

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, 2023

(with summarized comparative information for June 30, 2022)

(With Independent Auditor's Report Thereon)

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RSM US LLP

Independent Auditor's Report

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 sheet as of June 30, 2023, the related statements of activities and cash flows for the year 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, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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.

Report on Summarized Comparative Information

We have previously audited the University's June 30, 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated October 31, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 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 27, 2023, 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 27, 2023

BRANDEIS UNIVERSITY

Balance Sheet

June 30, 2023

(with comparative information as of June 30, 2022)

(In thousands of dollars)

Assets	2023	2022
Cash and cash equivalents	\$ 46,742	\$ 55,236
Accounts receivable, net	20,937	25,004
Notes receivable, net	3,750	4,728
Contributions receivable, net	18,651	18,526
Long-term investments	1,238,811	1,228,761
Funds held by bond trustee, restricted	-	1,672
Funds held in trust by others and other assets	38,483	34,038
Lease right-of-use assets, net	10,454	7,896
Property, plant, and equipment, net	351,281	351,861
Total assets	<u>\$ 1,729,109</u>	<u>\$ 1,727,722</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	\$ 31,454	\$ 36,867
Sponsored program advances	13,073	13,044
Student deposits and deferred revenue	8,148	9,593
Lease obligations	11,994	9,330
Other long-term liabilities	17,434	17,353
Long-term debt, net	256,164	268,698
Total liabilities	<u>338,267</u>	<u>354,885</u>
Net assets:		
Without donor restrictions	196,333	190,662
With donor restrictions	1,194,509	1,182,175
Total net assets	<u>1,390,842</u>	<u>1,372,837</u>
Total liabilities and net assets	<u>\$ 1,729,109</u>	<u>\$ 1,727,722</u>

See accompanying notes to financial statements.

BRANDEIS UNIVERSITY

Statement of Activities

Year ended June 30, 2023

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

(In thousands of dollars)

	Net assets without donor restrictions	Net assets with donor restrictions	2023	2022
Operating revenues and other support:				
Tuition and fees (net of financial aid)	\$ 179,867	\$ -	\$ 179,867	\$ 174,692
Residence hall, and dining	50,334	-	50,334	46,341
Net tuition and fees, residence hall, and dining	<u>230,201</u>	<u>-</u>	<u>230,201</u>	<u>221,033</u>
Net assets utilized in operations	27,481	-	27,481	28,048
Sponsored programs – direct	51,905	-	51,905	54,309
Sponsored programs – indirect	16,095	-	16,095	14,767
Other investment income	2,539	-	2,539	623
Investment income from funds held in trust				
by others	328	-	328	348
Endowment return utilized	63,586	-	63,586	59,313
Other auxiliary enterprises	677	-	677	421
Other sources	<u>10,698</u>	<u>-</u>	<u>10,698</u>	<u>9,198</u>
Total operating revenues and other support	<u>403,510</u>	<u>-</u>	<u>403,510</u>	<u>388,060</u>
Operating expenses:				
Compensation	198,022	-	198,022	190,803
Employee benefits	46,445	-	46,445	47,741
Utilities and general repairs	20,407	-	20,407	20,504
Depreciation	29,776	-	29,776	29,392
Interest	9,747	-	9,747	9,582
Supplies, services, and other	<u>97,263</u>	<u>-</u>	<u>97,263</u>	<u>87,335</u>
Total operating expenses	<u>401,660</u>	<u>-</u>	<u>401,660</u>	<u>385,357</u>
Change in net assets from operating activities	<u>1,850</u>	<u>-</u>	<u>1,850</u>	<u>2,703</u>
Nonoperating activities:				
Net investment return (loss)	5,278	54,407	59,685	(47,347)
Endowment return utilized in operations	(6,951)	(56,635)	(63,586)	(59,313)
Net assets utilized in operations	(8,568)	(18,913)	(27,481)	(28,048)
Net assets released for capital purposes	486	(486)	-	-
Contributions	8,590	34,264	42,854	61,843
Other changes	<u>4,986</u>	<u>(303)</u>	<u>4,683</u>	<u>(4,357)</u>
Change in net assets from nonoperating activities	<u>3,821</u>	<u>12,334</u>	<u>16,155</u>	<u>(77,222)</u>
Change in net assets	5,671	12,334	18,005	(74,519)
Net assets at beginning of year	<u>190,662</u>	<u>1,182,175</u>	<u>1,372,837</u>	<u>1,447,356</u>
Net assets at end of year	<u><u>\$ 196,333</u></u>	<u><u>\$ 1,194,509</u></u>	<u><u>\$ 1,390,842</u></u>	<u><u>\$ 1,372,837</u></u>

See accompanying notes to financial statements.

