



**BRYANT UNIVERSITY**

Consolidated Financial Statements

June 30, 2023 and 2022

(With Independent Auditors' Report Thereon)



# BRYANT UNIVERSITY

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KPMG LLP  
One Financial Plaza, Suite 2300  
Providence, RI 02903

## Independent Auditors' Report

The Board of Trustees  
Bryant University:

### *Opinion*

We have audited the consolidated financial statements of Bryant University (the University), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinion*

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

### *Responsibilities of Management for the Consolidated Financial Statements*

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

In preparing the consolidated 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 for one year after the date that the consolidated financial statements are issued.

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

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



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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.

*KPMG LLP*

Providence, Rhode Island  
November 1, 2023

**BRYANT UNIVERSITY**

Consolidated Statements of Financial Position

June 30, 2023 and 2022

(Dollars in thousands)

<b>Assets</b>	<b>2023</b>	<b>2022</b>
Cash	\$ 8,548	8,297
Short-term investments	51,037	163,414
Accounts receivable, net of allowance of \$1,505 and \$1,533 at June 30, 2023 and 2022, respectively	4,208	3,439
Contributions receivable, net	6,831	3,385
Prepaid expenses and other assets	5,769	3,829
Notes receivable, net of allowance of \$162 and \$228 at June 30, 2023 and 2022, respectively	1,432	2,140
Interest rate swap	3,069	2,505
Long-term investments	329,910	224,092
Land, buildings, and equipment, net	226,523	219,568
Total assets	\$ <u>637,327</u>	<u>630,669</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 22,541	26,412
Deferred revenues and advance payments	8,523	9,015
Asset retirement obligation	250	239
Interest rate swaps	2,446	4,469
Bonds and notes payable, net	182,464	187,340
Refundable advances – U.S. government grants	2,280	3,870
Total liabilities	<u>218,504</u>	<u>231,345</u>
Net assets:		
Without donor restrictions	355,029	344,804
With donor restrictions	63,794	54,520
Total net assets	<u>418,823</u>	<u>399,324</u>
Total liabilities and net assets	\$ <u>637,327</u>	<u>630,669</u>

See accompanying notes to consolidated financial statements.

**BRYANT UNIVERSITY**

Consolidated Statement of Activities

Year ended June 30, 2023

(with comparative totals for the year ended June 30, 2022)

(Dollars in thousands)

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total 2023</u>	<u>Total 2022</u>
Operating:				
Revenues:				
Tuition and fees, net of scholarships and grants of \$74,809 in 2023 and \$66,530 in 2022	\$ 96,354	—	96,354	95,387
Residence and dining, net of scholarships and grants of \$1,855 in 2023 and \$1,588 in 2022	41,935	—	41,935	38,053
Net student revenue	138,289	—	138,289	133,440
Contributions	2,554	—	2,554	2,264
Net assets released from restrictions	2,838	—	2,838	2,766
Government grants	1,828	—	1,828	13,058
Long-term investment income used in operations	9,825	176	10,001	9,193
Interest income	7,100	—	7,100	—
Public service	95	—	95	77
Auxiliary and other sources	8,423	—	8,423	7,322
Total operating revenues	<u>170,952</u>	<u>176</u>	<u>171,128</u>	<u>168,120</u>
Expenses:				
Instruction	39,204	—	39,204	39,869
Academic support	16,241	—	16,241	13,900
Research	7,661	—	7,661	6,922
Student services	39,949	—	39,949	38,913
Institutional support	27,663	—	27,663	27,121
Public service	1,441	—	1,441	1,181
Auxiliary services	35,368	—	35,368	30,930
Total operating expenses	<u>167,527</u>	<u>—</u>	<u>167,527</u>	<u>158,836</u>
Change in net assets from operating activities	<u>3,425</u>	<u>176</u>	<u>3,601</u>	<u>9,284</u>
Nonoperating:				
Capital contributions	6	10,816	10,822	1,661
Long-term investment return, net	1,978	3,384	5,362	(22,495)
Change in fair value of interest rate swaps	2,587	—	2,587	7,635
Net assets released from restrictions	2,245	(5,083)	(2,838)	(2,766)
Other	(16)	(19)	(35)	7,550
Change in net assets from nonoperating activities	<u>6,800</u>	<u>9,098</u>	<u>15,898</u>	<u>(8,415)</u>
Change in net assets	<u>10,225</u>	<u>9,274</u>	<u>19,499</u>	<u>869</u>
Net assets:				
Beginning of year	<u>344,804</u>	<u>54,520</u>	<u>399,324</u>	<u>398,455</u>
End of year	<u>\$ 355,029</u>	<u>63,794</u>	<u>418,823</u>	<u>399,324</u>

See accompanying notes to consolidated financial statements.

