

BRIDGEWATER STATE UNIVERSITY

Annual Comprehensive Financial Report

Update for the years ended June 30, 2023 and 2022

Prepared by the Office of Fiscal Affairs, Bridgewater State University

2023

ANNUAL
COMPREHENSIVE
FINANCIAL REPORT

2022



BRIDGEWATER STATE UNIVERSITY
BRIDGEWATER, MA



ANNUAL
COMPREHENSIVE FINANCIAL REPORT

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

INCLUDED IN THE STATE UNIVERSITY FUND,
AND ENTERPRISE FUND OF THE COMMONWEALTH OF MASSACHUSETTS

Prepared by the Office of Fiscal Affairs, Bridgewater State University



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FUNDING THE FUTURE

U.S. Senator Ed Markey visited Bridgewater State University to announce \$2 million in federal funding to support the development of a cyber range at BSU. The sophisticated simulator will enable students and professionals to experience mock ransomware, malware and other attacks.

President Clark led Markey, state Sen. Walter Timilty, and other visiting dignitaries on a tour of the range, which is under construction in the Dana Mohler-Faria Center for Science and Mathematics.

Demand for skilled cybersecurity workers is not going away as technology is an ever-present force in daily life with Americans expected to have 75 billion devices by 2025, Markey said.

"This is the future, and Bridgewater State University is going to prepare the workforce for that future," he said.

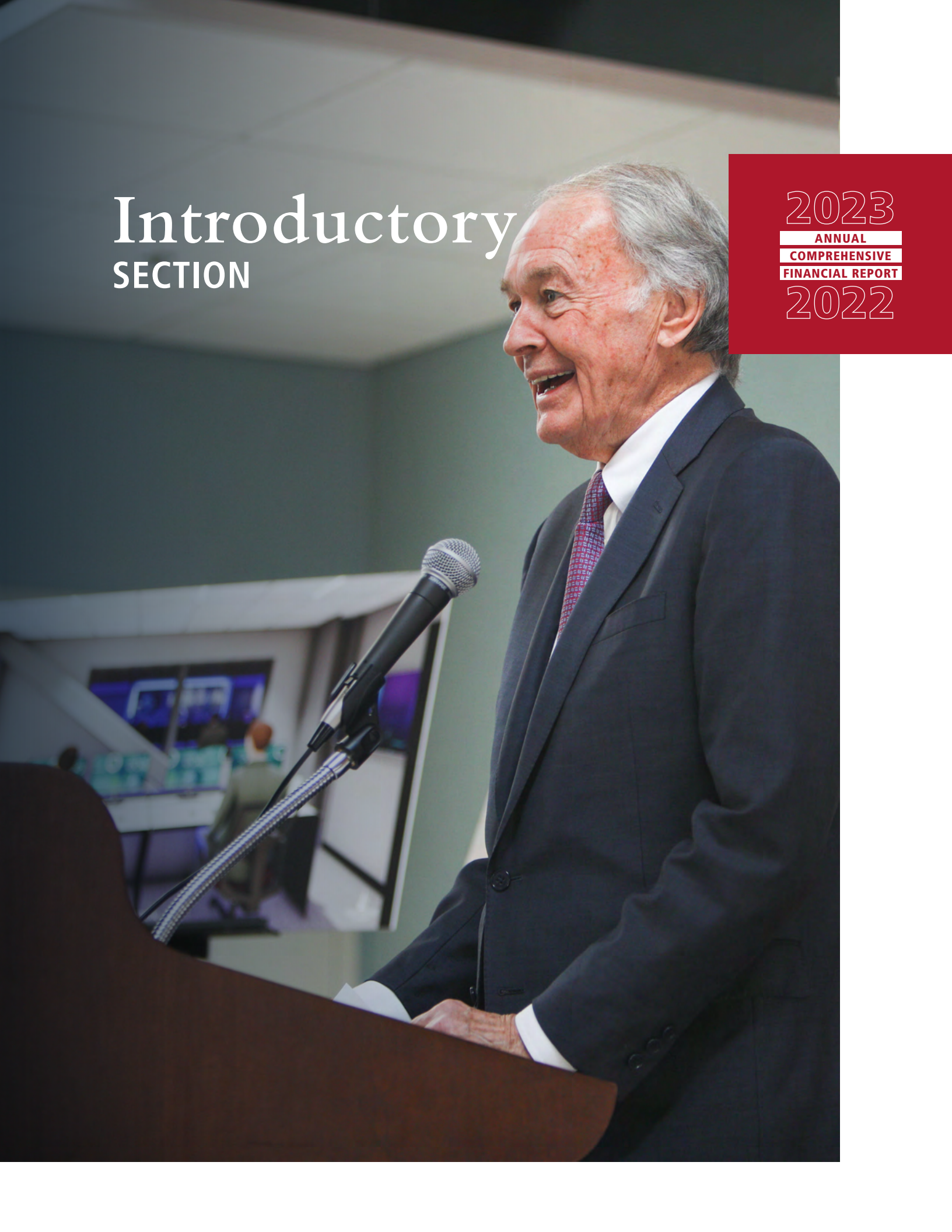


"This (cybersecurity) is the future, and Bridgewater State University is going to prepare the workforce for that future."

U.S. Senator Ed Markey

Introductory SECTION

2023
ANNUAL
COMPREHENSIVE
FINANCIAL REPORT
2022





PRESIDENT'S Letter

December 21, 2023

We are pleased to present the Annual Comprehensive Financial Report for Bridgewater State University (BSU) for the fiscal year ending June 30, 2023. The audit report conveys an unmodified opinion of the university's financial statements.

BSU's financial position continues to be very strong. In FY23, the university realized an increase in its net position of \$10 million, from \$18.3 million in FY 22 to \$28.3 million in FY23. This growth was attributable to increased state appropriations of 4.4% due to strong state tax collections coupled with effective university advocacy for more equitable funding; an increase in state grants of more than \$2 million; increased auxiliary revenues from the resurgence in residence hall occupancy rates from a low during the pandemic of 38% in Fall 2020 to 83% in Fall 2021 and 92% in Fall 2022; and strong budget management across the entire university. The university's primary reserve ratio of 43.18% (minus the effects of GASB 68 pension and GASB 75 OPEB requirements) continues to exceed industry benchmarks.

ENROLLMENT

Enrollment remains the most significant challenge facing the university, reflecting declines in college-attendance rates as well as a projected decrease in the number of high school graduates. Although the number of high school graduates increased by 6% from 2012-2022, the number of these high school graduates attending college in-state fell 16.3% during this same period. The COVID-19 pandemic had a profound impact on college enrollments that is still being felt because of the continued impact of small incoming classes in Fall 2020 and Fall 2021.

Despite these conditions, BSU has stabilized enrollment and is putting in place plans to return to an enrollment growth path. Although enrollment fell in Fall 2022 by 3.4%, registrations for Fall 2023 saw a slight increase of 0.3%. In 2023-2024, the university's Enrollment Management Committee (which was reorganized in Fall 2022) will adopt a new Strategic Enrollment Plan (SEP 2.0), with a focus on further diversifying our markets. With the impending "demographic cliff" – where the number of high school graduates is predicted to decline about 9% between 2025-2035, SEP 2.0 will include action plans for growing post-traditional, graduate, part-time, transfer and LGBTQIA+ enrollments. The university is also exploring options for growing our small population of international and Hispanic/Latinx students.

