

BRANDEIS UNIVERSITY

Financial Statements and Reports Required for Audits in
Accordance with Government Auditing Standards and
Title 2 U.S. Code of Federal Regulations (CFR) Part 200,
*Uniform Administrative Requirements, Cost Principles,
and Audit Requirements for Federal Awards*

June 30, 2022

(with summarized comparative information for June 30, 2021)

(With Independent Auditors' Report Thereon)

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Independent Auditor's Report

RSM US LLP

Board of Trustees
Brandeis University
Report on the Audit of the Financial Statements

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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 opinions.

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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the financial responsibility ratio supplemental schedule as required by Title 34 U.S. Code of Federal Regulations Part 668, *Student Assistance General Provisions*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards and financial responsibility ratio supplemental schedule are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2022 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

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
Total assets	\$ 1,727,722	\$ 1,811,655
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
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
Total liabilities and net assets	\$ 1,727,722	\$ 1,811,655

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	<u>221,033</u>	<u>-</u>	<u>221,033</u>	<u>186,760</u>
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	<u>9,198</u>	<u>-</u>	<u>9,198</u>	<u>7,964</u>
Total operating revenues and other support	<u>388,060</u>	<u>-</u>	<u>388,060</u>	<u>350,981</u>
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	<u>87,335</u>	<u>-</u>	<u>87,335</u>	<u>71,277</u>
Total operating expenses	<u>385,357</u>	<u>-</u>	<u>385,357</u>	<u>345,361</u>
Change in net assets from operating activities	<u>2,703</u>	<u>-</u>	<u>2,703</u>	<u>5,620</u>
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	<u>(4,953)</u>	<u>596</u>	<u>(4,357)</u>	<u>(7,282)</u>
Change in net assets from nonoperating activities	<u>(17,700)</u>	<u>(59,522)</u>	<u>(77,222)</u>	<u>211,497</u>
Change in net assets	<u>(14,997)</u>	<u>(59,522)</u>	<u>(74,519)</u>	<u>217,117</u>
Net assets at beginning of year	<u>205,659</u>	<u>1,241,697</u>	<u>1,447,356</u>	<u>1,230,239</u>
Net assets at end of year	<u>\$ 190,662</u>	<u>\$ 1,182,175</u>	<u>\$ 1,372,837</u>	<u>\$ 1,447,356</u>

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).

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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

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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:

	2022	2021
Amounts due in:		
Less than one year	\$ 10,093	\$ 3,524
Between one and five years	10,075	5,426
More than five years	400	245
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%	(220)	(130)
Contributions receivable, net	\$ 18,526	\$ 7,679

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.

BRANDEIS UNIVERSITY
 Supplementary Schedule of Financial Responsibility Data
 As of and for the year ended June 30, 2022
 (In thousands of dollars)

*

**GAAP financial
 statement line item or
 disclosure Amount used as
 ratio input**

Location in financial statements or related notes	Financial element	disclosure	ratio input
<i>Primary Reserve Ratio: Expendable Net Assets</i>			
Statement of financial position	Net assets without donor restrictions	190,662	190,662
Statement of financial position	Net assets with donor restrictions	1,182,175	1,182,175
Statement of financial position	Total property, plant, and equipment, net	351,861	
Note to the Supplementary Schedule of Financial Responsibility Data	Property, plant and equipment, net - pre-implementation		266,084
Note to the Supplementary Schedule of Financial Responsibility Data	Property, plant and equipment, net - post-implementation		63,063
Note 9, Property, Plant and Equipment	Construction in progress		22,714
Statement of financial position	Total lease right-of-use assets	7,896	7,896
Note to the Supplementary Schedule of Financial Responsibility Data	Intangible assets		13,270
Note 11, Long-Term Debt	Total long-term debt	268,698	
Note to the Supplementary Schedule of Financial Responsibility Data	Long-term debt - for long-term purposes - pre-implementation		268,698
Note to the Supplementary Schedule of Financial Responsibility Data	Long-term debt - for long-term purposes - post-implementation		-
Statement of financial position	Liability related to lease right-of-use assets	9,330	9,330
Note to the Supplementary Schedule of Financial Responsibility Data	Life income and annuity funds with donor restrictions		8,824
Note to the Supplementary Schedule of Financial Responsibility Data	Term endowments with donor restrictions		40,749
Note to the Supplementary Schedule of Financial Responsibility Data	Net assets with donor restrictions: restricted in perpetuity		754,990
Note to the Supplementary Schedule of Financial Responsibility Data	Related party receivables		1,331
<i>Primary Reserve Ratio: Expenses and Losses</i>			
Note to the Supplementary Schedule of Financial Responsibility Data	Total expenses and losses without donor restrictions		390,310
<i>Equity Ratio: Modified Net Assets</i>			
Statement of financial position	Net assets without donor restrictions	190,662	190,662
Statement of financial position	Net assets with donor restrictions	1,182,175	1,182,175
Note to the Supplementary Schedule of Financial Responsibility Data	Intangible assets		13,270
<i>Equity Ratio: Modified Assets</i>			
Statement of financial position	Total assets	1,727,722	1,727,722
Note to the Supplementary Schedule of Financial Responsibility Data	Intangible assets		13,270
<i>Net Income Ratio:</i>			
Statement of activities	Change in net assets without donor restrictions	(14,997)	(14,997)
Note to the Supplementary Schedule of Financial Responsibility Data	Total revenue and gains without donor restrictions		375,313