**BRYANT UNIVERSITY**  
Consolidated Statement of Activities  
Year ended June 30, 2022  
(Dollars in thousands)

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total 2022</u>
Operating:			
Revenues:			
Tuition and fees, net of scholarships and grants of \$66,530	\$ 95,387	—	95,387
Residence and dining, net of scholarships and grants of \$1,588	38,053	—	38,053
Net student revenue	133,440	—	133,440
Contributions	2,264	—	2,264
Net assets released from restrictions	2,766	—	2,766
Government grants	13,058	—	13,058
Long-term investment income used in operations	9,193	—	9,193
Public service	77	—	77
Auxiliary and other sources	7,322	—	7,322
Total operating revenues	168,120	—	168,120
Expenses:			
Instruction	39,869	—	39,869
Academic support	13,900	—	13,900
Research	6,922	—	6,922
Student services	38,913	—	38,913
Institutional support	27,121	—	27,121
Public service	1,181	—	1,181
Auxiliary services	30,930	—	30,930
Total operating expenses	158,836	—	158,836
Change in net assets from operating activities	9,284	—	9,284
Nonoperating:			
Capital contributions	—	1,661	1,661
Long-term investment return, net	(19,530)	(2,965)	(22,495)
Change in fair value of interest rate swaps	7,635	—	7,635
Net assets released from restrictions	1,707	(4,473)	(2,766)
Other	7,592	(42)	7,550
Change in net assets from nonoperating activities	(2,596)	(5,819)	(8,415)
Change in net assets	6,688	(5,819)	869
Net assets:			
Beginning of year	338,116	60,339	398,455
End of year	\$ 344,804	54,520	399,324

See accompanying notes to consolidated financial statements.

**BRYANT UNIVERSITY**

Consolidated Statements of Cash Flows

Years ended June 30, 2023 and 2022

(Dollars in thousands)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 19,499	869
Adjustment to reconcile change in net assets to cash provided by operating activities:		
Depreciation	18,156	16,978
Write-off of issuance costs and premium of Series 2014	—	(306)
Amortization of bond issuance cost	249	79
Change in cash held in investments	—	2,270
Net unrealized and realized (gain) loss on long-term investments	(12,765)	15,556
Net loss on disposal of assets	670	18
Contributions for property, plant, and equipment investing activities	(7)	(10)
Contributions for property, plant, and equipment financing activities	(1,098)	(125)
Contributions received for long-term investment	(1,805)	(1,102)
Increase in value of interest rate swaps	(2,587)	(7,635)
Increase in asset remediation obligation	11	5
Net gain from termination of swap	—	(11,155)
Changes in operating assets, net	(6,155)	2,737
Changes in operating liabilities, net	(3,990)	(2,572)
Net cash provided by operating activities	<u>10,178</u>	<u>15,607</u>
Cash flows from investing activities:		
Purchase of land, buildings, and equipment	(26,276)	(10,204)
Contributions for property, plant, and equipment	7	10
Sale of land, buildings, and equipment	123	184
Proceeds from maturities and sales of investments	91,835	140,433
Cost of purchases of investments	(216,700)	(130,456)
Change in cash held in investments	—	(2,270)
Change in deposits held by bond trustees	—	1
Change in notes receivable, net	708	842
Net cash used in investing activities	<u>(150,303)</u>	<u>(1,460)</u>
Cash flows from financing activities:		
Contributions received for long-term investment	1,805	1,102
Contributions for property, plant, and equipment	1,098	125
Repayment of principal on bonds and notes payable	(5,125)	(4,599)
Retirement of debt issue	—	(41,100)
Net proceeds from termination of swap	—	11,155
Proceeds from debt issuance	—	135,320
Payment of bond issue costs	—	(1,164)
Decrease in refundable advances – U.S. government grants	(1,590)	(870)
Net cash (used in) provided by financing activities	<u>(3,812)</u>	<u>99,969</u>
Change in cash	(143,937)	114,116
Cash, beginning of year	<u>165,432</u>	<u>51,316</u>
Cash, end of year	\$ <u><u>21,495</u></u>	\$ <u><u>165,432</u></u>
Supplemental disclosure:		
Cash	\$ 8,548	8,297
Cash held in short-term investments	12,271	155,235
Cash held in long-term investments	676	1,900
Total cash	\$ <u><u>21,495</u></u>	\$ <u><u>165,432</u></u>
Cash paid for interest	\$ 7,613	3,358
Change in accounts payable from property, plant, and equipment	(372)	942

See accompanying notes to consolidated financial statements.



## **BRYANT UNIVERSITY**

### Notes to Consolidated Financial Statements

June 30, 2023 and 2022

(Dollars in thousands)

#### **(1) Description of the University**

Bryant University (the “University”) was founded in 1863 and is a private, nonsectarian, coeducational institution of higher education chartered under the laws of the State of Rhode Island and accredited by the New England Commission of Higher Education, Inc. among other accrediting bodies. Located in Smithfield, Rhode Island, on approximately 430 acres the University provides academic, residential, and other services to a diverse student population of approximately 3,200 undergraduate and 330 graduate students who are primarily from the Northeast region of the United States, as well as from approximately 30 U.S. states and 40 foreign countries.

The University’s mission is to educate and inspire students to discover their passion and become innovative leaders with character around the world. The University’s academic programs are distinguished by an integration of business and the arts and sciences with a global perspective and offer master’s and bachelor’s degrees, in addition to certificate programs. The University participates in student financial aid programs sponsored by the United States Department of Education, and other U.S. states which facilitate the payment of tuition and other expenses for students.

The University has a wholly owned consolidated single-member LLC, BRU LLC. The purpose of the single-member LLC is to own and manage real estate and to conduct or engage in any lawful business or purpose related thereto.