In addition to diversifying markets and expanding market share for incoming students, BSU continues to be an innovative leader in the area of retention and closing institutional achievement gaps. BSU's first-to-second year retention rate continues to exceed our peer institutions, and the university is expanding proven retention strategies, including its nationally recognized Student Navigator model and retention scholarships, targeting at-risk students. BSU was one of 11 universities nationwide selected by the Gardner Institute to participate in its Transforming the Foundational Postsecondary Experience, which aims to reimagine the critical first two years of college education when students create the foundation for ultimate success and degree completion.

As COVID recedes, colleges and universities nationwide are facing a new mental health epidemic, with higher levels of anxiety, stress and depression among both students and employees. As a JED Foundation-designated campus, a new cross-divisional standing committee on Mental Health and Wellness will drive new approaches to meet the growing demand for mental health resources.

STRATEGIC PLAN 2.0

Following a two-year, inclusive process, BSU has developed a five-year Strategic Plan 2.0, which will be approved by the state in early 2024. The plan establishes 11 strategic priorities that will enable the university to continue to thrive in the face of a challenging higher education environment characterized by increased competition for students and resources, public skepticism about the value of higher education, changing student demographics, shifting employee expectations, and unprecedented rates of technological, social, and political change.

will guide the university moving forward. Those priorities include: innovation; a new work paradigm; mental health and wellness; racial justice and equity; physical facilities; capital campaign; affordability; BSU Works (workforce alignment); enrollment management; post-traditional learners; and Gateway Cities.

CYBERSECURITY

BSU has received state approval for its B.S. in Cybersecurity and is now accepting students for admission into that program for Fall 2024. A new master's degree in this field is under current Board of Higher Education review. There is extraordinary demand for this program and tens of thousands of open, high paying positions. The university is slated to open in February 2024 the most sophisticated cyber range in all of New England for training students (and municipalities, law enforcement, non-profits and private businesses) utilizing simulated cyberattacks. A future on-campus Security Operations Center will afford students the opportunity to work alongside cybersecurity professionals on actual threat detection and response.

INVESTMENTS IN DEFERRED MAINTENANCE/PHYSICAL PLANT

BSU continued to make major investments in deferred maintenance and capital improvements to the campus in 2022-2023. These included ongoing repairs and renovations made to Maxwell Library, Burnell Hall and Shea-Durgin residence hall; accessibility upgrades in Tillinghast and Hunt Halls; and construction of a new outdoor fitness court, among others. BSU also secured an additional \$8 million from the state (on top of an initial \$25 million investment) for the renovation of Burnell Hall as the home of the College of Education and Health Sciences. The BSU Foundation also secured a property at 21 Park Terrace that will become the future home of the College of Graduate Studies, aligning with growing focus on graduate recruitment in Strategic Enrollment Plan 2.0

CAPITAL CAMPAIGN

In 2022-2023, the university's component units (BSU Foundation and Alumni Association) realized a net position increase of \$6.7 million to \$67.7 million. In FY23, BSU continued to make major strides towards the launch of its Without Exception capital campaign in June 2024, with the goal of increasing the university's endowment to \$100 million. Building the endowment will make possible strategic investments in student financial and other supports, BSU Works, scaling new programs that drive student educational access and success and advancing BSU's leadership in diverse areas from cyberbullying and racial equity to STEM and civics education.

There is no doubt that BSU's star is rising. This past year demonstrates that we are prepared to deal head-on with any number of emerging challenges while continuing to seize opportunities to that position BSU for a future that we can control.

Sincerely,



Frederick W. Clark Jr., Esq.
President

LETTER OF Transmittal

December 21, 2023

To President Frederick W. Clark Jr., Esq.,
Members of the Board of Trustees and
Citizens of the Commonwealth of Massachusetts

We are pleased to present the Annual Comprehensive Financial Report for Bridgewater State University (BSU, Bridgewater, the university) for the fiscal year ending June 30, 2023. This report is presented in three sections, Introductory (background, summary information), Financial (basic financial statements of the university and component units, Management's Discussion & Analysis), and Statistical (contextual data, 10 year look back).

MANAGEMENT RESPONSIBILITY

The financial statements and all disclosures necessary for a reader to gain an understanding of the university's financial operations for the fiscal year ended June 30, 2023 are found in the Financial section of this report. The financial statements reflect the reporting standards issued by the Governmental Accounting Standards Board (GASB). Management assumes full responsibility for the completeness and reliability of the information contained herein. To the best of our knowledge, the data is presented fairly and accurately in all material respects.

Independent Audit, MD&A

The independent auditor's report found in the Financial section conveys an unmodified opinion on the university's financial statements. Immediately following the audit report is Management's Discussion and Analysis (MD&A); this letter of transmittal should be read in conjunction with the MD&A, which focuses on current activities, accounting changes, and currently known facts.

Internal Control Plan

The university's internal control plan serves as a basis for this annual report. It identifies and summarizes department-wide risks and associated controls to mitigate those risks which can be broadly defined in five categories: student life, safety, capital assets/facilities, information technology, and financial resources. This comprehensive plan ensures that the university's financial information is free of material misstatements and provides reasonable assurance against fraud and misappropriation. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefit derived (the objective is to provide reasonable though not absolute assurance).

PROFILE OF THE UNIVERSITY

Background

Founded by American public education pioneer Horace Mann in 1840, Bridgewater State College began as a sited teacher-preparation program (Normal School) occupying a single room in the basement of Bridgewater Town Hall. Today, Bridgewater State University (renamed 2011) is the comprehensive university of Southeastern Massachusetts, the third largest public university and 10th largest university, public or private, in the commonwealth. The university is governed by an 11-member board (immediately following this letter) - under the chairmanship of Dr. Jean MacCormack, a uniquely diversified, yet cohesive mix of leaders dedicated to advancing the mission of public higher education.

The 278-acre campus is home to 39 academic, administrative, and residential buildings, and serves a diverse population of approximately 10,000 students. 93 percent of these students are from MA, and nearly 50 percent of undergraduates represent the first generation of their families to attend college.

The college operates as a state assisted institute of higher education; the funds for Bridgewater State University are included in the Annual Comprehensive Financial Report of the State of Massachusetts.

Academics

The university offers a broad range of academic programs through its six colleges: the College of Education and Health Sciences; the College of Graduate Studies, the College of Humanities and Social Sciences, the Louis M. Ricciardi College of Business, the Bartlett College of Science and Mathematics; and the College of Continuing Studies.

There are 54 undergraduate degree and 43 graduate degree programs based on a course catalog of nearly 3,000 classes in more than 100 areas of study.

- The university's Social Work program is the largest Bachelor's in Social Work program in Massachusetts, and among the top 100 Master's of Social Work programs in US, according to U.S. News (2023).
- BSU remains the most prolific educator of new PreK-12 teachers in the commonwealth.
- Since 2009 the university has operated the Aviation Accreditation Board International Certified BSU flight training center adjacent to the New Bedford Airport, utilizing 10 university owned planes.