BRANDEIS UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2023

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

(In thousands of dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 18,005	\$ (74,519)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization, net	28,366	27,982
Donations of securities	(5,725)	(5,058)
Proceeds from sale of donated securities	1,565	1,938
Net realized and unrealized investment (gain) loss	(61,115)	45,354
Net change from funds held in trust by others	(1,690)	2,182
Loss on disposal of fixed assets	-	2
Contributions restricted for long-term investment	(19,680)	(22,800)
Change in operating assets, net	(1,371)	(13,197)
Change in operating liabilities, net	(5,062)	2,291
Net cash used in operating activities	<u>(46,707)</u>	<u>(35,825)</u>
Cash flows from investing activities:		
Acquisition and construction of property, plant, and equipment	(27,748)	(22,020)
Purchases of investments	(126,247)	(220,203)
Proceeds from sales and maturities of investments	177,273	259,668
Notes receivable issued	(102)	(75)
Notes receivable repaid	1,080	1,580
Net cash provided by investing activities	<u>24,256</u>	<u>18,950</u>
Cash flows from financing activities:		
Principal payments on bonds, notes and leases	(11,594)	(11,077)
Change in funds held by bond trustee	1,672	15,160
Proceeds from sale of donated securities restricted for long-term purposes	4,199	4,374
Contributions restricted for long-term investment	19,680	22,800
Net cash provided by financing activities	<u>13,957</u>	<u>31,257</u>
Change in cash and cash equivalents	(8,494)	14,382
Cash and cash equivalents, beginning of year	55,236	40,854
Cash and cash equivalents, end of year	<u>\$ 46,742</u>	<u>\$ 55,236</u>
Supplemental data:		
Interest paid	\$ 10,553	\$ 11,087
Increase in accrued liabilities attributable to property, plant, and equipment	1,448	782

See accompanying notes to financial statements.

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2023

(with comparative information for June 30, 2022)

(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 contributions receivable for which the ultimate use is restricted by the donor or inherently time restricted are also reported as net assets with donor restrictions.

For comparison purposes, the 2023 statement of activities has been presented with 2022 summarized comparative information in total but not by net asset class. This summarized 2022 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, 2022, 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, 2023

(with comparative information for June 30, 2022)

(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. 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 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 and are included in net investment return (loss). The University had \$11,372 and \$9,683 of FHITBO as of June 30, 2023 and 2022, respectively. Other assets include prepayments, inventories, and deferral of qualifying cloud computing arrangement implementation costs.

(f) 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.

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2023

(with comparative information for June 30, 2022)

(In thousands of dollars)

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. To determine the present value of lease payments, the University made an accounting policy election to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date. 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.

(g) 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.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. When events or changes in circumstances indicate an asset may not be recoverable, the impairment loss recognized is the amount by which the asset's net carrying value exceeds its estimated fair value. As of June 30, 2023 and 2022, no impairment indicators were identified.

(h) 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, 2023 and 2022, the estimated liabilities were \$6,160 and \$6,011, 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, 2023 and 2022, those liabilities were \$1,362 and \$1,717, respectively.

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

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2023

(with comparative information for June 30, 2022)

(In thousands of dollars)

(i) 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 \$175 and \$392 for the years ended June 30, 2023 and 2022, 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 \$20,821 and \$21,730 for the years ended June 30, 2023 and 2022, 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 \$9,236 and \$9,625 for the years ended June 30, 2023 and 2022, respectively. These liabilities are valued on a recurring basis and are considered to be Level 2 within the fair value hierarchy.

(j) 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 or net assets released for capital purposes. 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.

(k) 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.

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2023

(with comparative information for June 30, 2022)

(In thousands of dollars)

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 operations, unless the purpose is capital in nature. For the years ended June 30, 2023 and 2022, net assets utilized in operations include \$18,913 and \$18,556 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, 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. Conditional awards related to Federal and other sponsored programs of \$75,090 and \$67,265 as of June 30, 2023 and June 30, 2022, respectively, are not recorded in the financial statements.

(l) 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.

(m) Fundraising Expenses

Fundraising expense was \$11,255 and \$12,333 for the years ended June 30, 2023 and 2022, respectively, and is classified as institutional support in note 4.

(n) 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.

(o) 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.

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2023

(with comparative information for June 30, 2022)

(In thousands of dollars)

(p) 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 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 in the non-operating section of statement of activities include Federal Emergency Management Agency (FEMA) reimbursements for COVID-19 costs.

(q) 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.

(r) 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, 2023 and 2022, there were no material related party transactions identified. The University has \$1,552 and \$1,331 in unsecured related party contributions receivables as of June 30, 2023 and 2022, respectively.

(s) Subsequent Events

The University evaluates subsequent events for potential recognition or disclosure through October 27, 2023, 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, 2023

(with comparative information for June 30, 2022)

(In thousands of dollars)

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

	<u>2023</u>	<u>2022</u>
Tuition and fees	\$ 296,830	\$ 289,720
Less scholarships and financial aid	<u>(116,963)</u>	<u>(115,028)</u>
Tuition and fees, net	179,867	174,692
Residence hall and dining	<u>50,334</u>	<u>46,341</u>
Tuition and fees, residence hall and dining revenues	<u>\$ 230,201</u>	<u>\$ 221,033</u>

Revenues recognized in the year ended June 30, 2023 and 2022, that were included in student deposits and deferred revenue in prior years are \$7,596 and \$5,960, respectively.