The University has a Wholly Foreign Owned Enterprise, Bryant China (H.K.) Limited, which is a consolidated, private LLC incorporated in Hong Kong, China. The purpose of Bryant China (H.K.) Limited is to provide program services to the Bryant Zhuhai academic program, located in Guangdong Province, China. This program has a unique collaboration with the Beijing Institute of Technology Zhuhai to provide a four-year joint undergraduate degree program which mirrors Bryant’s nationally recognized curriculum vigor, quality of faculty and is taught in English.

#### **(2) Summary of Significant Accounting Policies**

##### ***(a) Basis of Presentation***

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and have been prepared to focus on the University as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. All significant intercompany transactions and balances have been eliminated in consolidation.

## BRYANT UNIVERSITY

### Notes to Consolidated Financial Statements

June 30, 2023 and 2022

(Dollars in thousands)

#### **(b) Net Assets**

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

- Net Assets Without Donor Restrictions – Net assets available for general use and not subject to donor restrictions. The Board of Trustees has designated from net assets without donor restrictions, net assets for the endowment. The University's policy is to designate gifts without donor restrictions at the discretion of the Board of Trustees.
- Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by the passage of time or the events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Expirations of restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as net assets released from restrictions between the applicable classes of net assets.

Unconditional contributions, including unconditional promises to give, are recognized as revenues in the period received. Contributions subject to donor-imposed stipulations that are met in the same reporting period are reported as without donor restrictions. Promises to give that are scheduled to be received after the consolidated statements of financial position dates are shown as increases in with donor restrictions and are released to without donor restrictions when the purpose and/or time restrictions are met. Promises to give subject to donor-imposed stipulations that the corpus be maintained permanently are recognized as increases in with donor restrictions. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. The University reports contributions of land, buildings, or equipment as without donor restrictions unless the donor places restrictions on their use. Contributions of cash or other assets that must be used to acquire long-lived assets are reported as without donor restrictions provided the long-lived assets are placed in service in the same reporting period. Otherwise, the contributions are reported as with donor restrictions until the assets are acquired and placed in service.

Unconditional promises to give that are receivable as of the end of the fiscal year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is expected to be received. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any.

## BRYANT UNIVERSITY

### Notes to Consolidated Financial Statements

June 30, 2023 and 2022

(Dollars in thousands)

#### **(c) Operations**

The consolidated statements of activities report the changes in net assets from operating and nonoperating activities. Operating revenues and expenses consist of those items attributable to the University's primary mission of providing education. Nonoperating activities reflect the net realized and unrealized gains and losses on long-term investments, less amounts distributed for operating purposes. In addition, nonoperating activities include capital contributions, net assets released from restrictions for capital purposes, capital campaign fundraising expenses, changes in the value of interest rate swaps, gains and losses on disposal of equipment, and certain other nonrecurring transactions.

During the year ended June 30, 2022, the University was granted funding to assist students and the institution with the impact of COVID-19. The University recorded grant revenue of \$7,542 from the Department of Education under the Higher Education Emergency Relief Fund (HEERF) program and of this grant revenue \$2,771 was provided directly to students for the year ended June 30, 2022. The University recorded grant revenue of \$3,887 from the Department of Homeland Security under the Rhode Island Emergency Management Agency program for the reimbursement of various COVID-19 related costs for the year ended June 30, 2022.

#### **(d) Cash**

The University maintains cash balances at financial institutions which, at times, may exceed federally insured limits. Cash included \$656 and \$926 of monies restricted for the Federal Perkins Loan Program and \$1,336 and \$383 of monies restricted by donors for capital purchases at June 30, 2023 and 2022, respectively. Cash equivalents held for investment purposes that are classified as short-term investments and long-term investments are not reflected as cash in the consolidated statements of cash flows. The University monitors its exposure associated with cash and has not experienced any losses in such accounts.

In 2023, the University changed its presentation in the 2022 consolidated statement of cash flows, where cash included in short-term investments were presented in the consolidated statement of cash flows as investing activities rather than in the beginning and end of year cash amounts. Accordingly, in 2023 the University has changed the 2022 presentation by decreasing the proceeds from maturities and sales of investments of \$56,119, decreasing the cost of purchases of investments of \$171,325 and increasing the total of net cash provided by investing activities by \$115,206. In addition, cash at the beginning of the year increased by \$40,029 and at the end of year by \$155,235. There is no change in the total of net cash provided by operating or financing activities.

#### **(e) Short-Term Investments**

Short-term investments consist of operating funds deposited in cash management accounts with maturities at the time of purchase of less than one year. Management reports short-term investments at fair value as determined per the fair value policies as described later in this section. These investments are not part of the long-term investment portfolio. Certain of these amounts are subject to the same Federal insurance limits as described in the cash policy above.

## BRYANT UNIVERSITY

### Notes to Consolidated Financial Statements

June 30, 2023 and 2022

(Dollars in thousands)

#### **(f) Long-Term Investments**

Investments are reported at fair value as determined per the fair value policies as described later in this section. Accordingly, the gains and losses that result from market fluctuations are recognized in the statement of activities in the period in which the fluctuations occur.