Additionally, in response to critical workforce needs, the university is developing new prospectuses in fields such as Photonics & Optical Engineering, Cybersecurity, Childhood Studies, and Public Relations.

The university's 336 full time faculty/ librarians allow for a 17:1 student faculty ratio and average class size of 22 - close engagement between faculty and students comparable to that of a private institution.

Other academic highlights include:

- An undergraduate research program nationally ranked by the Council on Undergraduate Research (CUR).
- 200 study abroad programs in more than 50 countries.
- Social justice, civics education, community engagement and leadership opportunities spearheaded at the university's Martin Richard Institute for Social Justice (MRISJ).
- Experiential opportunities - each year, more than 2,000 BSU students participate in internships, field or practicum experiences; more than 1,000 students present at campus research symposia and over 200 students present at regional and national conferences.

RECOGNITION

BSU ranks in the top 20 percent of schools nationwide and 18th out of more than 100 Massachusetts institutions by The Wall Street Journal/College Pulse (2024 Best Colleges in the U.S). With emphasis on value added and student success, this report ranks the top 400 universities in the country, factoring in resources, engagement, outcomes, and environment. Bridgewater is one of only eight public colleges and universities in New England listed among the best colleges.

The university holds a number of other notable distinctions among universities domestically and globally:

- U.S. News named BSU's Master's of Social Work program one of the top programs in the country (2023).
- The Chronicle of Higher Education ranked BSU ninth in the nation among institutions in its mission class for six-year graduation rates for undergraduate Black students (2021).
- In 2020, BSU was ranked among Money's Best Colleges.
- According to a 2020 analysis of FBI and U.S. Department of Education data compiled by the organization YourLocalSecurity, Bridgewater State University was cited as the "Fourth Safest Higher Education Institution in the United States" and ranked first in New England.
- The Council on Undergraduate Research (CUR) awarded its 2019 Campus-Wide Award for Undergraduate Research Accomplishments (AURA) to Bridgewater State University.
- The Department of State named BSU as one of the top Fulbright-producing institutions (2019).
- During 2018 Apple representatives were on campus to present the College of Education and Allied Studies with its second Distinguished School Award. The award is given to schools using Apple technology in innovative ways.
- In 2018 Bridgewater State University was named the "Fifth Safest Campus in the United States" and placed first in the Commonwealth of Massachusetts by the National Council for Home Safety and Security (NCHSS).

- In Fall 2016 the special education program at Bridgewater State University earned a top-ten national ranking from Teacher.org. In its annual Best Colleges in Education Special Education rankings, Teacher.org used graduation rates, size of program, default rates and affordability as part of its criteria as it analyzed more than 400 colleges and universities across the nation that offer special education degrees. Bridgewater State University, the largest preparer of special education teachers in Massachusetts, public or private, was the only institution from Massachusetts to receive recognition.
- In Spring 2015 Bridgewater State University was named by the Council on Undergraduate Research (CUR) as one of 59 top programs in the nation “leading the way” in supporting student participation at the National Conference on Undergraduate Research.
- In December 2015, the university’s commitment to student success earned national attention with a ranking on The Education Trust Top-Gaining Four-Year Public Institutions list. The university improved graduation rates for all undergraduate students while closing the achievement gap experienced by students from a range of under-represented groups. This was accomplished through a two-pronged approach that included implementing data-driven interventions focused on supporting the success of all students in addition to the use of high-impact practices including paid student internships, first- and second-year seminars and programs such as writing across the curriculum.

INITIATIVES

The following section highlights several significant initiatives that may be reflected in past, present or future financials. These initiatives are included as they relate to, or are informed by, the overarching objective of student success, as stated in the university’s strategic plan.

Strategic Plan

Under the leadership of President Frederick W. Clark Jr., Esq., Bridgewater State University has implemented a unique strategic planning process with a central focus on student success and achievement. This plan is based on a nested planning model; it includes institutional, divisional, college, departmental, and program level plans. In addition, the model allows for formalization of policies and procedures that

inform the decision-making process going forward. The second 5-year Strategic Plan (2.0) is in process and anticipated to be submitted and approved by the Massachusetts Department of Higher Education in FY2024. The goals, objectives and specific outcome measures will provide specificity on strategic needs and will help guide the utilization of future financial resources.

Enrollment and Retention

The University recently completed a cross divisional, intensive Strategic Enrollment Planning initiative that developed data-informed situation analyses as well as numerous strategies and action plans to drive enrollment and increase market share. BSU’s enrollment management and retention team is tasked with setting enrollment goals and creating or modifying existing recruitment strategies which include “micro interventions” that target specific populations of students who may be at-risk for not successfully completing their degree. The plan includes evaluation of prospective student communication, improvement to academic websites, investment in search engine optimization and development of online degree programs for both traditional students and adult learners (an underserved population in the Commonwealth of Massachusetts). Online programs development is also considered for the College of Graduate Studies.

Martin Richard Institute for Social Justice

On September 26, 2015, BSU renamed its Institute for Social Justice after the youngest victim of the 2013 Boston Marathon bombings, Martin Richard. Martin’s parents met at Bridgewater State University and graduated as members of the class of 1993. The mission of the Martin Richard Institute for Social Justice (MRISJ) is to build knowledge about social justice, develop skills for advancing social justice through individual and collective action, and serve as a catalyst for actualizing Bridgewater State University’s commitment to social justice. December 2022 marked the opening of a new, permanent space for the MRISJ, a property purchased and renovated by The Bridgewater State University Foundation (see pages 105 & 106).

Racial Justice Task Force

In June 2020, President Clark announced the formation of a Special Presidential Task Force on Racial Justice. With a mission of translating longstanding institutional values into an action agenda for positive and necessary change, this task force was charged with conducting a comprehensive review aimed at identifying elements of policy, practice, and culture that may serve to impede the university's efforts at fully realizing racial justice and equity at BSU. The task force published their report in May 2021. The University Board of Trustees endorsed this report and created a board of trustee committee entitled the Racial Justice and Equity Committee. This board oversees implementation of the action items identified in the report and maintains focus on this important initiative.

Young African Leaders Initiative (YALI)

Since 2016, Bridgewater State University has hosted an elite group of Africa's brightest emerging public administrators through the Young African Leaders Initiative (YALI) – a program established by President Obama to support Young African leaders as they spur growth and prosperity, strengthen democratic governance, and enhance peace and security across Africa. The university was one of two institutions in New England and twenty-seven institutions nationwide to be selected to host the Mandela Washington Fellowship program for Young African Leaders. Summer of 2022, BSU welcomed back the Young African Leaders fellows on campus for the first time since the pandemic.

Capital Projects

In fiscal year 2024 the university will begin working on a capital master plan. This master plan will align with the Strategic Plan 2.0 and is intended to chart the way forward for campus planning and facility improvements/additions/changes. The university's last master plan was completed in 2012. This process will include interviewing multiple stakeholder groups, aligning with strategic plan, mission, vision, values, and assessing resources.

