>

The University's working capital and cash flows have seasonal variations during the year attributable to tuition billing and a concentration of contributions received at calendar and fiscal year ends. To manage liquidity, the University has other liquidity resources including \$70,000 in bank lines of credit as described in note 12. In addition, the quasi endowment of \$107,917 can be made available for general expenditures with approval from the Board, subject to investment liquidity provisions.

BRANDEIS UNIVERSITY
Notes to Financial Statements
June 30, 2022
(with comparative information for June 30, 2021)
(In thousands of dollars)

(11) Long-Term Debt

Long term outstanding as of June 30 consists of the following:

	2022	2021
M DFA Revenue Bonds, Brandeis University Issue 2018 Series S-1, at interest rate of 5.00% maturing in annual installments from October 1, 2020 through October 1, 2040	\$ 102,820	\$ 109,800
M DFA Revenue Bonds, Brandeis University Issue 2018 Series S-2, at interest rate of 5.00% maturing in annual installments from October 1, 2029 through October 1, 2034	36,905	36,905
M DFA Revenue Bonds, Brandeis University Issue 2018 Series R, at interest rate of 5.00% maturing in annual installments from October 1, 2019 through October 1, 2039	32,360	33,455
M DFA Revenue Bonds, Brandeis University Issue, 2017 Series Q, at interest rate of 2.58% maturing in annual installments from October 1, 2017 through April 1, 2032, at which time a balloon payment of \$13,200 will be due.	18,250	18,650
TD Bank note at interest rate of 3.68% maturing in annual installments from October 1, 2017 through June 1, 2032, at which time a balloon payment of \$19,125 will be due.	27,000	27,650
M DFA Revenue Bonds, Brandeis University Issue 2013 Series P-2, at interest rates of 2.35%, maturing in annual installments from October 1, 2013 through July 1, 2033	15,315	16,350
M DFA Revenue Bonds, Brandeis University Issue 2013 Series P-1, at interest rates of 2.72%, maturing in annual installments from October 1, 2017 through April 1, 2043	13,110	13,645
Total	245,760	256,455
Unamortized premium, net	24,610	26,129
Unamortized issuance costs	(1,672)	(1,782)
Long-term debt, net	\$ 268,698	\$ 280,802

BRANDEIS UNIVERSITY
Notes to Financial Statements
June 30, 2022
(with comparative information for June 30, 2021)
(In thousands of dollars)

The University's principal payment obligations as of June 30, 2022 are as follows:

Fiscal Year	Amount
2023	\$ 11,124
2024	11,656
2025	12,050
2026	12,619
2027	13,213
Thereafter	185,098
	\$ 245,760

Interest expense for the years ended June 30, 2022 and 2021 was \$9,417 and \$10,094, respectively. There were no capitalized interest costs in 2022 and 2021.

Bond indentures require the maintenance of certain financial covenants which, among other restrictions, require the University to maintain an annual debt service coverage ratio of not less than 1.2 to 1.0 and a liquidity ratio of not less than 50%.

(12) Line of Credit

The University has a \$35,000 line of credit with JPMorgan Chase Bank, N.A. at an interest rate of Adjusted Term Secured Overnight Financing Rate (SOFR) plus 50 basis points. The Adjusted Term SOFR is equal to the Term SOFR plus 10 basis points. This agreement expires on March 16, 2023. The University also maintains a \$35,000 line of credit with Eastern Bank at an interest rate of LIBOR plus 95 basis points. This agreement expires on May 1, 2025. As of June 30, 2022 and 2021, there were no borrowings against either line of credit.

(13) Net Assets with Donor Restrictions

Net assets with donor restrictions by major category is as follows as of June 30:

Detail of net assets	2022	2021
Restricted contributions	\$ 33,363	\$ 33,885
Contributions receivable, net	18,526	7,679
Endowment	1,091,275	1,161,585
Student loans	2,709	2,633
Life income and annuity funds	12,873	15,627
Funds held in trust by others	9,683	11,865
Physical plant and other	978	742
Unexpended endowment income	12,768	7,681
Total net assets with donor-imposed restrictions	\$ 1,182,175	\$ 1,241,697

Net assets with donor-imposed restrictions provide support for instruction, scholarships, auxiliary programs, library, research, capital, and other programmatic purposes.

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2022

(with comparative information for June 30, 2021)

(In thousands of dollars)

(14) Endowments

The University's endowment is pooled for investment purposes and consists of approximately 2,000 individual funds established for a variety of purposes. The endowment consists of both donor-restricted funds managed in accordance with applicable law and donor intent, as well as funds designated by the Board to operate as endowment (quasi-endowment).

If the fair value of an individual donor restricted endowment fund balance falls below its corpus, that fund is considered to be "underwater." As of June 30, 2022 and 2021, funds with a corpus of \$16,837 and \$1,541 were "underwater" by \$1,122 and \$307, respectively.