#### **(g) Fair Value Measurements**

The University reports financial instruments in accordance with fair value standards on a recurring or non-recurring basis depending on the underlying policy of the instrument. Recurring fair value items include investments and interest rates swaps. Non-recurring fair values include items such as the present value of expected cash flows on contributions. Fair value is defined as the price that would be required to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. In addition, the University reports certain investments using the net asset value ("NAV") per share as determined by investment managers under the so-called "practical expedient" for such investments. The practical expedient allows NAV per share to represent fair value for reporting purposes when the criteria for using this method are met.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories along with a category for items at NAV as follows:

- Level 1 – quoted prices are available in active markets for identical assets or liabilities as of the date of the reporting period.
- Level 2 – observable prices based on inputs not quoted in active markets but corroborated by market data.
- Level 3 – unobservable inputs are used when little or no market data is available.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. It is possible that redemption rights may be restricted or eliminated by investment managers in the future in accordance with the underlying fund agreements. Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observable inputs and a lesser degree of judgment used in measuring fair value. It is reasonably possible that changes in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in the consolidated financial statements.

#### **(h) Land, Buildings, and Equipment**

Land, buildings, and equipment are recorded at cost or fair value at date of donation in the case of gift assets. For assets placed in service, with the exception of land, depreciation is computed using the

## BRYANT UNIVERSITY

### Notes to Consolidated Financial Statements

June 30, 2023 and 2022

(Dollars in thousands)

straight-line method over their estimated useful lives, which range from two to forty years. Maintenance and repairs are expensed as incurred.

#### **(i) Revenues from Contracts with Customers**

Under Accounting Standards Codification (ASC) Topic 606, revenue from contracts with customers is recognized when control of the promised good or service is transferred to a customer. Revenue from student tuition and fees, residence, and dining services are 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. Aid in excess of a student's tuition and fees is reflected as a reduction of residence and dining charges.

Students' advance payments for tuition, room, and board and advances for other programs and agreements are deferred and then reported as revenues without donor restrictions when earned.

#### **(j) Tax Status**

The University is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is generally exempt from income taxes pursuant to Section 501(a) of the Code. BRU LLC is a wholly owned single-member LLC, a disregarded entity for tax purposes. Bryant China (H.K.) Limited is a foreign corporation for tax purposes. Any tax liability of BRU LLC or Bryant China (H.K.) Limited is reported by the University. The University believes it has taken no significant uncertain tax positions.

#### **(k) Use of Estimates**

The preparation of consolidated 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, as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **(l) Reclassifications**

Certain reclassifications have been made to the 2022 consolidated financial statements in order to conform with the current presentation.

## BRYANT UNIVERSITY

### Notes to Consolidated Financial Statements

June 30, 2023 and 2022

(Dollars in thousands)

### (3) Liquidity and Availability

The University regularly monitors liquidity required to meet its operating needs and other contractual commitments, while maximizing the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the University considers all expenditures related to its ongoing mission-related activities.

The following summarizes financial assets available over a 12-month period at each fiscal year end:

	<u>2023</u>	<u>2022</u>
Financial assets available		
Cash	\$ 6,556	6,988
Short-term investments	51,037	62,409
Accounts receivable, net	3,078	2,355
Contributions receivable, net	460	193
Long-term investments	13,656	15,033
Board designations:		
Endowment appropriation for upcoming fiscal year	<u>10,435</u>	<u>10,001</u>
Total financial assets to meet general expenditures over the next 12 months	<u>\$ 85,222</u>	<u>96,979</u>

The University had a Board-designated endowment of \$168,348 and \$164,492 as of June 30, 2023 and 2022, respectively. Although the University does not intend to spend from its Board-designated endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, additional Board-designated endowment funds could be drawn upon in the event of an unanticipated liquidity need, with Board approval.

At June 30, 2023 long-term investments included proceeds from the issuance of Series 2022 Taxable Bonds and these investments were valued at \$100,948. At June 30, 2022 short-term investments included proceeds from the issuance of Series 2022 Taxable Bonds and these investments were valued at \$101,005. The University has designated these funds to be used for various future capital projects supporting the University's Vision 2030 Strategic Plan and are not considered to be available to meet general expenditures over the next 12 months.

**BRYANT UNIVERSITY**

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

(Dollars in thousands)

**(4) Contributions Receivable**

Contributions receivable consisted of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Unconditional promises due in:		
Less than one year	\$ 1,364	1,021
One to five years	6,763	4,546
Over five years	<u>955</u>	<u>10</u>
	9,082	5,577
Less:		
Allowance for uncollectible pledges	(1,480)	(2,076)
Present value discount	<u>(771)</u>	<u>(116)</u>
Contributions receivable, net	<u>\$ 6,831</u>	<u>3,385</u>

The risk adjusted discount rate, which ranged from 0.125% to 5.473%, is utilized in determining the fair value of such contributions receivable.

**(5) 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 a portion of its spending and to increase investment value after inflation. The University diversifies its investments among asset classes by incorporating several strategies and managers. Major investment decisions are authorized by the University's Trustees Finance, Investment and Facilities 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, private partnership, and natural resource 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, put or call options, swaps, currency hedges and other instruments. Private partnership and natural resource funds generally employ buyout, venture capital, and debt related strategies and often require the estimation of fair values by the fund managers in the absence of readily determinable market values.