Recent capital projects include the following:

Cyber Range

Facility construction is almost complete for a grant-funded cyber range that will provide hands-on training for BSU and community partners. It will allow students and professionals to experience simulations, including sophisticated ransomware and malware attacks. The Dana Mohler-Faria Science and Mathematics Center will be the location for this state-of-the-art lab with computers and a wall of monitors. The range complements Bridgewater's growing offerings in the cyber-security field with an estimated 7,400 open job positions region wide. Funding for the project includes a \$2.0 million from a Congressionally Directed Spending award, \$1.2 million from a Mass Tech collaborative grant, \$250 thousand from a state Skills Capital Grant, a BSU match of \$275 thousand, and a Center of Excellence grant of \$50 thousand.

Bear Paw Pavilion

After years of planning, in 2021 the Bear Paw Pavilion, located at the Edward C. Swenson Athletic Complex, officially opened. This \$3.1 million project is the home of BSU Athletics locker rooms, a satellite athletic training space, mechanical/equipment room, and new public restrooms.

Dana Mohler-Faria Science and Mathematics Center

During 2015, the university completed its 212,000 square-foot Dana Mohler-Faria Science and Mathematics Center, a \$98 million project with the help of funding from a state capital bond bill. The improvements consisted of two phases: a 171,000 square-foot addition and renovation of a 43,000 square-foot wing of the original Conant Science Building. The new building provides specialized laboratory space for faculty and undergraduate researchers, which support the university's science and outreach efforts and doubled the space dedicated to the math and science programs, such as Biological Sciences, Chemical Sciences, Computer Sciences, Earth Sciences, Geography, Math, and Physics.

CONNECT

Bridgewater State University continues to benefit from CONNECT, its regional partnership with other public higher education institutions in the region – Massachusetts Maritime Academy, Massasoit Community College, Bristol Community College and Cape Cod Community College. The program’s mission is to leverage the quality, strength, resources and excellence of the five public higher education institutions of Connect and to enhance educational effectiveness and efficiency while improving student success, increasing educational attainment, advancing economic health, and strengthening cultural life throughout the region. CONNECT coordinates the academic, administrative and development activities of public higher education in Southeastern Massachusetts and introduces shared activities and programs among member institutions.

The Commonwealth Commitment

As a state supported university, BSU has participated in the Commonwealth Commitment since 2016. This college affordability initiative allows qualifying students from Massachusetts to significantly lower the cost of a bachelor’s degree by beginning their post-secondary education at a community college and transferring to a four-year campus. Tuition and mandatory fees are frozen as of the day participants enter the program and 10 percent rebates are awarded at the end of each successfully completed semester. Locally, this program was expanded in 2017 to include two additional initiatives (MCC2BSU, BCC2BSU) that guarantee Massasoit Community College and Bristol Community College students dual admission into targeted undergraduate programs at BSU. Dual enrollment removes barriers and secures an affordable pathway between the institutions.

LONG-TERM FINANCIAL PLANNING

Budget

The university utilizes a resource planning process for each budget year. This systematic effort allows the institution to fully align resource designs with priorities informed by President Clark’s strategic plan; make integrated decisions with respect to a broad range of resource pools (i.e. operating budgets, human resources, space and equipment); offer department heads and chairs a regular opportunity to assess the challenges and opportunities they face and express that assessment to senior managers; and provide for greater

transparency about how resource decisions are made.

As a result of the intense planning process, the university has identified the following goals:

GOAL 1 – Focus resources and decisions on the overarching priority of student success.

GOAL 2 – Provide a teaching and learning environment with exceptional educational opportunities for Intellectual, creative and professional growth.

GOAL 3 – Provide opportunities for personal and professional growth for faculty, librarians and staff in support of organizational progress.

GOAL 4 – Serve as a regional catalyst for economic, cultural and intellectual engagement.

GOAL 5 – Advance diversity and social justice with impact in the region and beyond.

Economic Outlook

As evident in the statistical section of this report, fiscal years 2020–2022, impacted by the global outbreak of COVID-19 in March 2020, were unlike any other. Support in the form of Higher Education Emergency Relief Funds (HEERF) from the Coronavirus Aid, Relief and Economic Security Act (CARES Act), Coronavirus Response Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan (ARPA) coupled with refinancing/refunding of existing Massachusetts State College Building Authority College (MSCBA) debt, mitigated lost revenues. University operations stabilized in fiscal year 2023. Enrollment, retention, and housing occupancy are expected to increase in 2024, partially due to reorganization of enrollment resources.

Support

As a commonwealth-supported institution, the majority of the university’s financial support is an appropriation from the state of Massachusetts. The amount of this funding is determined by factors such as university enrollment, collective bargaining agreements, and total state revenues. It is expected that the steady growth in this funding, as shown on page 38 in the financial section of this report, will continue in fiscal year 2024.

Second to the state appropriation, is tuition and fees revenue. BSU achieved strong student retention from Fall 2022 to Fall 2023, which helped stabilize enrollment. Although regional community colleges

(historically, a significant referral source for BSU) continue to experience enrollment challenges, the recovery of student income is expected to continue with the implementation of the strategic enrollment plan. The university will continue to pursue recruiting and retention initiatives, thus establishing/ maintaining a predictable revenue stream.

Operating Grant revenue increased in fiscal year 2023 and is expected to remain on trend in fiscal year 2024. Significant upcoming awards include a \$3.0 million National Science Foundation grant, a \$1.9 million award from the MA Department of Mental Health to support paid internships through the School of Social Work, and a \$1.4 million award from the U.S. Department of Education intended for Aviation program improvements.

Alumni and friends consistently contribute a significant amount of support for faculty and student research, a myriad of undergraduate and graduate scholarships/ internships, international study opportunities and award-winning publications. These private investments complement growing levels of public support for the institution. Donations, capital assets and re-invested earnings totaled \$67.7 million as of June 30, 2023.

FINANCIAL POLICIES AND ABSTRACTS OF FINANCIAL INFORMATION

Collection Practices

In 2018 the BSU introduced a series of new student billing and collection processes that aligned university procedures with industry best practices, such as the use of a student financial responsibility agreement. The changes resulted in increased collection rates and a reduction of approximately \$3.8 million to the student accounts receivable balance when comparing \$8.25 million at June 30, 2017 versus \$4.41 million at June 30, 2023.

GASB Pronouncements

GASB 96, Subscription Based Information

Technology Arrangements (SBITAs) is based on the principle that SBITAs result in intangible right-to-use subscription assets and corresponding subscription liabilities. Historically, these payments were presented as operating expenses on the Statements of Revenues, Expenses and Changes in Net Position. With the

adoption of GASB 96 they are recorded as right-to-use assets and short-term and long-term liabilities on the financial statements. Implementation of this standard in the current fiscal year (presented with a multi-year restatement) impacted debt burden ratio (page 32) and had minimal impact on Position.

GASB 87, Leases, is based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources. Implementation of this standard in fiscal year 2022 had significant impact on Net Position and continues to impact the debt burden ratio.