(4) Analysis of Expenses

Expenses by functional and natural classification for the year ended June 30, 2023 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	\$ 85,645	\$ 29,146	\$ 29,626	\$ 19,163	\$ 4,488	\$ 29,954	\$ 198,022
Employee benefits	21,357	6,218	7,474	4,448	1,114	5,834	46,445
Utilities and general repairs	4,070	2,741	1,872	2,949	6,337	2,438	20,407
Depreciation	6,080	4,139	2,703	4,325	9,128	3,401	29,776
Interest	1,898	1,292	896	1,350	2,849	1,462	9,747
Supplies, services, and other	16,559	15,876	17,041	8,985	19,310	19,492	97,263
Total	<u>\$ 135,609</u>	<u>\$ 59,412</u>	<u>\$ 59,612</u>	<u>\$ 41,220</u>	<u>\$ 43,226</u>	<u>\$ 62,581</u>	<u>\$ 401,660</u>

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>

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, 2023

(with comparative information for June 30, 2022)

(In thousands of dollars)

(5) Accounts Receivable

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

	<u>2023</u>	<u>2022</u>
Student receivables	\$ 3,154	\$ 2,759
Sponsored program receivables	11,818	16,279
Other	6,790	6,958
	<u>21,762</u>	<u>25,996</u>
Less allowance for doubtful accounts	(825)	(992)
Accounts receivable, net	<u>\$ 20,937</u>	<u>\$ 25,004</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>2023</u>	<u>2022</u>
Federal Perkins loan program	\$ 1,217	\$ 1,619
University student loan programs	6,557	7,031
	<u>7,774</u>	<u>8,650</u>
Less allowance for doubtful loans	(4,024)	(3,922)
Notes receivable, net	<u>\$ 3,750</u>	<u>\$ 4,728</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, 2023

(with comparative information for June 30, 2022)

(In thousands of dollars)

(7) Contributions Receivable

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

	<u>2023</u>	<u>2022</u>
Amounts due in:		
Less than one year	\$ 8,717	\$ 10,093
Between one and five years	11,660	10,075
More than five years	100	400
Gross contributions receivable	<u>20,477</u>	<u>20,568</u>
Less:		
Allowance for unfulfilled contributions	(1,031)	(1,822)
Discount, at rates from 0.29% to 4.13%	(795)	(220)
Contributions receivable, net	<u>\$ 18,651</u>	<u>\$ 18,526</u>

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

As of June 30, 2023, and 2022, over 75% of the University's gross contributions receivable was due from fifteen and ten 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, 2023

(with comparative information for June 30, 2022)

(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, 2023 and 2022, 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, 2023 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	\$ 78,586	\$ 37	\$ -	\$ -	\$ 78,623
Non-U.S. equity	222,120	218	-	-	222,338
Private equity	298,859	-	-	-	298,859
Hedge fund/credit:					
Credit – private	174	-	-	-	174
Hedge funds – long/short	174,284	-	-	-	174,284
Hedge funds – multi strategy	180,013	-	-	-	180,013
Real assets – private	156,575	-	-	-	156,575
Cash and cash equivalents*	4,058	-	-	-	4,058
Receivable for investments sold*	441	-	-	-	441
Treasuries and fixed income	-	100,852	-	-	100,852
Total endowment investments	1,115,110	101,107	-	-	1,216,217
Other investments:					
Mutual funds	-	22,594	-	-	22,594
Total other investments	-	22,594	-	-	22,594
Total long-term investments	\$ 1,115,110	\$ 123,701	\$ -	\$ -	\$ 1,238,811

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

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2023

(with comparative information for June 30, 2022)

(In thousands of dollars)

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, 2023

(with comparative information for June 30, 2022)

(In thousands of dollars)

(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 tables present the University's long-term investments by their availability for the next 12 months following June 30:

	June 30, 2023					
	Daily	Monthly	Quarterly	Annual	Illiquid	Total
Cash equivalents	\$ 4,058	\$ -	\$ -	\$ -	\$ -	\$ 4,058
Receivable for investments sold	-	-	-	441	-	441
Treasuries, fixed income and mutual funds	122,551	-	-	-	895	123,446
Equities	255	33,809	9,111	93,961	462,684	599,820
Hedge funds	-	-	44,024	123,591	186,856	354,471
Real assets	-	-	-	-	156,575	156,575
Total	<u>\$ 126,864</u>	<u>\$ 33,809</u>	<u>\$ 53,135</u>	<u>\$ 217,993</u>	<u>\$ 807,010</u>	<u>\$ 1,238,811</u>

	June 30, 2022					
	Daily	Monthly	Quarterly	Annual	Illiquid	Total
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>

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.

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2023

(with comparative information for June 30, 2022)

(In thousands of dollars)

The University has certain investments with a fair value of \$64,277 at June 30, 2023 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>
2024	\$ 27,262
2025	7,642
2026	28,408
2027	965
Total	<u>\$ 64,277</u>

(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, 2023 was \$6,571, \$89,318, and \$142,964, 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, 2023 and 2022, the aggregate notional exposure on long-term assets was (\$84,379) and (\$76,927), respectively. The associated unrealized loss on these assets was (\$2,678) and (\$726), respectively, as of June 30, 2023 and 2022. The notional amount of these derivatives is not recorded on the University's financial statements.