See accompanying independent auditors' report.

* This column is not required to be presented in the schedule. However, it is intended to facilitate understanding of and reconciliation to GAAP-basis amounts presented in the financial statements or related notes, many of which are direct ratio inputs. In other cases (e.g., pre- and post- inputs), the ratio inputs derive from or are related to GAAP-basis amounts but are not required in GAAP-basis financial statements.

BRANDEIS UNIVERSITY
 Note to the Supplementary Schedule of Financial Responsibility Data
 As of and for the year ended June 30, 2022
 (In thousands of dollars)

Note to the Supplementary Schedule of Financial Responsibility Data

Brandeis University participates in federal Title IV student financial assistance programs, which require it to meet standards of financial responsibility based on criteria determined by the U.S. Department of Education (ED), as set forth in 34 CFR 668.171. The criteria for private institutions include the annual calculation by ED of a financial responsibility composite score, as further outlined in 34 CFR 668.172, using audited financial statements submitted through ED's eZ-Audit system. The composite score has been and will continue to be based on three ratios: Primary Reserve, Equity, and Net Income. These ratios utilize the following financial data of the Institution, which are not otherwise presented in the financial statements or other notes to the financial statements, as of and for the year ended June 30, 2022:

Required input per standards	Ratio(s) Uses	Input Amount	Related financial statement amount not used as input on supplementary schedule
Property, plant and equipment, net - pre-implementation	Primary reserve	266,084	(A)
Property, plant and equipment, net - post-implementation	Primary reserve	63,063	(B)
Construction in progress - reconciling item from Note 9	Primary reserve	22,714	(C)
Total property, plant and equipment, net			351,861
Intangible assets	Primary reserve & Equity	13,270	
Other assets	NA	11,085	
Funds held in trust by others	NA	9,683	
Total Funds held in trust by others and other assets			34,038
Long-term debt - for long-term purposes pre-implementation	Primary reserve	268,698	*
Long-term debt - for long-term purposes post-implementation	Primary reserve	-	
Total long-term debt			268,698
Life income and annuity funds with donor restrictions	Primary reserve	8,824	
Life income and annuity funds with donor restrictions: restricted in perpetuity	NA	4,049	
Total life income and annuity funds with donor restrictions			12,873
Term endowments with donor restrictions	Primary reserve	40,749	
Endowments with donor restrictions: restricted in perpetuity	NA	724,410	
Original endowment gifts with donor restrictions			765,159
Net assets with donor restrictions: restricted in perpetuity	Primary reserve	754,990	
Net assets with donor restrictions: not restricted in perpetuity	NA	427,185	
Net assets with donor restrictions			1,182,175

Inputs directly from the statement of activities:

Total operating revenue and other support		388,060
Plus: net investment returns (loss)		(5,615)
Less: endowment return utilized		(7,853)
Less: net assets utilized in operations		(9,492)
Plus: net assets released for capital purposes		237
Plus: contributions		9,976
Plus: gain on bond refinancing		-
Plus: other changes revenue		-
Total revenue and gains without donor restrictions	Primary reserve	\$ 375,313