Fair values for shares in 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 that are not considered to have a readily determinable fair value are generally reported at the net asset value (NAV) reported by the fund managers. NAV is used as a practical expedient to estimate the fair value of the University's interest therein, unless it is probable that all or a portion of the investment will be sold by an amount different from NAV. As of June 30, 2023 and June 30, 2022, the University had no specific plans or intentions to sell investments at amounts different than NAV.

**BRYANT UNIVERSITY**

Notes to Consolidated Financial Statements

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(Dollars in thousands)

The valuation of the University's financial instruments measured on a recurring basis using the fair value hierarchy consisted of the following at June 30:

	<b>2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Investments measured at NAV</b>	<b>Total</b>
<b>Short-term Investments:</b>				
Cash and cash equivalents	\$ 22,835	—	—	22,835
Certificates of deposits	—	20,222	—	20,222
Fixed income	7,980	—	—	7,980
Total short-term investments	30,815	20,222	—	51,037
<b>Long-term Investments:</b>				
U. S. equities	2,471	—	—	2,471
Fixed income	10,662	100,948	—	111,610
Hedge funds	—	—	523	523
Total other investments	13,133	100,948	523	114,604
<b>Endowment:</b>				
Cash and cash equivalents	676	—	—	676
U. S. equities	15,437	—	—	15,437
Non-U.S. equities	11,162	—	8,432	19,594
Emerging market equities	13,332	—	—	13,332
Global equities	9,739	—	9,750	19,489
Fixed income	32,050	—	—	32,050
Hedge funds	—	—	58,026	58,026
Private debt	—	—	7,752	7,752
Private equities	—	—	38,592	38,592
Private real assets	—	—	10,358	10,358
Total endowment investments	82,396	—	132,910	215,306
Total long-term investments	95,529	100,948	133,433	329,910
Total	\$ 126,344	121,170	133,433	380,947



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(Dollars in thousands)

	<b>2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Investments measured at NAV</b>	<b>Total</b>
<b>Short-term Investments:</b>				
Cash and cash equivalents	\$ 163,315	—	—	163,315
U. S. equities	99	—	—	99
Total short-term investments	<u>163,414</u>	<u>—</u>	<u>—</u>	<u>163,414</u>
<b>Long-term Investments:</b>				
U. S. equities	2,356	—	—	2,356
Fixed income	12,505	—	—	12,505
Hedge funds	—	—	847	847
Total other investments	<u>14,861</u>	<u>—</u>	<u>847</u>	<u>15,708</u>
<b>Endowment:</b>				
Cash and cash equivalents	1,900	—	—	1,900
U. S. equities	10,969	—	—	10,969
Non-U.S. equities	7,990	—	9,121	17,111
Emerging market equities	12,119	—	—	12,119
Global equities	24,391	—	—	24,391
Fixed income	26,625	—	—	26,625
Hedge funds	28	—	59,818	59,846
Liquid real assets	2,765	—	—	2,765
Private debt	—	—	7,705	7,705
Private equities	—	—	34,601	34,601
Private real assets	—	—	10,352	10,352
Total endowment investments	<u>86,787</u>	<u>—</u>	<u>121,597</u>	<u>208,384</u>
Total long-term investments	<u>101,648</u>	<u>—</u>	<u>122,444</u>	<u>224,092</u>
Total	<u>\$ 265,062</u>	<u>—</u>	<u>122,444</u>	<u>387,506</u>

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Notes to Consolidated Financial Statements

June 30, 2023 and 2022

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Investments at NAV as of June 30:

	<u>Redemption frequency</u>	<u>Notice</u>	<u>2023</u>	<u>2022</u>
Non-U.S. equities	Monthly	30 Days	\$ 8,432	9,121
Global equities	Weekly	Weekly	9,750	—
Hedge funds	Monthly	11-61 Days	4,966	4,477
Hedge funds	Quarterly	60-100 Days	53,583	56,188
Private debt	Illiquid	Illiquid	7,752	7,705
Private equities	Illiquid	Illiquid	38,592	34,601
Private real assets	Illiquid	Illiquid	10,358	10,352
Total			<u>\$ 133,433</u>	<u>122,444</u>

Under the terms of certain limited partnership agreements, the University is obligated to remit additional funding periodically as capital or liquidity calls are exercised by investment managers. The University had outstanding commitments to such limited partnerships of \$28,366 and \$31,540 as of June 30, 2023 and 2022, respectively.

The limited partnerships with redemption lock-up periods have various terms and may provide for extensions of one to three years. Some of the partnership agreements allow for multiple extensions.