GASB 68, Accounting and Financial Reporting

for Pensions and GASB 75, Accounting and Financial Reporting for Postemployment Benefits

Other Than Pensions (OPEB).

GASB 68 requires all participating entities in a multiple employer cost-sharing defined benefit plan, such as the Commonwealth's State Employee Retirement System (SERS), to record their proportionate share of the plan's Net Pension Liability (NPL) along with related deferrals and pension expense. GASB 75 requires all participating entities in the Commonwealth's employer defined benefit OPEB plan, the State Retirees' Benefit Trust, to record their proportionate share of the plan's net OPEB liability along with related deferrals and OPEB expense. These standards continue to have significant impact, positive or negative, on the university's Net Position as indicated in the Management's Discussion and Analysis (Financial section, immediately preceding the financial statements).

The impact of the change in these obligations in fiscal year 2023 was an increase in BSU's net position of approximately \$14.9 million compared to an increase in net position of \$9.7 million and a decrease of \$7.9 million in fiscal years 2022 and 2021, respectively.

OTHER INFORMATION

Independent Audit

The university is audited annually by WithumSmith & Brown (O'Connor & Drew, P.C. joined WithumSmith & Brown January, 2023) to ensure proper internal controls and compliance with applicable laws and regulations. The audit is conducted in accordance with 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.

Single Audit

Prior to Fiscal 2012, Bridgewater State University, as a state agency, was included in the Statewide Single Audit of the Commonwealth of Massachusetts. Beginning in Fiscal 2012, the university and the other 23 State Universities and Community Colleges in Massachusetts were excluded from the Commonwealth's Statewide Single Audit and are now required to complete separate independent Single Audits. Bridgewater State University's Single Audit is conducted by WithumSmith & Brown. The Single Audit report is prepared in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and Government Auditing Standards.

ACCREDITATIONS AND CERTIFICATION

On March 21, 2023, Bridgewater State University was notified of continued accreditation by the New England Commission of Higher Education (NECHE). The university was commended for the "positive culture" that contributes to the institution's success as evidenced by a "strong inculcated sense of purpose and mission," a commitment to shared governance, and a "deep trust" among the divisions of the University." Bridgewater's next interim (5-year) evaluation visit is scheduled for Fall 2027.

- Accreditation Board for Engineering and Technology
- American Chemical Society
- American Council on the Teaching of Foreign Languages
- Association for Childhood Education International
- American Speech-Language and Hearing Association
- Aviation Accreditation Board International
- Commission on Accreditation of Allied Health Education Programs
- Commission on Accreditation of Athletic Training Education
- Council for Exceptional Children
- Council on Social Work Education
- Council for Accreditation of Counseling and Related Educational Programs
- Educational Leadership Constituent Council
- Federal Aviation Administration
- International Reading Association
- International Society for Technology in Education
- Interstate Agreement for Educator Licensure
- Massachusetts Board of Public Accountancy, Option-One Status
- Masters in Psychology and Counseling Accreditation Council
- National Association for the Education of the Young Child
- National Association of Schools of Music
- National Association of Schools of Art and Design
- National Association of Schools of Public Affairs and Administration
- National Council for the Social Studies
- National Council of Teachers of English
- National Council of Teachers of Mathematics
- National Professional Science Masters Association
- Society for Health and Physical Educators
- United States Tennis Association

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement for Excellence in Financial Reporting

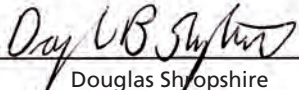
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bridgewater State University for the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This marks the fifteenth consecutive year that the university has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our ACFR for the fiscal year ended June 30, 2023 continues to meet the Certificate of Achievement Program's requirements; we will be submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

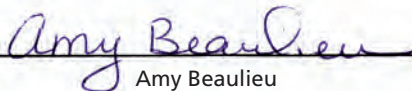
We wish to thank the President and Board of Trustees for their continued commitment to the fiscal management of the university. Likewise, we wish to thank the members of the university community whose cooperation made the annual fiscal close a success.



Douglas Shropshire
Vice President of Finance



Liz Healey
Comptroller



Amy Beaulieu
Associate Vice President of Finance



Morgan Tat
Associate Comptroller



"I'm focusing on research instead of having to work a different job not related to the field I'm interested in."

Antu Stettler, '23



AIMING FOR THE STARS

With financial support from NASA, undergraduate researchers spent their summer searching for new planets, exploring the next wave of technology, and unraveling the mysteries of black holes.

Three Bridgewater State University students received NASA Space Grant Summer Fellowships, which paid them \$6,000 for 10 weeks of research. BSU has participated in the grant program since 2012 and to date has received \$186,000 to support student research.

"This was extremely helpful to not have to worry about working through the summer," said Antu Stettler, '23. "I'm focusing on research instead of having to work a different job not related to the field I'm interested in."

Shannon Harding, '24, a physics and mathematics major and program participant, is developing computer coding based on a mathematical model related to how light rays bend as they interact with black holes, which are regions of space where gravity is so strong that not even light escapes. When her code is completed, Shannon will be able to display what a field of objects behind a black hole will look like to observers near Earth.

BRIDGEWATER STATE UNIVERSITY BOARD OF TRUSTEES

AUGUST 2023

Dr. Jean MacCormack, *Chairperson*

Margaret A. Caulfield, Esq. '00, *Vice Chairperson*

F. Scott Longo, '89, *Secretary*

Zachary Allen '24, *Student Trustee*

Davede Alexander

Lisa Battaglino, PhD, '62

Francis Giles

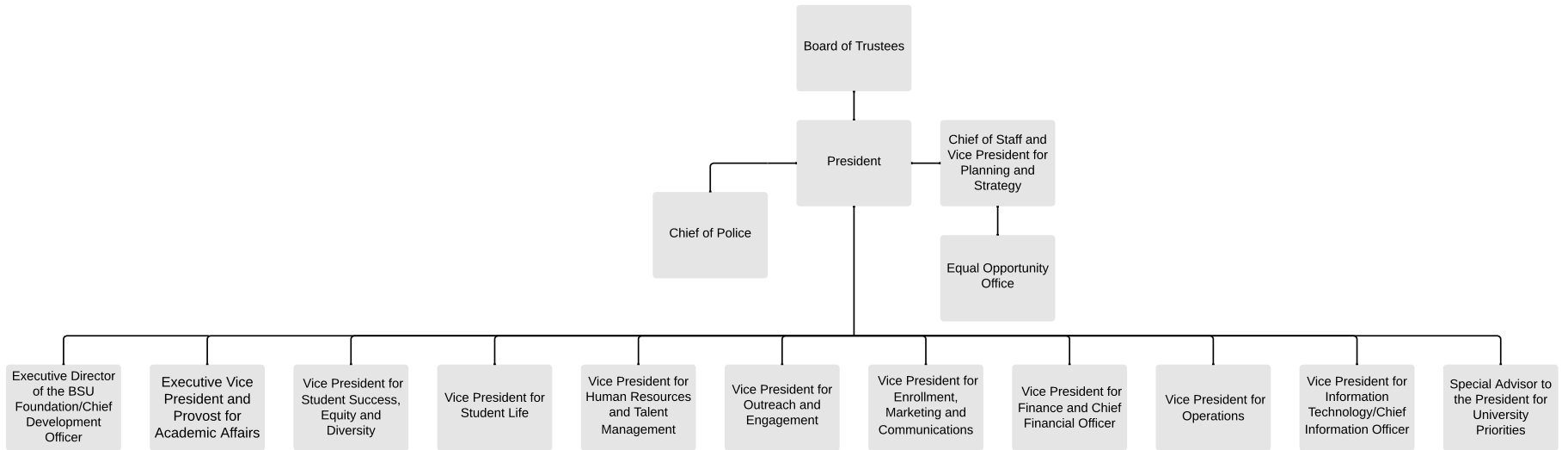
Mark L. Oliari

Walter B. Prince, Esq.