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2023

(with comparative information for June 30, 2022)

(In thousands of dollars)

(9) Property, Plant, and Equipment

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

	<u>2023</u>	<u>2022</u>
Land and land improvements	\$ 49,703	\$ 49,400
Buildings	210,225	210,225
Building systems and improvements	464,487	452,293
Equipment, furnishings, and software	162,493	154,219
Leased vehicles and other equipment	3,601	3,068
	<u>890,509</u>	<u>869,205</u>
Less accumulated depreciation	(567,201)	(540,058)
Construction in progress	27,973	22,714
Property, plant, and equipment, net	<u>\$ 351,281</u>	<u>\$ 351,861</u>

Depreciation expense amounted to \$29,776 in 2023 and \$29,392 in 2022. Operation and maintenance expenses amounted to \$26,756 in 2023 and \$25,566 in 2022.

(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>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents	\$ 46,742	\$ 55,236
Accounts receivable, net, due within one year	20,937	25,004
Notes receivable, net, due within one year	656	703
Scheduled contributions receivable payments, net, available for operations	2,288	1,530
Funds held by bond trustee	-	1,672
Subsequent year's Board-approved endowment draw	67,182	66,170
Total financial assets available within one year	<u>\$ 137,805</u>	<u>\$ 150,315</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 \$106,526 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, 2023
(with comparative information for June 30, 2022)
(In thousands of dollars)

(11) Long-Term Debt

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

	2023	2022
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	\$ 95,490	\$ 102,820
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	31,205	32,360
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.	17,825	18,250
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.	26,325	27,000
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	14,245	15,315
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	12,642	13,110
Total	234,637	245,760
Unamortized premium, net	23,090	24,610
Unamortized issuance costs	(1,563)	(1,672)
Long-term debt, net	\$ 256,164	\$ 268,698

BRANDEIS UNIVERSITY
Notes to Financial Statements
June 30, 2023
(with comparative information for June 30, 2022)
(In thousands of dollars)

The University's principal payment obligations as of June 30, 2023 are as follows:

Fiscal Year	Amount
2024	\$ 11,656
2025	12,050
2026	12,619
2027	13,213
2028	14,011
Thereafter	171,088
	\$ 234,637

Interest expense for the years ended June 30, 2023 and 2022 was \$8,928 and \$9,417, respectively. There were no capitalized interest costs in 2023 and 2022.

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 65 basis points. The Adjusted Term SOFR is equal to the Term SOFR plus 10 basis points. This agreement expires on March 14, 2024. The University also maintains a \$35,000 line of credit with Eastern Bank at an interest rate of Adjusted SOFR plus 95 basis points. The Adjusted SOFR is equal to SOFR plus 11 basis points. This agreement expires on May 1, 2025. As of June 30, 2023 and 2022, 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	2023	2022
Restricted contributions	\$ 31,571	\$ 33,363
Contributions receivable, net	18,651	18,526
Endowment	1,103,708	1,091,275
Student loans	2,605	2,709
Life income and annuity funds	12,941	12,873
Funds held in trust by others	11,372	9,683
Physical plant and other	515	978
Unexpended endowment income	13,146	12,768
Total net assets with donor-imposed restrictions	\$ 1,194,509	\$ 1,182,175

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, 2023

(with comparative information for June 30, 2022)

(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, 2023 and 2022, funds with a corpus of \$31,265 and \$16,837 were "underwater" by \$1,557 and \$1,122, 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, 2023

(with comparative information for June 30, 2022)

(In thousands of dollars)

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

	2023				Total funds as of June 30, 2023
	Without donor restrictions	With donor restrictions			
		Original gift	Accumulated returns	Total	
Donor restricted:					
Financial aid	\$ -	\$ 334,288	\$ 79,619	\$ 413,907	\$ 413,907
Department programs and support	-	442,180	237,926	680,106	680,106
Quasi (board-designated):					
Financial aid	38,796	-	-	-	38,796
Department programs and support	73,713	9,695	-	9,695	83,408
Total	<u>\$ 112,509</u>	<u>\$ 786,163</u>	<u>\$ 317,545</u>	<u>\$ 1,103,708</u>	<u>\$ 1,216,217</u>
	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>

Changes in endowment and quasi-endowment funds for the year ended June 30, 2023 are as follows:

	Without donor restrictions	With donor restrictions	Total
Net assets at June 30, 2022	\$ 113,893	\$ 1,091,275	\$ 1,205,168
Net investment return	5,310	50,678	55,988
Contributions	22	19,535	19,557
Utilized in operations	(6,951)	(56,635)	(63,586)
Unexpended endowment payout	235	(2,614)	(2,379)
Transfers	-	1,469	1,469
Net assets at June 30, 2023	<u>\$ 112,509</u>	<u>\$ 1,103,708</u>	<u>\$ 1,216,217</u>

BRANDEIS UNIVERSITY

Notes to Financial Statements

June 30, 2023

(with comparative information for June 30, 2022)

(In thousands of dollars)

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 (loss)	(4,459)	(37,559)	(42,018)
Contributions	483	22,535	23,018
Utilized in operations	(7,853)	(51,460)	(59,313)
Unexpended endowment payout	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>

(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 \$11,921 and \$11,828 in 2023 and 2022, respectively.

(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, 2023 and 2022, the University had estimated liabilities, included in accounts payable and accrued liabilities on the balance sheet, for claims incurred but not reported of \$1,746 and \$1,646, respectively. Total premium and self-funded retention costs under the program were \$16,143 and \$19,063 for the years ended June 30, 2023 and 2022, respectively.