Total operating expenses		385,357
Plus: other changes expense		4,953
Total expenses and losses without donor restrictions	Net income	\$ 390,310

Property, plant and equipment, net

A. Property, plant and equipment, net - pre-implementation		266,084
B. Property, plant and equipment, net - post-implementation		63,063
Land and land improvements	3,261	
Buildings	-	
Building systems and improvements	41,818	
Equipment, furnishings, and software	16,946	
Leased vehicles and other equipment	1,039	
C. Construction in progress - reconciling item from Note 9		22,714
Total		351,861

- A. Net property, plant and equipment as of June 30, 2019 - Less depreciation and disposals
- B. Net property, plant and equipment placed in service after June 30, 2019 - Less depreciation and disposals
- C. Asset value of the construction in progress

Net assets with donor restrictions	Restricted in perpetuity	Not restricted in perpetuity	Total net assets with donor restrictions
Restricted contributions	-	33,363	33,363
Contributions receivable, net	14,139	4,387	18,526
Endowment	724,410	366,865	1,091,275
Student loans	2,709	-	2,709
Life income and annuity funds	4,049	8,824	12,873
Funds held in trust by others	9,683	-	9,683
Physical plant and other	-	978	978
Unexpended endowment income	-	12,768	12,768
Total	754,990	427,185	1,182,175

Corpus - Restricted in perpetuity	724,410
Corpus - Term endowments	40,749
Original endowment gifts with donor restrictions	765,159

* All debt is pre-implementation debt. Proceeds from Series S-1, which was issued after June 30, 2019, was used to refinance pre-implementation debt.

The University had no post-employment and pension liabilities as of June 30, 2022

The University has \$1,331 in unsecured related party pledge receivables as of June 30, 2022.

BRANDEIS UNIVERSITY
Schedule of Expenditures of Federal Awards
Fiscal Year to Date June 30, 2022