Michael Taylor

Carolyn V. Turchon, '62

President's Division – August 2023





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Bridgewater State University
Massachusetts**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO



AVIATION PROGRAM

BSU's Aviation program is unique: it offers the only four-year academic degree program in Aviation Flight Training in New England. Students can also concentrate in Aviation Management, earn a certificate in Aviation Dispatch, and learn to fly drones!

The Aviation Science program provides comprehensive flight training and aviation management education, encourages lifelong learning, and prepares graduates to be aviation leaders serving the dynamic aviation industry in Massachusetts and beyond.



Financial SECTION

2023
ANNUAL
COMPREHENSIVE
FINANCIAL REPORT
2022



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Bridgewater State University:

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented major component units, of Bridgewater State University (a component of the Commonwealth of Massachusetts) (the "university"), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the university's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective net position of the business-type activities and the aggregate discretely presented component units of Bridgewater State University as of June 30, 2023 and 2022, and the respective changes in net position and, where applicable, cash flows, combining statements of net position of major component units and combining statements of revenues, expenses and changes in net position of major component units for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditors' 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the university adopted new accounting guidance, GASB Statement Number 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Other Matter

The financial statements of the university as of and for the year ended June 30, 2022, were audited by O'Connor & Drew, P.C., who joined with WithumSmith+Brown, PC on January 1, 2023 and expressed an unmodified opinion on those statements dated November 8, 2022

As more fully described in Note 2 to the financial statements, the university has adjusted its 2022 financial statements to retrospectively apply the change in accounting principle to adopt GASB Statement Number 96, *Subscription-Based Information Technology Arrangements*. O'Connor & Drew, P.C. reported on the financial statements before the retrospective adjustment.

As part of our audit of the 2023 financial statements, we also audited the adjustments to the 2022 financial statements to retrospectively change in accounting principle as described in Note 2. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the University's 2022 financial statements other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2022 financial statements as a whole.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 auditors' report that includes our opinions. 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 generally accepted auditing standards in the United States of America 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 generally accepted auditing standards in the United States of America 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.

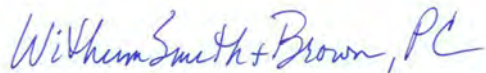
We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we have identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 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.

A handwritten signature in blue ink that reads "Wilhem Smith + Brown, PC". The signature is written in a cursive style.

November 1, 2023



Homecoming





LAW PARTNERS

Thanks to a new accelerated degree option, students interested in pursuing a law degree can now do so through a unique program offered at Bridgewater State University. In partnership with UMass Law, BSU students now have the opportunity to participate in a 3+3 program allowing them to earn their undergraduate degree and a law degree in six years rather than seven.

The partnership agreement was signed by BSU President Frederick W. Clark Jr, Chairperson of the BSU Board of Trustees, Dr. Jean MacCormack, and UMass Dartmouth and UMass Law Chancellor Dr. Mark Fuller. Others in attendance included UMass Law Dean, Eric Mitnick, and BSU Dean of Humanities and Social Sciences, Dr. Arnaa Alcon.

"I am thrilled to be able to establish this partnership with Bridgewater State to give students more opportunities to enter the legal profession," Mitnick said. "As the only public law school in the Commonwealth, it is core to our mission to serve our communities. This collaboration will strengthen future access to legal services in Southeastern Massachusetts."

"I am thrilled to be able to establish this partnership with Bridgewater State to give students more opportunities to enter the legal profession"

Eric Mitnick, UMass Law Dean

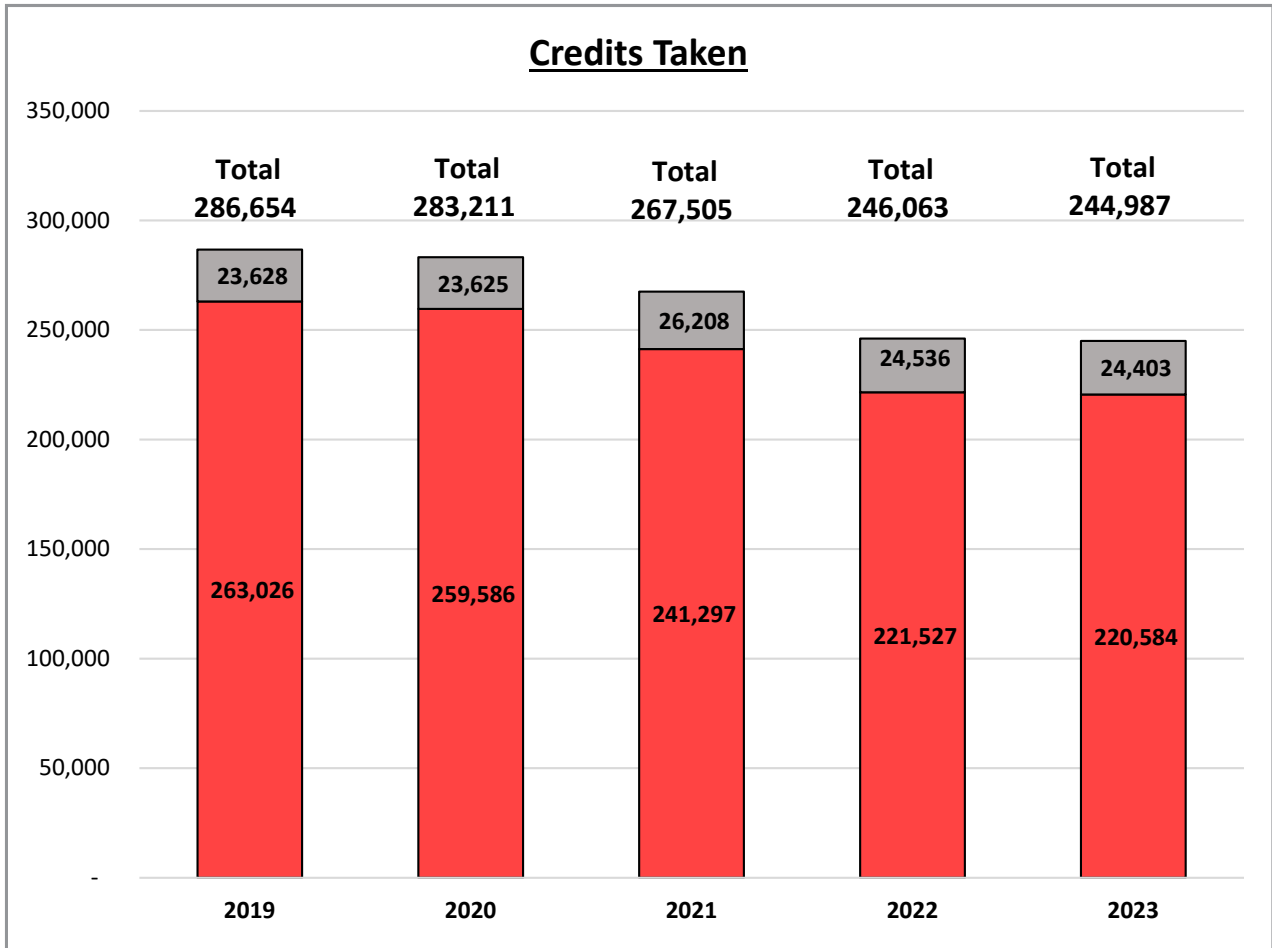
BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management’s Discussion and Analysis