The University follows the provisions of UPMIFA. State law allows the Board to appropriate the endowment funds as is prudent taking into consideration the University's long-term and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions.

The endowment investment objectives are to maximize risk-adjusted returns over a long-term horizon and to achieve its objectives by having a strategy of investing in multiple asset classes. In order to meet the primary investment goals for endowment funds, the average annual net total return over an extended period, after adjusting for inflation, is deemed sufficient to support the spending rate as determined by the Board. To have a reasonable probability of achieving the Fund's primary investment goal at an acceptable risk level, the Investment Committee has adopted a long-term asset allocation policy.

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Donor-restricted amounts reported below include gifts donated to the endowment, term endowments and appreciation.

BRANDEIS UNIVERSITY
Notes to Financial Statements
June 30, 2022
(with comparative information for June 30, 2021)
(In thousands of dollars)

Endowment and quasi-endowment funds consist of the following at June 30:

	2022				Total funds as of June 30, 2022
	Without donor restrictions	With donor restrictions			
		Original gift	Accumulated returns	Total	
Donor restricted:					
Financial aid	\$ -	\$ 326,210	\$ 83,915	\$ 410,125	\$ 410,125
Department programs and support	-	429,254	242,201	671,455	671,455
Quasi (board-designated):					
Financial aid	39,231	-	-	-	39,231
Department programs and support	74,662	9,695	-	9,695	84,357
Total	<u>\$ 113,893</u>	<u>\$ 765,159</u>	<u>\$ 326,116</u>	<u>\$ 1,091,275</u>	<u>\$ 1,205,168</u>
	2021				Total funds as of June 30, 2021
	Without donor restrictions	With donor restrictions			
	Original gift	Accumulated returns	Total		
Donor restricted:					
Financial aid	\$ -	\$ 318,904	\$ 119,256	\$ 438,160	\$ 438,160
Department programs and support	-	412,764	300,966	713,730	713,730
Quasi (board-designated):					
Financial aid	42,203	-	-	-	42,203
Department programs and support	82,214	9,695	-	9,695	91,909
Total	<u>\$ 124,417</u>	<u>\$ 741,363</u>	<u>\$ 420,222</u>	<u>\$ 1,161,585</u>	<u>\$ 1,286,002</u>

Changes in endowment and quasi-endowment funds for the year ended June 30, 2022 are as follows:

	Without donor restrictions	With donor restrictions	Total
Net assets at June 30, 2021	\$ 124,417	\$ 1,161,585	\$ 1,286,002
Net investment return	(4,459)	(37,559)	(42,018)
Contributions	483	22,535	23,018
Utilized in operations	(7,853)	(51,460)	(59,313)
Change in unexpended endowment income	1,305	(5,087)	(3,782)
Transfers	-	1,261	1,261
Net assets at June 30, 2022	<u>\$ 113,893</u>	<u>\$ 1,091,275</u>	<u>\$ 1,205,168</u>

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2022

(with comparative information for June 30, 2021)

(In thousands of dollars)

Changes in endowment and quasi-endowment funds for the year ended June 30, 2021 are as follows:

	Without donor restrictions	With donor restrictions	Total
Net assets at June 30, 2020	\$ 102,834	\$ 970,755	\$ 1,073,589
Net investment return	28,580	242,706	271,286
Contributions	28	6,141	6,169
Utilized in operations	(6,352)	(55,422)	(61,774)
Change in unexpended endowment income	(673)	(3,693)	(4,366)
Transfers	-	1,098	1,098
Net assets at June 30, 2021	<u>\$ 124,417</u>	<u>\$ 1,161,585</u>	<u>\$ 1,286,002</u>

(15) Retirement Plans

The University participates in defined contribution plans providing retirement benefits for substantially all full-time and regular part-time employees. Under the programs, the University makes monthly contributions, currently 6%–10% of the annual eligible wages of participants, up to defined limits. University contributions are subject to the participants meeting the minimum employee contributions, age, and service requirements. Additional voluntary contributions by participants are made subject to statutory limits. The University's contribution to the plans totaled \$11,828 in 2022. The University suspended employer contributions to the plans in fiscal year 2021.

(16) Contingencies

The University is involved in legal cases that have arisen in the normal course of its operations. The University believes that the outcome of these cases will not have a material adverse effect on the financial position of the University.

The University participates in a self-insured health insurance captive (the "Captive") in order to manage its health insurance costs. Claim amounts for any one individual up to \$300 are covered within a self-funded retention and paid for by the University. Claim amounts exceeding \$300 are shared and paid by the Captive. Management believes that any liability arising from this contingency would not be material to the University's financial position. As of June 30, 2022 and 2021, the University had estimated liabilities for claims incurred but not reported of \$1,646 and \$1,288, respectively. Total premium and self-funded retention costs under the program were \$19,063 and \$14,319 for the years ended June 30, 2022 and 2021, respectively.