The expirations of the private partnerships' and natural resource funds' redemption lock-up periods are summarized in the table below:

	<u>Amount</u>
Fiscal year:	
2024	\$ 952
2025	296
2026	3,428
2027	7,113
Thereafter	<u>44,913</u>
Total	<u>\$ 56,702</u>

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(Dollars in thousands)

Investments may be redeemed as follows at June 30:

	<u>2023</u>	<u>2022</u>
Daily	\$ 247,514	251,527
Weekly	9,750	13,535
Monthly	13,398	13,598
Quarterly	53,583	56,188
Illiquid	<u>56,702</u>	<u>52,658</u>
Total	<u>\$ 380,947</u>	<u>387,506</u>

**(6) Endowment**

The University's endowment consists of 182 individual funds established for a variety of purposes, including both donor-restricted endowment funds (true endowment) and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**(a) Interpretation of Relevant Law**

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted by the State of Rhode Island (the Act) requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The University retains in perpetuity (a) the original value of the gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) changes to the endowment made in accordance with the direction of the applicable donor gift instrument for expenditure by the University in a manner consistent with the standard of prudence prescribed by UPMIFA. Donor restricted amounts not retained in perpetuity are available to be appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by UPMIFA considering the following:

- The duration and preservation of the fund
- The purpose of the University and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the University
- The investment policies of the University

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June 30, 2023 and 2022

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Endowment net asset composition by type of fund consists of the following at June 30, 2023:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Board-designated endowment	\$ 168,348	—	168,348
Donor-restricted endowment:			
Donor-restricted gifts required to be maintained in perpetuity by the donor	—	31,453	31,453
Accumulated gains	—	15,505	15,505
Total endowed net assets	\$ <u>168,348</u>	<u>46,958</u>	<u>215,306</u>

Changes in endowment net assets for the year ended June 30, 2023 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2022	\$ 164,492	43,892	208,384
Investment return	11,670	3,353	15,023
Contributions	—	1,805	1,805
Transfers	—	95	95
Distributions for operating purposes	<u>(7,814)</u>	<u>(2,187)</u>	<u>(10,001)</u>
Endowment net assets, June 30, 2023	\$ <u>168,348</u>	<u>46,958</u>	<u>215,306</u>

Endowment net asset composition by type of fund consists of the following at June 30, 2022:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Board-designated endowment	\$ 164,492	—	164,492
Donor-restricted endowment:			
Donor-restricted gifts required to be maintained in perpetuity by the donor	—	29,553	29,553
Accumulated gains	—	14,339	14,339
Total endowed net assets	\$ <u>164,492</u>	<u>43,892</u>	<u>208,384</u>

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Notes to Consolidated Financial Statements

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Changes in endowment net assets for the year ended June 30, 2022 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2021	\$ 182,078	47,170	229,248
Investment return	(10,079)	(2,772)	(12,851)
Contributions	—	1,102	1,102
Transfers	—	78	78
Distributions for operating purposes	<u>(7,507)</u>	<u>(1,686)</u>	<u>(9,193)</u>
Endowment net assets, June 30, 2022	\$ <u>164,492</u>	<u>43,892</u>	<u>208,384</u>

**(b) Endowment Funds with Deficiencies**

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). These deficits resulted from unfavorable market fluctuations that generally occurred shortly after the investment of newly established endowments, and authorized distributions that were deemed prudent. The University has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2023, funds with an original gift value of \$200 were underwater by \$2. At June 30, 2022, funds with an original gift value of \$621 were underwater by \$36. These unrealized losses have been recorded as reductions in net assets with donor restrictions. Future market gains will be used to restore this reduction in net assets.

**(c) Return Objectives and Risk Parameters**

The University's endowment is managed to provide for the long-term support of the University. Accordingly, these funds are managed with disciplined longer-term investment objectives and strategies designed to meet cash flow and spending requirements. Management of the assets is designed to attain a total return that exceeds the spending rate plus inflation. The intent of this objective is to preserve, over time, the principal value of the assets as measured in inflation-adjusted terms.

**(d) Spending Policy**

Under the University's endowment investment spending policy, up to 5% of the endowment investments' trailing twelve-quarter average market value is appropriated for expenditure. This spending rate was adopted by the Board of Trustees in order to balance current consumption of resources against the goal to preserve the purchasing power of these funds into the future.

## BRYANT UNIVERSITY

### Notes to Consolidated Financial Statements

June 30, 2023 and 2022

(Dollars in thousands)

#### **(e) Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets an asset allocation strategy wherein assets are diversified among several asset classes. The pursuit of maximizing total return is tempered by the need to minimize the volatility of returns and preserve capital. As such, the University seeks broad diversification among assets having different characteristics with the intent to endure lower relative performance in strong markets in exchange for greater downside protection in weak markets.

Under the University's total return policy, during periods when endowment investment return exceeds the distribution, such excess return is added to the endowment funds with donor restrictions or without donor restrictions depending if the underlying funds have restrictions. Conversely, when endowment investment return is less than the distribution, such amount is funded by accumulated unspent gains or the balance of the fund if no accumulated unspent gains remain.

#### **(7) Land, Buildings, and Equipment**

The University's land, buildings, and equipment are composed of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Buildings	\$ 403,000	392,419
Furniture, equipment, and other assets	56,283	52,879
Land and improvements	27,544	26,697
Construction in progress	12,121	5,058
	<u>498,948</u>	<u>477,053</u>
Less accumulated depreciation	<u>(272,425)</u>	<u>(257,485)</u>
Land, buildings, and equipment, net	<u>\$ 226,523</u>	<u>219,568</u>

Depreciation expense was \$18,156 and \$16,978 for the years ended June 30, 2023 and 2022, respectively.