June 30, 2023 and 2022
(Unaudited)

The following discussion and analysis offers readers of Bridgewater State University’s (the “university” or “BSU”) annual financial report a narrative overview of the financial position and activities of the university and its component units as of and during the fiscal year ended June 30, 2023. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with the financial statements and footnotes. The financial statements, footnotes and this discussion are the responsibility of management.

The university is a comprehensive public four-year institution with approximately 10,000 undergraduate and graduate students. The university is the largest of the nine Massachusetts state universities and the fourth largest of the 29 public college and university campuses in the Commonwealth of Massachusetts (the “Commonwealth”). Founded in 1840 by Horace Mann, the university is home to the nation’s oldest permanently sited teacher-preparation program and is one of the most prolific generators of new teachers, training more science and math teachers than any institution in the Commonwealth. Today, the university offers a broad range of graduate and undergraduate degree programs through its six colleges (Bartlett College of Science and Mathematics, College of Education and Health Sciences, College of Humanities and Social Sciences, Louis M. Ricciardi College of Business, College of Continuing Studies, College of Graduate Studies). The university awarded 2,446 degrees last year, a 7.8% increase over the last ten years. The university has instructed over 244,000 credits, a 0.44% decrease over the previous year, due to pandemic impacts on enrollment and a large graduating cohort as demonstrated in the following chart.



BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2023 and 2022
(Unaudited)

Financial Highlights

The university's financial position at June 30, 2023 includes assets of \$450.2 million, deferred outflows of resources of \$18.8 million, liabilities of \$367.4 million and deferred inflows of resources of \$73.2 million. Net position, representing the residual interest in the university's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted, may serve over time as a useful indicator of the university's financial position. The university's fiscal year 2023 net position increased \$10.1 million as compared to the originally reported June 30, 2022 net position of \$18.2 million. Implementation of the new accounting standard GASB 96, *Subscription Based Information Technology Arrangements (SBITAs)*, effective this fiscal year and presented with a multi-year restatement as of July 1, 2020, had a slight impact on net position; the comparative financial statements show an increase of \$10 million as compared to the restated fiscal year 2022 ending balance of \$18.3 million.

The financial position of the university's component units remained positive at June 30, 2023 with assets of \$68 million and liabilities of \$264 thousand. The component units recognized a net position increase of \$6.7 million to \$67.7 million, a 11% increase in total net assets. This increase is primarily due to positive impacts on the market which resulted in increased investment returns.

The combined financial position of the university and component units reflects assets of \$518.2 million, deferred outflows of resources of \$18.8 million, liabilities of \$367.7 million, deferred inflows of resources of \$73.2 million and combined net position of \$96.1 million at June 30, 2023.

The university's net position is continuously impacted due to the accounting requirements of GASB 68 and GASB 75. BSU has limited control over these net long-term obligations as the Commonwealth of Massachusetts controls these statewide plan offerings, funding requirements, investment decisions and actuarial determinations. The impact of the change in these obligations results in either a negative or positive impact on unrestricted net position annually. In fiscal year 2023, it resulted in an increase in BSU's net position of approximately \$14.9 million compared to an increase in net position of \$9.7 million in 2022 and a decrease of \$7.9 million in fiscal year 2021.

The university's unrestricted net position is comprised of the following at June 30:

	2023	2022 <i>Restated</i>	2021 <i>Restated</i>
Beginning unrestricted net position	\$ (99,989,550)	\$ (132,745,617)	\$ (150,719,298)
Ending unrestricted net position	(85,071,250)	(99,989,550)	(132,745,617)
Change in unrestricted net position	<u>\$ 14,918,300</u>	<u>\$ 32,756,067</u>	<u>\$ 17,973,681</u>
Increase (Decrease) in net position related to Pension - GASB 68	4,791,462	4,084,386	(7,140,325)
Increase (Decrease) in net position related to net OPEB - GASB 75	10,081,341	5,633,463	(740,979)
	<u>14,872,803</u>	<u>9,717,849</u>	<u>(7,881,304)</u>
Increase (Decrease) in unrestricted net position from all other sources	\$ 45,497	\$ 23,038,218	\$ 25,854,985
Change in unrestricted net position	<u>\$ 14,918,300</u>	<u>\$ 32,756,067</u>	<u>\$ 17,973,681</u>

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2023 and 2022
(Unaudited)

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Bridgewater State University's basic financial statements. Bridgewater State University's basic financial statements comprise two components: 1) the financial statements and 2) the notes to the financial statements.

The Financial Statements. The financial statements are designed to provide readers with a broad overview of Bridgewater State University's finances in a manner similar to a private-sector institution. The university's financial report includes three financial statements: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows.

These statements are prepared in accordance with Government Accounting Standards Board ("GASB") principles. These principles establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a consolidated basis to focus on the institution as a whole. A description of the financial statements follows.

The Bridgewater State University Foundation (the "Foundation") and the Bridgewater Alumni Association (the "Alumni Association"), component units of the university, were formed to render financial assistance and support to the educational programs and development of the university. Both organizations are legally separate from the university, and the university has no financial responsibility for either organization. The Foundation and the Alumni Association have been included within these financial statements because of the nature and significance of their relationship with the university. Complete financial statements for either organization can be obtained from their respective administrative offices in Bridgewater, Massachusetts. These discretely presented component units have been aggregated into a single combined column on the accompanying financial statements.

The *Statements of Net Position* presents information on all of Bridgewater State University's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Bridgewater State University is improving or deteriorating. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and the expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The *Statements of Revenues, Expenses and Changes in Net Position* presents information showing how the university's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. the accrual for compensated absences).

The *Statements of Cash Flows* is reported on the direct method. The direct method of cash flow reporting portrays net cash flows from operations as major classes of operating receipts (e.g., tuition and fees) and disbursements (e.g. cash paid to employees for services). GASB Statements 34 and 35 require this method to be used.