BRANDEIS UNIVERSITY
Supplementary Schedule of Financial Responsibility Data
As of and for the year ended June 30, 2023
(In thousands of dollars)

Location in financial statements or related notes	Financial element	* GAAP financial statement line item or disclosure	Amount used as ratio input
Primary Reserve Ratio: Expendable Net Assets			
Balance sheet	Net assets without donor restrictions	196,333	196,333
Balance sheet	Net assets with donor restrictions	1,194,509	1,194,509
Balance sheet	Total property, plant, and equipment, net	351,281	
Note to the Supplementary Schedule of Financial Responsibility Data	Property, plant and equipment, net – pre-implementation		243,909
Note to the Supplementary Schedule of Financial Responsibility Data	Property, plant and equipment, net – post-implementation		79,399
Note 9, Property, Plant and Equipment	Construction in progress		27,973
Balance sheet	Total lease right-of-use assets	10,454	10,454
Note to the Supplementary Schedule of Financial Responsibility Data	Intangible assets		16,349
Note 11, Long-Term Debt	Total long-term debt	256,164	
Note to the Supplementary Schedule of Financial Responsibility Data	Long-term debt - for long-term purposes – pre-implementation		256,164
Note to the Supplementary Schedule of Financial Responsibility Data	Long-term debt – for long-term purposes – post-implementation		-
Balance sheet	Liability related to lease right-of-use assets	11,994	11,994
Note to the Supplementary Schedule of Financial Responsibility Data	Life income and annuity funds with donor restrictions		9,873
Note to the Supplementary Schedule of Financial Responsibility Data	Term endowments with donor restrictions		40,754
Note to the Supplementary Schedule of Financial Responsibility Data	Net assets with donor restrictions: restricted in perpetuity		775,917
Note 2, Related-Party Transactions	Related-party receivables		1,552
Primary Reserve Ratio: Expenses and Losses			
Note to the Supplementary Schedule of Financial Responsibility Data	Total expenses and losses without donor restrictions		396,674
Equity Ratio: Modified Net Assets			
Balance sheet	Net assets without donor restrictions	196,333	196,333
Balance sheet	Net assets with donor restrictions	1,194,509	1,194,509
Note to the Supplementary Schedule of Financial Responsibility Data	Intangible assets		16,349
Equity Ratio: Modified Assets			
Balance sheet	Total assets	1,729,109	1,729,109
Note to the Supplementary Schedule of Financial Responsibility Data	Intangible assets		16,349
Net Income Ratio:			
Statement of activities	Change in net assets without donor restrictions	5,671	5,671
Note to the Supplementary Schedule of Financial Responsibility Data	Total revenue and gains without donor restrictions		402,345

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, 2023
(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, 2023:

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	243,909	(A)
Property, plant and equipment, net - post-implementation	Primary reserve	79,399	(B)
Construction in progress - reconciling item from Note 9	Primary reserve	27,973	(C)
Total property, plant and equipment, net			351,281
Intangible assets	Primary reserve & Equity	16,349	
Other assets	NA	10,762	
Funds held in trust by others	NA	11,372	
Total Funds held in trust by others and other assets			38,483
Long-term debt - for long-term purposes pre-implementation	Primary reserve	256,164	*
Long-term debt - for long-term purposes post-implementation	Primary reserve	-	
Total long-term debt			256,164
Life income and annuity funds with donor restrictions	Primary reserve	9,873	
Life income and annuity funds with donor restrictions: restricted in perpetuity	NA	3,068	
Total life income and annuity funds with donor restrictions			12,941
Term endowments with donor restrictions	Primary reserve	40,754	
Endowments with donor restrictions: restricted in perpetuity	NA	745,409	
Original endowment gifts with donor restrictions			786,163
Net assets with donor restrictions: restricted in perpetuity	Primary reserve	775,917	
Net assets with donor restrictions: not restricted in perpetuity	NA	418,592	
Net assets with donor restrictions			1,194,509

Inputs directly from the statement of activities:

Total operating revenue and other support		403,510
Plus: net investment returns (loss)		5,278
Less: endowment return utilized		(6,951)
Less: net assets utilized in operations		(8,568)
Plus: net assets released for capital purposes		486
Plus: contributions		8,590
Plus: gain on bond refinancing		-
Plus: other changes revenue		-
Total revenue and gains without donor restrictions	Primary reserve	\$ 402,345

Total operating expenses		401,660
Plus: other changes expense		(4,986)
Total expenses and losses without donor restrictions	Net income	\$ 396,674

Property, plant and equipment, net

A. Property, plant and equipment, net - pre-implementation		243,909
B. Property, plant and equipment, net - post-implementation		79,399
Land and land improvements	3,403	
Buildings	-	
Building systems and improvements	51,600	
Equipment, furnishings, and software	23,025	
Leased vehicles and other equipment	1,371	
C. Construction in progress - reconciling item from Note 9		27,973
Total		351,281

- 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

BRANDEIS UNIVERSITY

Note to the Supplementary Schedule of Financial Responsibility Data
As of and for the year ended June 30, 2023
(In thousands of dollars)

Net assets with donor restrictions	Restricted in perpetuity	Not restricted in perpetuity	Total net assets with donor restrictions
Restricted contributions	-	31,571	31,571
Contributions receivable, net	13,463	5,188	18,651
Endowment	745,409	358,299	1,103,708
Student loans	2,605	-	2,605
Life income and annuity funds	3,068	9,873	12,941
Funds held in trust by others	11,372	-	11,372
Physical plant and other	-	515	515
Unexpended endowment income	-	13,146	13,146
Total	775,917	418,592	1,194,509

Corpus - Restricted in perpetuity	745,409
Corpus - Term endowments	40,754
Original endowment gifts with donor restrictions	786,163

* 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, 2023.