	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed through to Subrecipients	Total Federal Expenditures
Student Financial Assistance Cluster				
U.S. Department of Education:				
Office of Student Financial Assistance Programs:				
Federal Pell Grant Program	84.063	Direct	-	2,963,843
Federal Supplemental Educational Opportunity Grants	84.007	Direct	-	672,331
Federal Work-Study Program	84.033	Direct	-	491,547
Federal Perkins Loan Program	84.038	Direct	-	2,473,116
Federal Direct Student Loans	84.268	Direct	-	17,778,782
Total Student Financial Assistance Cluster			-	<u>24,379,619</u>
TRIO Cluster				
U.S. Department of Education:				
TRIO Student Support Services	84.042	Direct	-	325,919
Total TRIO Cluster			-	<u>325,919</u>
COVID-19 Education Stabilization Fund				
U.S. Department of Education:				
CARES ACT Higher Education Emergency Relief Fund (HEERF) Institution Portion	84.425F	Direct	-	4,090,530
CARES ACT Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	84.425E	Direct	-	4,070,680
Total COVID-19 Education Stabilization Fund			-	<u>8,161,210</u>
Total U.S. Department of Education			-	<u>32,866,748</u>
Research and Development Cluster				
U.S. Department of Health and Human Services (DHHS):				
National Institutes of Health (NIH):				
Aging Research				
University of Wisconsin-Madison	93.866	Direct	342,697	2,191,699
University of Wisconsin-Madison	93.866	1U19AG05142	-	(236)
Johns Hopkins University	93.866	757K466 (PTE #1U19AG051426)	-	39,807
University of Massachusetts Amherst	93.866	2005239737	-	60,065
University of Massachusetts Amherst	93.866	22-016677 G00	-	21,185
Total Aging Research			<u>342,697</u>	<u>2,312,520</u>
Alcohol Research Programs				
Harvard Medical School	93.273	Direct	40,368	607,499
Harvard Medical School	93.273	150552.5117590.0002	-	99,623
Total Alcohol Research			<u>40,368</u>	<u>707,122</u>
Allergy, Immunology and Transplantation Research				
University of Houston	93.855	Direct	250,616	1,559,144
University of Houston	93.855	R-16-0076	-	96,400
Total Allergy, Immunology and Transplantation Research			<u>250,616</u>	<u>1,655,544</u>
Biomedical Research and Research Training				
Boston University	93.859	Direct	276,393	8,375,950
Boston University	93.859	4500003234	-	137,522
Boston University	93.859	4500003180	-	8,268
California Institute of Technology	93.859	5409880	-	161,044
University of Michigan	93.859	SUBK00010341	-	154,066
University of Massachusetts	93.859	WA00755109/OSP2018131	-	19,048
Total Biomedical Research and Research Training			<u>276,393</u>	<u>8,855,898</u>
Cancer Cause and Prevention Research				
Harvard Medical School	93.393	149668.5112349.0002	-	190,690
Cancer Treatment Research				
	93.395	Direct	184,154	608,681
Child Health and Human Development Extramural Research				
Regents of the University of Minnesota	93.865	Direct	192,860	944,900
Regents of the University of Minnesota	93.865	H006124301	-	206
Total Child Health and Human Development Extramural Research			<u>192,860</u>	<u>945,106</u>
Drug Abuse and Addiction Research Programs				
Boston Medical Center Corporation	93.279	Direct	347,609	2,139,881
Brigham and Women's Hospital	93.279	7369	-	210,697
NYU (New York University)	93.279	120025	-	5,892
Weill Medical Col. of Cornell University	93.279	F1171-02/PO IB00532020	-	23,285
Texas Christian University	93.279	201851-5	-	16,034
University of Wisconsin - Madison	93.279	25935-LESA19-00/25937-LESA19-01	-	78,279
Brown University	93.279	000001593	-	10,191
Brown University	93.279	00001594	-	2,263
Total Drug Abuse and Addiction Research Programs			<u>347,609</u>	<u>2,486,522</u>
Discovery and Applied Research for Technological Innovations				
	93.286	Direct	-	134
Extramural Research Programs in the Neurosciences and Neurological Disorders				
Harvard University	93.853	Direct	191,363	5,494,306
Harvard University	93.853	152738.5095125.0504	-	(117)
Seattle Institute for Biomedical and Clinical Research	93.853	DM24-BrU-1	-	20,145
Total Extramural Research Programs in the Neurosciences and Neurological Disorders			<u>191,363</u>	<u>5,514,334</u>
Mental Health Research Grants				
University of Colorado	93.242	Direct	-	1,944,609
The McLean Hospital Corporation	93.242	2-5-A8198	-	72,772
The McLean Hospital Corporation	93.242	401786	-	14,721
Total Mental Health Research Grants			-	<u>2,032,102</u>
Mental Health National Research Service Awards for Research Training				
	93.282	Direct	-	150
Minority Health and Health Disparities Research				
AltaMed Health Services Corporation	93.307	Direct	-	62,621
National Center for Advancing Translational Sciences				
Tufts University	93.350	EP01804009	-	16,111
Tufts University	93.350	EP0182176	-	12,113
Tufts University	93.350	102188-00050:NH9063_Bishop	-	28,919
Total National Center for Advancing Translational Sciences			-	<u>57,143</u>

See notes to Schedule of Expenditures of Federal Awards

(Continued)

BRANDEIS UNIVERSITY
Schedule of Expenditures of Federal Awards (Continued)
Fiscal Year to Date June 30, 2022