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**(8) Bonds and Notes Payable**

The University has entered into various agreements primarily for the purpose of financing the acquisition, renovation, and improvements of its facilities. Bonds and notes payable outstanding as of June 30 are as follows:

Name of Issue	Maturity	Type	Interest Rate		2023	2022
			2023	2022		
Rhode Island Health and Education Building Corporation (RIHEBC)						
Facilities Revenue Bonds:						
Series 2008 – Tax-Exempt	6/1/2035	Variable	4.10 %	0.93 %	\$ 38,295	40,360
Series 2019 – Tax-Exempt	12/1/2031	Fixed	1.96 %	1.96 %	12,673	14,028
Series 2021 – Taxable	6/1/2044	Fixed	1.50 %	1.50 %	42,360	44,065
Bryant University Bonds:						
Series 2022 – Taxable	6/1/2048	Fixed	5.82 %	5.82 %	90,000	90,000
					183,328	188,453
Less bond issuance costs					(864)	(1,113)
					\$ 182,464	187,340

The Series 2008 Bonds are backed by a \$38,887 direct-pay Letter of Credit agreement with a bank, which expires on December 1, 2026.

In November 2021, the University entered into an agreement with RIHEBC, which provided for the issuance of its \$45,320 Higher Education Facility Revenue Refunding Bonds, Bryant University Issue, Series 2021 (Federally Taxable) (the "2021 Bonds"), which are subject to mandatory tender not earlier than March 3, 2024 nor later than June 30, 2024. The purpose of issuing the 2021 Bonds was to defease and advance-refund the outstanding principal amount of the RIHEBC Higher Education Facility Revenue Bonds, Bryant University Issue, Series 2014 Bonds (the "2014 Bonds"). The loss on defeasance of the 2014 Bonds of \$3,376 is included in other nonoperating revenue in the accompanying consolidated statement of activities.

In April 2022, the University issued \$90,000 in taxable debt, Bryant University Taxable Bonds, Series 2022 (the "2022 Bonds"), which will be due in varying amounts to 2048, to fund various future capital projects supporting the University's Vision 2030 Strategic Plan.

All the bonds and the Letter of Credit agreement contain certain restrictive covenants, including a pledge of the University's tuition fees.

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As of June 30, 2023, scheduled annual principal repayments of bonds and notes payable are as follows:

Fiscal year:		
2024	\$	5,277
2025		5,195
2026		5,319
2027		5,542
2028		5,666
Thereafter		<u>156,329</u>
Total principal payments	\$	<u><u>183,328</u></u>

**(9) Interest Rate Swaps**

The University has four interest rate swaps, three of which were entered into for the purpose of hedging the Series 2008 variable rate debt. The liability, representing a negative fair value of all three swap agreements, has been recorded as a net liability without donor restrictions on the consolidated statements of financial position for the years ended June 30, 2023 and 2022 in the amount of \$2,446 and \$4,469, respectively.

The fourth interest rate swap was entered into in November 2021 for the purpose of forward-hedging the interest rate risk on the Series 2021 debt. The asset, representing an increase in the value of this swap agreement, has been recorded as an unrestricted net asset on the consolidated statements of financial position for the fiscal year ended June 30, 2023 and 2022 in the amount of \$3,069 and \$2,505, respectively.

In addition to the four interest rate swaps listed above, the University had entered into a 90-day Treasury Rate Lock ("T-Lock") with a counterparty, based on the 30-year U.S. Treasury bond yield on January 21, 2022. The T-Lock with a notional value of \$80,000 was undertaken for the purpose of managing interest-rate risk until a potential debt issuance could be completed in April 2022. On the pricing of the debt being completed, the T-Lock was terminated on April 22, 2022. With the treasury benchmark rate increasing from 2.12% to 2.95% during that time period, the swap was terminated with a cash settlement of \$11,155 being paid to the University, reflecting the mark-to-market value of the swap at the time of the termination. This gain is included in other nonoperating revenue in the accompanying consolidated statement of activities.

The University entered into these agreements to hedge cash flows attributable to interest payments on the debt issues and does not use such instruments for speculative purposes. The instruments' fair values and changes therein are measured in the University's net assets. The values of the swap instruments represent the estimated benefit or cost to the University to cancel the agreements at the reporting date, and are based on option pricing models that consider risks and market factors.



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The University had the following swaps outstanding as of June 30:

Counterparty	Issue date	Effective date	Expiration/termination date	Remaining notional amount	Swap fixed rate	Fair value asset (liability)		
						2023	2022	
Wells Fargo Bank, N.A.	11/24/08	11/24/08	06/01/35	\$ 24,000	3.7930	\$ (1,562)	(2,842)	
Barclays Bank, PLC	11/24/08	11/24/08	06/01/35	8,400	3.7900	(538)	(982)	
Barclays Bank, PLC	11/24/08	11/24/08	06/01/35	5,700	3.8560	(346)	(645)	
Barclays Bank, PLC	11/18/21	06/01/24	06/01/44	27,019	1.6902	3,069	2,505	
Totals						\$	<u>623</u>	<u>(1,964)</u>

Since the swap fair values are based predominantly on observable inputs that are corroborated by market data, they are categorized as Level 2 for purposes of valuation disclosure.