The University has \$1,552 in unsecured related party pledge receivables as of June 30, 2023.

BRANDEIS UNIVERSITY
Supplementary Schedule of Expenditures of Federal Awards (SEFA)
Fiscal Year to Date June 30, 2023

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	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	-	3,091,840
Federal Supplemental Educational Opportunity Grants	84.007	Direct	-	651,724
Federal Work-Study Program	84.033	Direct	-	480,353
Federal Perkins Loan Program	84.038	Direct	-	1,619,085
Federal Direct Student Loans	84.268	Direct	-	16,548,538
Total Student Financial Assistance Cluster				22,391,540
TRIO Cluster				
U.S. Department of Education:				
TRIO Student Support Services	84.042	Direct	-	284,892
TRIO Upward Bound	84.047	Direct	-	86,040
Total TRIO Cluster				370,932
Total U.S. Department of Education				22,762,472
Research and Development Cluster				
U.S. Department of Health and Human Services (DHHS):				
National Institutes of Health (NIH):				
Aging Research	93.866	Direct	859,677	2,916,641
The University of Texas at Dallas	93.866	PO# S357004/ Sub-award# 2109649	-	3,465
Kaiser Foundation Research Institute	93.866	RNG211522-Brandeis/2023333003	-	30,437
Johns Hopkins University	93.866	2005239737	-	6,692
University of Massachusetts Amherst	93.866	22-016677 G00	-	34,081
University of Wisconsin-Madison	93.866	000000778	-	31,548
University of Wisconsin-Madison	93.866	2515	-	45,845
North Dakota State University	93.866	FAR0036251	-	6,170
Arizona Board of Regents for and on Behalf of Arizona State University	93.866	ASUB00001141	-	4,751
Total Aging Research			859,677	3,079,630
Alcohol Research Programs	93.273	Direct	116,979	958,767
Harvard University	93.273	150552.5117590.0002	-	190,385
Total Alcohol Research			116,979	1,149,152
Allergy, Immunology and Transplantation Research	93.855	Direct	225,214	1,465,477
University of Houston	93.855	R-16-0076	-	170
Total Allergy, Immunology and Transplantation Research			225,214	1,465,647
Biomedical Research and Research Training	93.859	Direct	254,527	7,535,739
Boston University	93.859	4500003234	-	38,221
Boston University	93.859	4500003180	-	27
California Institute of Technology	93.859	5409880	-	22,179
University of Michigan	93.859	SUBK00010341	-	56,874
Total Biomedical Research and Research Training			254,527	7,653,040
Cancer Cause and Prevention Research	93.393	149668.5112349.0002	-	203,845
Harvard Medical School				
Cancer Treatment Research	93.395	Direct	75,776	510,729
Child Health and Human Development Extramural Research	93.865	Direct	166,544	955,446
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	PO 300720516 SUBK00015599	-	1,475
University of Michigan				
Drug Abuse and Addiction Research Programs	93.279	Direct	517,994	2,629,802
Boston Medical Center Corporation	93.279	7369	-	166,297
Brigham and Women's Hospital	93.279	120025	-	49,473
Weill Medical Col. of Cornell University	93.279	201851-5	-	13,268
Texas Christian University	93.279	25935-LESA19-00/25937-LESA19-01	-	42,874
Brown University	93.279	00001594	-	4,202
Total Drug Abuse and Addiction Research Programs			517,994	2,905,916
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Direct	179,498	5,634,925
Mental Health Research Grants	93.242	Direct	-	1,872,505
University of Colorado	93.242	1562471	-	218,538
University of Colorado	93.242	FY20.941.002	-	14,997
The McLean Hospital Corporation	93.242	401786	-	86,671
Rutgers, The State University of New Jersey	93.242	4563	-	4,563
Total Mental Health Research Grants				2,197,274
Microbiology and Infectious Diseases Research	93.856	5S839 PO#823082	-	203,309
Massachusetts Institute of Technology (MIT)				
Minority Health and Health Disparities Research	93.307	1R01MD01383701A1	-	49,662
AltaMed Health Services Corporation				
National Center for Advancing Translational Sciences	93.350	EP0182176	-	12,970
Tufts University	93.350	PO# EP0180409	-	18,617
Tufts University				
Total National Center for Advancing Translational Sciences				31,587
Research and Training in Complementary and Alternative Medicine	93.213	Direct	141,072	913,190
Research Related to Deafness and Communication Disorders	93.173	Direct	464,441	1,573,696
Trans-NIH Research Support	93.310	Direct	127,721	1,713,061
Morehouse School of Medicine	93.310	CEC-BRU-001	-	266,221
Total Trans-NIH Research			127,721	1,979,282
Research Related to Deafness and Communication Disorders	93.351	Direct	-	906,993
Vision Research	93.867	Direct	-	765,467
Case Western Reserve University	93.867	RES513833	-	21,152
Trustees of Columbia University New York	93.867	1(GG013056-01)	-	(439)
Total Vision Research				786,180
Total NIH Awards			3,129,443	32,200,978
Centers for Disease Control and Prevention				
Administration for Community Living:				
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	Direct	472,676	2,204,801
University of Illinois at Chicago	93.433	18924	-	16,156
Total Administration for Community Living			472,676	2,220,957
Injury Prevention and Control Research and State and Community Based Programs	93.136	1931	-	61,610
Brown University				