	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed through to Subrecipients	Total Federal Expenditures
Research and Training in Complementary and Alternative Medicine	93.213	Direct	162,845	709,248
Research Related to Deafness and Communication Disorders	93.173	Direct	220,843	1,360,975
Trans-NIH Research Support	93.310	Direct	145,726	1,465,233
Morehouse School of Medicine	93.310	CEC-BRU-001	-	10,815
Total Trans-NIH Research			<u>145,726</u>	<u>1,476,048</u>
Vision Research	93.867	Direct	-	837,801
Case Western Reserve University	93.867	RESS13833	-	121,586
Trustees of Columbia University New York	93.867	1(GG013056-01)	-	100,202
Total Vision Research			<u>-</u>	<u>1,059,589</u>
Total NIH Awards			<u>2,355,474</u>	<u>30,034,427</u>
Centers for Disease Control and Prevention:				
Administration for Children and Families				
Welfare Reform Research Evaluations and National Studies	93.595	Direct	-	27,869
Total Administration for Children and Families			<u>-</u>	<u>27,869</u>
Administration for Community Living				
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	Direct	264,707	1,567,067
Developmental Disabilities Projects of National Significance				
National Association of Councils on Developmental Disabilities	93.631	90DNCE009	-	9,270
Total Administration for Community Living			<u>264,707</u>	<u>1,576,337</u>
Injury Prevention and Control Research and State and Community Based Programs				
Brown University	93.136	1931	-	36,401
Boston Medical Center Corporation	93.136	7641	-	12,262
Commonwealth of Massachusetts	93.136	INTF2400H78500224436	98,245	358,401
Total for Injury Prevention and Control Research and State and Community Based Programs			<u>98,245</u>	<u>407,064</u>
Packaging and Spreading Proven Pediatric Weight Management Interventions for Use by Low-Income Families				
Miriam Hospital	93.349	710-7147144	-	10,689
Total Centers for Disease Control and Prevention			<u>362,952</u>	<u>2,021,959</u>
Office Of National Drug Control Policy:				
Research and Data Analysis				
University of Baltimore	95.007	36	149,173	242,316
Total for Office of National Drug Control Policy			<u>149,173</u>	<u>242,316</u>
Health Resources And Services Administration (HRSA):				
Maternal and Child Health Federal Consolidated Programs				
Total for Health Resources And Services Administration (HRSA)	93.110	Direct	-	538
			<u>-</u>	<u>538</u>
Substance Abuse and Mental Health Services Administration:				
Block Grants for Prevention and Treatment of Substance Abuse				
Commonwealth of Massachusetts	93.959	INTF2400H78500224438	47,354	589,083
Total Substance Abuse and Mental Health Services Administration			<u>47,354</u>	<u>589,083</u>
Total DHHS Awards			<u>2,914,953</u>	<u>32,888,323</u>
Department of Interior:				
National Park Service				
Cooperative Research and Training Programs Resources of the National Park System				
University of Wyoming	15.945	1004044F-BU	-	987
Total Department of Interior			<u>-</u>	<u>987</u>
Department of Defense:				
Air Force Office of Scientific Research (AFSOR)				
Air Force Defense Research Sciences Program	12.800	Direct	-	53,025
Regents of the University of California, Santa Barbara	12.800	FA9550-19-1-0360	48,501	278,645
Total Air Force Defense Research Sciences Program			<u>48,501</u>	<u>331,670</u>
Advanced Research Projects Agency				
Research and Technology Development				
Smart Information Flow Technologies	12.910	CLIC-BU-01	-	(74)
U.S. Defense Advanced Research Projects Administration				
University of Colorado	12.910	FA8750-18-2-0016	-	113,790
Total Advanced Research Projects Agency			<u>-</u>	<u>113,716</u>
Defense Threat Reduction Agency				
Scientific Research - Combatting Weapons of Mass Destruction				
University of Colorado	12.351	1000576525	-	(10,344)
Uniformed Services University of the Health Sciences				
Uniformed Services University Medical Research Projects				
The Henry M. Jackson Foundation	12.750	5104	-	135,245
The Henry M. Jackson Foundation	12.750	5415	-	77,719
The Henry M. Jackson Foundation	12.750	5367	-	111,748
The Henry M. Jackson Foundation	12.750	5748	-	36,750
Total Uniformed Services University of the Health Sciences			<u>-</u>	<u>361,462</u>
Total Department of Defense			<u>48,501</u>	<u>796,504</u>
National Aeronautics and Space Administration:				
Human Exploration Research				
University of Colorado	43.003	Direct	-	11,424
University of Colorado	43.003	1560331	-	57,752
Baylor College of Medicine	43.003	Education and Human Resources	-	89,179
Total Human Exploration			<u>-</u>	<u>158,355</u>
Nasa - Shared Services Center (Nssc)				
University of Florida	43.001	SUB00002493	-	5,161
Total National Aeronautics and Space Administration			<u>-</u>	<u>163,516</u>
Department of Justice:				
Criminal and Juvenile Justice and Mental Health Collaboration Program				
University of New Hampshire	16.026	PZL0201	-	7,514
Total Department of Justice			<u>-</u>	<u>7,514</u>