**(10) Donor Restricted Net Assets**

Donor restricted net assets consisted of the following as of June 30:

	2023	2022
Contributions receivable, net	\$ 6,831	3,385
Purpose restrictions:		
Scholarships	25,347	23,621
Instruction	7,309	7,442
Academic support	1,129	1,099
Student services	3,284	2,953
Public service	251	426
Building and facilities	1,464	478
Other capital campaign	2,674	777
Cumulative endowment appreciation	15,505	14,339
Total purpose restrictions	<u>56,963</u>	<u>51,135</u>
Total donor restricted	<u>\$ 63,794</u>	<u>54,520</u>

**(11) Net Assets Released from Restrictions**

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors were as follows for the year:

	2023	2022
Buildings, facilities and other	\$ 2,245	1,707
Scholarships and other programs	2,838	2,766
Total net assets released from restrictions	<u>\$ 5,083</u>	<u>4,473</u>

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Notes to Consolidated Financial Statements

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**(12) Natural and Functional Classification of Operating Expenses**

The consolidated financial statements report certain expenditures that are attributable to one or more program or supporting functions of the University. These expenditures include depreciation, amortization, and interest which are all allocated based on square footage. Included in institutional support expenses are costs associated with carrying out fundraising activities of the University, which amount to \$3,073 and \$2,829 for the years ended June 30, 2023 and 2022, respectively. In addition, included in other nonoperating are capital campaign expenses of \$626 and \$0 for the years ended June 30, 2023 and 2022, respectively.

Expenses by both their nature and their function for the year ended June 30, 2023 are as follows:

	<u>Instruction</u>	<u>Academic support</u>	<u>Research</u>	<u>Student services</u>	<u>Institutional support</u>	<u>Public service</u>	<u>Auxiliary services</u>	<u>Total</u>
Salaries and wages	\$ 22,121	7,736	5,438	15,986	12,349	553	3,702	67,885
Fringe benefits	6,845	2,748	1,937	5,009	4,415	156	1,218	22,328
Depreciation	2,362	906	90	4,043	1,052	165	9,538	18,156
Purchased services	2,279	1,207	14	1,863	2,396	61	1,425	9,245
Food service	1	7	—	185	10	17	10,822	11,042
Interest and amortization	1,069	395	—	1,763	459	71	4,159	7,916
Other	4,527	3,242	182	11,100	6,982	418	4,504	30,955
Total operating expenses	\$ <u>39,204</u>	<u>16,241</u>	<u>7,661</u>	<u>39,949</u>	<u>27,663</u>	<u>1,441</u>	<u>35,368</u>	<u>167,527</u>

Expenses by both their nature and their function for the year ended June 30, 2022 are as follows:

	<u>Instruction</u>	<u>Academic support</u>	<u>Research</u>	<u>Student services</u>	<u>Institutional support</u>	<u>Public service</u>	<u>Auxiliary services</u>	<u>Total</u>
Salaries and wages	\$ 24,013	7,217	4,872	14,890	11,836	545	3,588	66,961
Fringe benefits	6,502	2,414	1,724	4,342	4,131	159	1,119	20,391
Depreciation	2,204	848	89	3,780	984	154	8,919	16,978
Purchased services	2,707	731	—	1,697	2,415	66	1,487	9,103
Food service	—	—	—	49	—	—	9,456	9,505
Interest and amortization	572	211	—	943	246	38	2,225	4,235
Covid-19	145	54	—	240	62	10	565	1,076
HEERF student grant	—	—	—	2,771	—	—	—	2,771
Other	3,726	2,425	237	10,201	7,447	209	3,571	27,816
Total operating expenses	\$ <u>39,869</u>	<u>13,900</u>	<u>6,922</u>	<u>38,913</u>	<u>27,121</u>	<u>1,181</u>	<u>30,930</u>	<u>158,836</u>

## **BRYANT UNIVERSITY**

### Notes to Consolidated Financial Statements

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#### **(13) Retirement Plan**

The University has a defined contribution retirement plan (the Plan) for eligible full-time academic, administrative and service personnel. The Plan is designed in accordance with the provisions of Section 403(b) of the Internal Revenue Code. Contributions are made by the University and the participants to the Teachers' Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF) and the Fidelity Service Company, the Plan's investment custodians, based on participant elections. The University's expense under the Plan was \$4,779 and \$4,209 for the years ended June 30, 2023 and 2022, respectively.

#### **(14) Contingencies**

Various legal cases arise in the normal course of the University's operations. The University believes there are currently no outstanding cases which would have a material adverse effect on the financial position of the University.

#### **(15) Related Party Transactions**

Members of the University's Board of Trustees and senior management may, from time to time, be associated, either directly or indirectly, with companies doing business with the University. The University's conflict of interest policy requires, among other things, that no member of the Board of Trustees or its committees can participate in any decision in which he or she (or an immediate family member) has a material financial interest. For members of the Board of Trustees and senior management, the University requires an annual disclosure of significant financial interests in, or employment or consulting relationships with, entities doing business with the University. When such relationships exist, measures are taken to address the actual or perceived conflict to ensure the best interests of the University and ensure compliance with relevant conflict of interest laws or policy.

#### **(16) Subsequent Events**

Management has evaluated events subsequent to June 30, 2023 and through November 1, 2023, the date on which the consolidated financial statements were issued, and noted no additional items to disclose.