Boston Medical Center Corporation	93.136	4300371003	-	19,086
Commonwealth of Massachusetts	93.136	INTF2400H78500224436	43,817	39,375
Commonwealth of Massachusetts	93.136	OD2A: INTF2400H78500224436	22,708	1,063,602
Total for Injury Prevention and Control Research and State and Community Based Programs			66,525	1,183,673
Packaging and Spreading Proven Pediatric Weight Management Interventions for Use by Low-Income Families Miriam Hospital	93.349	710-7147144	-	30,516
Total Centers for Disease Control and Prevention			539,201	3,435,146
Office Of National Drug Control Policy				
Research and Data Analysis University of Baltimore	95.007	G22990NDCP06A	45,162	107,976
Total for Office of National Drug Control Policy			45,162	107,976
Substance Abuse and Mental Health Services Administration				
Block Grants for Prevention and Treatment of Substance Abuse Commonwealth of Massachusetts	93.959	INTF2400H78500224438	3,511	211,821
Total Block Grants for Prevention and Treatment of Substance Abuse			3,511	211,821
Block Grants for Community Mental Health Services New Hampshire Department of Health and Human Services	93.958	B09SM085371 / H79SM080245	-	6,102
Total Block Grants for Community Mental Health Services			-	6,102
Certified Community Behavioral Health Clinic Expansion Grants University of Denver	93.696	Sub-award# SC38348-01 P0177779	-	40,792
Total Certified Community Behavioral Health Clinic Expansion Grants			-	40,792
Total Substance Abuse and Mental Health Services Administration			3,511	258,715
Total DHHS Awards			3,717,317	36,002,815
Department of Defense:				
Air Force Office of Scientific Research (AFSOR)				
Air Force Defense Research Sciences Program		Direct	-	127,865
Regents of the University of California, Santa Barbara	12.800	FA9550-19-1-0360	28,507	232,805
Rutgers, The State University of New Jersey	12.800	SUB00002447 PO #25288695	-	212,587
Boston University	12.800	4500004435	-	28,450
Total Air Force Defense Research Sciences Program			28,507	601,707
Advanced Research Projects Agency				
U.S. Defense Advanced Research Projects Administration University of Colorado	12.910	FA8750-18-2-0016	-	57,238
Total Advanced Research Projects Agency			-	57,238
Department of the Army				
Basic Scientific Research University of California San Diego	12.431	705679	-	12,729
Total Department of the Army			-	12,729
Defense Threat Reduction Agency				
Scientific Research - Combatting Weapons of Mass Destruction University of Colorado	12.351	1000576525	-	(48)
Total Defense Threat Reduction Agency			-	(48)
Uniformed Services University of the Health Sciences:				
Uniformed Services University Medical Research Projects				
The Henry M. Jackson Foundation	12.750	5415	-	8,953
The Henry M. Jackson Foundation	12.750	5748	-	50,378
Total Uniformed Services University of the Health Sciences			-	59,331
Total Department of Defense			28,507	730,957
National Aeronautics and Space Administration				
Exploration		Direct	-	146,147
University of Colorado	43.003	1560331	-	146,474
Total Human Exploration			-	292,621
Science		Direct	-	6,365
University of Florida	43.001	SUB00002493	-	32,594
Total NASA - Shared Services Center (NSSC)			-	38,959
Total National Aeronautics and Space Administration			-	331,580
Department of Justice				
Criminal and Juvenile Justice and Mental Health Collaboration Program Hancock County Board of Alcohol, Drug Ad	16.745	HCSS - 2020-MO-BX-0035	-	26,674
Total Criminal and Juvenile Justice and Mental Health Collaboration Program			-	26,674
OVW Research and Evaluation Program University of New Hampshire	16.026	PZL0201	-	36,636
Total OVW Research and Evaluation Program			-	36,636
Total Department of Justice			-	63,310
Department of Energy				
Office of Science Financial Assistance Program		Direct	314,244	1,714,933
The Regents of the University of California	81.049	00010607 (DE-SC0019380)	-	134,032
Trustees of the University of Pennsylvania	81.049	578218	-	157,179
Total Office of Science Financial Assistance Program			314,244	2,006,144
Renewable Energy Research and Development Northeastern University	81.087	503044-78051	-	49,138
Total Department of Energy			314,244	2,055,282
National Science Foundation (NSF):				
Biological Sciences		Direct	279,498	1,076,263
Umass Amherst	47.074	20-015671-A-01	-	10,367
Trustees of the University of Pennsylvania	47.074	4919757	-	29,356
Total Biological Sciences			279,498	1,115,986
Computer and Information Science and Engineering	47.070	Direct	-	563,849
Education and Human Resources University of Colorado	47.076	Direct	-	92,000
Total Education and Human Resources		Subaward no 1559730	-	181,088
			-	273,088
Engineering		Direct	-	269,048
Worcester Polytechnic University	47.041	10819-GR	-	19,378
Total Engineering Grants			-	288,426
Geosciences Arizona Board of Regents, University of Arizona Total	47.050	647105	-	20,281
Total Geosciences			-	20,281
Mathematical and Physical Sciences		Direct	398,692	5,159,897
Virginia Polytechnic Institute and State University	47.049	480504-19E28	-	238,858
Hampton University	47.049	HU-190001	-	15,247
SUNY - Stony Brook	47.049	685,876749/1136652/2	-	1
Total Mathematical and Physical Sciences			398,692	5,414,003