See notes to Schedule of Expenditures of Federal Awards

(Continued)

BRANDEIS UNIVERSITY
Schedule of Expenditures of Federal Awards (Continued)
Fiscal Year to Date June 30, 2022

	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed through to Subrecipients	Total Federal Expenditures
Department of Energy:				
Office of Science Financial Assistance Program	81.049	Direct	75,941	915,053
The Regents of the University of California	81.049	00010607 (DE-SC0019380)	-	127,025
Trustees of the University of Pennsylvania	81.049	578218	-	18,948
Northeastern University	81.087	503044-78051	-	929
Total Office of Science Financial Assistance Program			<u>75,941</u>	<u>1,061,955</u>
Total Department of Energy			<u>75,941</u>	<u>1,061,955</u>
National Science Foundation (NSF):				
Biological Sciences	47.074	Direct	-	471,058
Umass Amherst	47.074	20-015671-A-00	-	23,260
Total Biological Sciences			<u>-</u>	<u>494,318</u>
Computer and Information Science and Engineering	47.07	Direct	-	681,610
RTI International	47.07	1-312-0218081-66464L	-	54,518
Total Computer and Information Science and Engineering			<u>-</u>	<u>736,128</u>
Education and Human Resources	47.076	Direct	-	91,554
University of Colorado	47.076	1001409211	-	138,969
Total Education and Human Resources			<u>-</u>	<u>230,523</u>
Engineering Grants	47.041	Direct	-	223,829
Worcester Polytechnic University	47.041	10819-GR	-	21,005
Total Engineering Grants			<u>-</u>	<u>244,834</u>
Geosciences				
Arizona Board of Regents, University of Arizona Total	47.050	647105	-	8,637
Total Geosciences			<u>-</u>	<u>8,637</u>
Mathematical and Physical Sciences	47.049	Direct	370,355	3,973,502
Pennsylvania State University	47.049	5894-BU-NSF-2471	-	20,943
Stony Brook University	47.049	PHY-1624739	-	101,776
Total Mathematical and Physical Sciences			<u>370,355</u>	<u>4,096,221</u>
Social, Behavioral, and Economic Sciences	47.075	Direct	62,438	228,209
Total NSF			<u>432,793</u>	<u>6,038,870</u>
Total Research and Development Cluster			<u>3,472,188</u>	<u>40,957,669</u>
Other Programs				
DHHS:				
Administration for Children and Families				
Child Care and Development Block Grant				
Boston University	93.575	4500004218/4500003227	-	71,357
Substance Abuse and Mental Health Services Projects of Regional and National Significance				
University of Denver	93.243	SC37837-01/SC37835-01/SC37831-01/SC37832/SC38199-01-00/SC38245-01/46-01	-	321,629
Total Administration for Children and Families			<u>-</u>	<u>392,986</u>
Centers for Disease Control and Prevention				
Global AIDS				
Cardio Emerging Markets USA, Ltd.	93.067	4727-001-20-CR-01	-	(18,698)
Total Centers for Disease Control and Prevention			<u>-</u>	<u>(18,698)</u>
Total Other Sponsored Programs Awards from DHHS			<u>-</u>	<u>374,288</u>
Agency for International Development:				
USAID Foreign Assistance for Programs Overseas				
Save the Children Fund	98.001	999002387	-	(8,923)
Total Agency for International Development			<u>-</u>	<u>(8,923)</u>
Corporation for National and Community Service:				
AmeriCorps				
YouthBuild USA	94.006	19NDHMA003	-	40,177
Total Corporation for National and Community Service			<u>-</u>	<u>40,177</u>
Department of Justice:				
Services for Trafficking Victims				
U.S. Committee for Refugees and Immigration	16.320	2018-VT-BX-K015	-	6,152
Competitive Discretionary				
Hancock County Board of Alcohol, Drug Ad	16.838	15PBIA-21-GG-04684-COAP	-	6,787
Criminal and Juvenile Justice and Mental Health Collaboration Program				
Hancock County Board of Alcohol, Drug Ad	16.745	HCRSS - 2020-MO-BX-0035	-	28,796
Total Department of Justice			<u>-</u>	<u>41,735</u>
National Endowment for the Humanities:				
Promotion of the Humanities Public Programs	45.164	Direct	-	16,204
Total National Endowment for the Humanities			<u>-</u>	<u>16,204</u>
National Endowment for the Arts (NEA):				
Promotion of the Arts Grants to Organizations and Individuals	45.024	Direct	-	30,000
Total National Endowment for the Arts (NEA)			<u>-</u>	<u>30,000</u>
United States Institute of Peace:				
Priority Grant Competition	91.005	Direct	15,882	34,756
Total United States Institute of Peace			<u>15,882</u>	<u>34,756</u>
U.S. Department of Homeland Security:				
Federal Emergency Management Agency Public Assistance	97.036	Direct	-	180,532
Total U.S. Department of Homeland Security			<u>-</u>	<u>180,532</u>
Total Other Programs			<u>15,882</u>	<u>708,769</u>
Total Expenditures of Federal Awards			<u>3,488,070</u>	<u>74,533,186</u>