Social, Behavioral, and Economic Sciences	47.075	Direct	1,512	161,865
University of Notre Dame	47.075	204569BU	-	38,429
Purdue University	47.075	4101-81929	-	14,642
Total Social, Behavioral, and Economic Sciences			<u>1,512</u>	<u>214,936</u>
Technology, Innovations and Partnerships	47.084	Direct		22,244
Total NSF			<u>679,702</u>	<u>7,912,813</u>
Total Research and Development Cluster			<u>4,739,770</u>	<u>47,096,757</u>
Other Programs				
U.S. Department of Health and Human Services (DHHS):				
Administration for Children and Families:				
Child Care and Development Block Grant				
Boston University	93.575	4500004218/4500003227	-	146,804
Substance Abuse and Mental Health Services Projects of Regional and National Significance				
		SC37831-01/SC37832C-01/SC37834-01/SC37835C/SC37837C-01/SC38199-01-00,		
University of Denver	93.243	SC38245-01/SC38246-01	-	338,065
Casa Esperanza Inc.	93.243	H795M08242/H79TI085195	-	53,009
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance			<u>-</u>	<u>391,074</u>
Total Other Sponsored Programs Awards from DHHS			<u>-</u>	<u>537,878</u>
Corporation for National and Community Service:				
AmeriCorps				
YouthBuild USA	94.006	19NDHMA003	-	28,887
Total Corporation for National and Community Service			<u>-</u>	<u>28,887</u>
Department of Justice				
Comprehensive Opioid, Stimulant, and other Substances Use Program				
Hancock County Board of Alcohol, Drug Ad	16.838	15PBIA-22-GG-04465-COAP	-	18,688
Hancock County Board of Alcohol, Drug Ad	16.838	15PBIA-21-GG-04684-COAP	-	30,755
Total Department of Justice			<u>-</u>	<u>49,443</u>
National Endowment for the Humanities:				
Promotion of the Humanities Public Programs	45.164	Direct	-	11,668
Total National Endowment for the Humanities			<u>-</u>	<u>11,668</u>
United States Institute of Peace				
Priority Grant Competition	91.005	Direct	57,849	87,214
Total United States Institute of Peace			<u>57,849</u>	<u>87,214</u>
U.S. Department of Homeland Security				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Direct	-	8,666,829
Total U.S. Department of Homeland Security			<u>-</u>	<u>8,666,829</u>
Total Other Programs			<u>57,849</u>	<u>9,381,919</u>
Total Expenditures of Federal Awards			<u>4,797,619</u>	<u>79,241,148</u>

BRANDEIS UNIVERSITY

Notes to Schedule of Expenditures of Federal Awards

Fiscal Year Ended June 30, 2023

(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, 2023. 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, 2023 for on-campus and off-campus sponsored research program activities. The base rates in effect for the year ended June 30, 2023 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, 2023:

Balance as of July 1, 2022	Loans issued	Payments received and other changes	Balance as of June 30, 2023
\$ 1,619,085	\$ —	\$ 402,687	\$ 1,216,398

BRANDEIS UNIVERSITY

Notes to Schedule of Expenditures of Federal Awards

Fiscal Year Ended June 30, 2023

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, 2022. 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, 2023.

Federal Direct Loans

The University distributed \$16,548,538 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 Auditor's 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 University's balance sheet as of June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the statements, and have issued our report thereon dated October 27, 2023.

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 financial statements. 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 entity'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 27, 2023

**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and
Report on Schedule of Expenditures of Federal Awards
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, 2023. 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, 2023.

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.

Report on Internal Control Over Compliance

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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the University as of and for the year ended June 30, 2023, and have issued our report thereon dated October 27, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Boston, Massachusetts
December 6, 2023

Brandeis University
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

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? Yes X 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)? Yes X No

Identification of major program:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number</u>
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Research and Development Cluster	Various
Disaster Grants—Public Assistance (Presidentially Declared Disasters)	97.036

Dollar threshold used to distinguish between type A and type B programs: \$ 2,377,234

Auditee qualified as low-risk auditee? X Yes No

Brandeis University
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

III-A. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

No matters were reported.

III-B. FINDINGS ON INTERNAL CONTROL OVER COMPLIANCE

No matters were reported.



**Summary Schedule of Prior Audit Findings
For the year ended June 30, 2023**

Identifying number: 2022-001 Higher Education Emergency Relief Fund (HEERF) Reporting

Audit finding: 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).

Corrective action taken: The University has amended the September 30, 2021 and December 31, 2021 quarterly reports on September 30, 2022 to correct the errors identified.

Signed,

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

Cherie Sadeli
University Controller