BRANDEIS UNIVERSITY

Notes to Schedule of Federal Expenditures of Federal Awards

Fiscal Year Ended June 30, 2022

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) summarizes the expenditures of Brandeis University (the University) under programs funded by the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net assets or cash flows of the University.

For purposes of the Schedule, federal awards include all grants, contracts and similar agreements entered into directly between the University and agencies and departments of the federal government and all subawards passed through to the University by nonfederal organizations pursuant to federal grants, contracts and similar agreements. The Schedule also denotes awards passed through from the University to other non-federal subrecipient organizations.

(2) Significant Accounting Policies

Expenditures for direct costs are recognized as incurred using the accrual basis of accounting and cost accounting principles of the Uniform Guidance. Under these cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. Expenditures also include a portion of costs associated with general University activities (facilities and administrative costs) which are allocated to awards under negotiated formulas commonly referred to as facilities and administrative cost rates (note 3). Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

(3) Facilities and Administrative Cost Rates

The University elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. The University has approved predetermined facilities and administrative cost rates effective through fiscal year June 30, 2022 for on-campus and off-campus sponsored research program activities. The base rates in effect for the year ended June 30, 2022 were 62.5% for on-campus research and 26.0% for off-campus research. The rates for other federally sponsored programs were 33.9% for on-campus programs and 26.0% for off-campus programs. Facilities and administrative cost recoveries are reported as part of federal expenditures on the Schedule.

(4) Federal Student Financial Assistance

Perkins Loan Program

The Perkins Loan Program listed below is administered directly by the University, and balances and transactions relating to this program are included in the University's financial statements. Loan activities and balances consist of the following for the year ended June 30, 2022:

Balance as of July 1, 2021	Loans issued	Payments received and other changes	Balance as of June 30, 2022
\$ 2,473,116	\$ ---	\$ 854,031	\$ 1,619,085

BRANDEIS UNIVERSITY

Notes to Schedule of Federal Expenditures of Federal Awards

Fiscal Year Ended June 30, 2022

As required by the Uniform Guidance, the amount shown on the Schedule as expenditures for the Perkins Loan Program is equal to the balance outstanding at July 1, 2021. The University is continuing to service loans under the Perkins programs; however, no new loans were made subsequent to September 30, 2017. There was no administrative cost allowance recovered for the year ended June 30, 2022.

Federal Direct Loans

The University distributed \$17,778,782 of federally guaranteed loans to students of the University through the Federal Direct Loan Program (Assistance Listing Number 84.268), which includes Direct Subsidized and Unsubsidized Loans, and Direct Parent Loans for Undergraduate Students. These distributions and the related funding sources are not included in the University's financial statements.

**Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance with *Government Auditing Standards***

Independent Auditors Report

Board of Trustees
Brandeis University

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Brandeis University (the University), which comprise the balance sheet as of and for the year ended June 30, 2022, and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

RSM US LLP

Boston, Massachusetts
October 31, 2022

**Report on Compliance for Each Major Federal Program; and
Report on Internal Control over Compliance;
Required by the Uniform Guidance**

Independent Auditor's Report

Board of Trustees
Brandeis University

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Brandeis University's (the University) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2022. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor perform limited procedures on the University's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The University's response was not subject to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor perform limited procedures on the University's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

RSM US LLP

Boston, Massachusetts
October 31, 2022

Brandeis University
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

I. SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weaknesses identified?	_____ Yes	___X___ No
Significant deficiencies identified?	_____ Yes	___X___ None Reported
Noncompliance material to financial statements noted?	_____ Yes	___X___ No

Federal Awards

Internal control over major program:

Material weaknesses identified?	_____ Yes	___X___ No
Significant deficiencies identified?	___X___ Yes	_____ None Reported

Type of auditor’s report issued on compliance for major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	___X___ Yes	_____ No
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Identification of major program:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number</u>
Student Financial Aid Cluster	Various
COVID-19 Education Stabilization Fund	84.425E / 84.425F

Dollar threshold used to distinguish between type A and type B programs:	\$2,235,996
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Auditee qualified as low-risk auditee?	___X___ Yes	_____ No
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II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

Brandeis University

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

III-A. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding No. 2022-001 Higher Education Emergency Relief Fund (HEERF) Reporting

Federal Agency: Department of Education (DOE)

Program: COVID-19 Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act (CARES Act): ALN: 84.425F

Criteria: Reporting requirements to the DOE state that the institutional portion of HEERF is reported by quarter in the quarter funds are drawn from the G5 system and reported for the allowable categories under the grant. The reports filed should include all information about expenditures incurred or lost revenues claimed under the grant.

Condition: Amounts reported for the institutional portion by the University were originally reported in the incorrect period. Certain amounts were also reported in the wrong category (misclassified) or were omitted entirely (\$137).

Questioned Costs: None.

Prevalence: 2 of 2 institutional quarterly reports tested. The sample was statistically valid.

Effect: Incorrect amounts and classifications were reported to the DOE. Certain expenditures were also omitted. Improper reporting could result in the DOE withholding payments to the University.

Cause: Changes to the program rules, regulations, and reporting for the HEERF programs were evolving throughout the different phases of the program. This issue is the result of improper tracking of those changes as they were occurring which resulted in errors in the original filing. The omission of certain costs was an oversight. The amount omitted was \$137.

Recommendation: We recommend the University amend the incorrect reports. The Federal funding for this program has ended. If the DOE should add additional funding or create new or similar programs, we recommend that management implement a control to regularly monitor and manage changes to rules and regulations promulgated by the DOE.

View of Responsible Officials and Planned Corrective Actions: Management agrees with the finding, and corrective measures have been made.

III-B. FINDINGS ON INTERNAL CONTROL OVER COMPLIANCE

Finding No. 2022-001 Higher Education Emergency Relief Fund (HEERF) Reporting

Federal Agency: Department of Education (DOE)

Program: COVID-19 Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act (CARES Act): ALN: 84.425F

Refer to 2022-001 above

Brandeis University
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2022

2021-001 Higher Education Emergency Relief Fund (HEERF) Reporting

Audit Finding: Reporting requirements to the DOE state that the institutional portion of HEERF is reported by quarter and should not be cumulative. For reporting of HEERF II amounts, the University reported \$2,999,232 and \$4,452,457 for the periods ended March 31, 2021, and June 30, 2021, respectively. As the amounts should not be reported on a cumulative basis, the proper amounts should have been \$2,853,225 and \$0 for the periods ended March 31, 2021, and June 30, 2021, respectively.

Status of Finding: Corrective action has been taken.



**Management Views and Corrective Action Plan
Years Ended June 30, 2022 and June 30, 2021**

The following findings were noted during the audit of financial statements performed in accordance with Government Auditing Standards:

**Finding number 2022-001 Higher Education Emergency Relief Fund
(HEERF) Reporting**

**Finding number 2021-001 Higher Education Emergency Relief Fund
(HEERF) Reporting**

Management of Brandeis University agrees with these finding and has implemented the following Corrective Action Plan:

The University has amended the September 30, 2021 and December 31, 2021 quarterly reports on September 30, 2022 to correct the errors identified. The reports for quarter-ended March 31, 2021 and June 30, 2021 were previously corrected on July 1, 2021 and July 7, 2021, respectively.

Signed,

A handwritten signature in blue ink, appearing to read "Cherie Sadeli".

Cherie Sadeli

University Controller