Bridgewater State University reports its activity as a business-type activity using the economic resources measurement focus and the accrual basis of accounting. The university is an Agency of the Commonwealth of Massachusetts. Therefore, the results of the university's operations, its net position and cash flows are also combined within the Commonwealth's Comprehensive Annual Financial Report in its government-wide financial statements.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2023 and 2022
(Unaudited)

Overview of the Financial Statements (Continued)

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Financial Analysis of the University

COVID-19

Higher Education Emergency Relief Funds (HEERF) funds were not awarded in 2023. HEERF and Strengthening Institutions Program funds, awarded in response to the global outbreak of COVID-19, and received by BSU in 2022, 2021, and 2020 were \$29.5 million, \$19.4 million, and \$1.7 million, respectively. Included in these funds was \$14.7 million, \$11.3 million, and \$834 thousand of institutional aid, respectively. These funds along with cost saving efforts, enabled BSU to mitigate most of the pandemic related lost revenue.

Implementation of GASB 96

Effective this fiscal year and presented with a multi-year restatement as of July 1, 2020, the university implemented accounting standard, GASB 96, *Subscription Based Information Technology Arrangements (SBITAs)*. GASB 96, *SBITAs*, is based on the principle that SBITAs result in intangible right-to-use subscription assets and corresponding subscription liabilities. The standard establishes capitalization criteria including recognition of all SBITAs that exceed 12 months in length (short term subscriptions are exempt) and consideration of outlays other than subscription payments when valuing SBITAs. Historically, these subscriptions were presented as operating expenses on the Statements of Revenues, Expenses and Changes in Net Position; with the adoption of GASB 96 they are recorded as right-to-use assets and short term and long term liabilities on the financial statements.

The impact of GASB 96 on net position as of June 30, 2023, June 30, 2022 and June 30, 2021 was \$28,157, \$92,386 and \$6,495, respectively. The prior period adjustment due to the implementation of GASB 96 is highlighted in Note 2.

Net Position

Bridgewater State University realized an increase of \$10 million to net position in fiscal year 2023. This growth was attributable to increased state and capital appropriations (refer to Note 21 accompanying the basic financial statements), increased MBHE and other state grants, increased auxiliary revenue related to greater residence hall occupancy, and an increase in investment revenue due to greater deposits at Massachusetts Municipal Depository Trust (MMDT) coupled with an uptick in interest rates. Reduction in HEERF funded scholarship awards, expenses related to operation and maintenance of plant, and expenses related to continued application of GASB 75, *Postemployment Benefits Other Than Pensions*, and GASB 68, *Accounting and Financial Reporting for Pensions* also had positive impact on net position. These increases to net position were offset by a decrease in HEERF and other non-operating revenue that was received in fiscal year 2022 and increases to auxiliary and institutional support expense. The impact of the implementation of GASB 96, *SBITAs* in Fiscal Year 2023 was not significant.

Bridgewater State University realized an increase of \$17.1 million to net position in fiscal year 2022. This increase was attributable to increased HEERF funding (primarily ARPA grants), increased state appropriation, increased auxiliary revenue due to increase in residence hall occupancy, and reduction in expenses due to continued application of GASB 75, *Postemployment Benefits Other Than Pensions*, and GASB 68, *Accounting and Financial Reporting for Pensions*. These increases to net position were offset by the impact of GASB 87, *Leases*, increased payroll costs and fringe rate for collective bargaining increases and retroactive pay adjustments, and increased scholarship support. The impact of the implementation of GASB 96, *SBITAs* in Fiscal Year 2023 was not significant.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2023 and 2022
(Unaudited)

Financial Analysis of the University (Continued)

Net Position (Continued)

Bridgewater State University realized an increase of \$12.8 million to net position in fiscal year 2021. This increase was attributable to an increase in capital appropriations primarily for an on-campus state funded energy project, an increase in HEERF funds primarily to support trust fund deficits, a reduction in expenses attributed to the MSCBA residence halls assessment (20A bond refinancing), and an increase in state appropriation and related fringe benefit increase. These increases to net position were offset by the impact of GASB87, *Leases*, increased OPEB expense and pension expense due to the continued application of GASB 75, *Postemployment Benefits Other Than Pensions*, and GASB 68, *Accounting and Financial Reporting for Pensions*. The impact of the implementation of GASB 96, SBITAs in Fiscal Year 2023 was not significant.

Over time, increases or decreases in net position is one indicator of the improvement or erosion of the university's financial health when considered with non-financial facts such as enrollment levels and the condition of the facilities. We have displayed several comparisons in our financial statements with and without the GASB 68 and GASB 75 impacts to demonstrate a clearer financial picture. A portion of Bridgewater State University's net position represents scholarships and grants that are classified as restricted funds as their use is subject to certain externally imposed limitations.

Ratio Analysis

Ratio analysis measures certain elements of an institution's overall financial health. The Massachusetts Department of Higher Education has instituted the use of certain core financial ratios as part of their performance measures for public universities and colleges in the Commonwealth. Analysis using some of these ratios, as well as other commonly accepted ratios, are incorporated throughout this document.

Primary Reserve Ratio

The primary reserve ratio measures the financial strength of the institution by comparing expendable net assets to total expenses. This ratio provides a snapshot of financial strength and flexibility by indicating how long the institution could function using its expendable reserves without relying on additional net assets generated by operations. The ratio recommended by the industry standard ranges between 15-40%. The table below illustrates the ratio computed for the primary government and our component units as well as the ratio calculated without the impact of the application of the GASB 68 pension and GASB 75 OPEB standards.

<u>University and Component Unit - Combined</u>			<u>University and Component Unit - Combined Without the Impact of Pension and OPEB</u>		
<i>2023</i>	<i>2022</i> <i>Restated</i>	<i>2021</i> <i>Restated</i>	<i>2023</i>	<i>2022</i> <i>Restated</i>	<i>2021</i> <i>Restated</i>
(21.73%)	(28.30%)	(38.04%)	43.18%	41.43%	39.48%

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2023 and 2022
(Unaudited)

Financial Analysis of the University (Continued)

A summary of the Statement of Net Position is presented below at June 30:

	2023	2022	2021
		<i>Restated</i>	<i>Restated</i>
Current assets	\$ 113,614,074	\$ 106,611,644	\$ 85,573,292
Capital assets	336,095,175	344,855,889	363,539,529
Non-current assets	<u>462,556</u>	<u>508,737</u>	<u>412,007</u>
 Total assets	 <u>450,171,805</u>	 <u>451,976,270</u>	 <u>449,524,828</u>
 Deferred outflows of resources	 <u>18,761,444</u>	 <u>30,036,088</u>	 <u>48,814,483</u>
 Current liabilities	 49,191,051	 43,317,945	 37,884,412
Non-current liabilities	<u>318,240,881</u>	<u>327,558,630</u>	<u>406,240,381</u>
 Total liabilities	 <u>367,431,932</u>	 <u>370,876,575</u>	 <u>444,124,793</u>
 Deferred inflows of resources	 <u>73,162,935</u>	 <u>92,799,552</u>	 <u>52,987,829</u>
 Net position:			
Net investment in capital assets	112,038,736	116,712,575	129,015,692
Restricted	1,370,896	1,613,206	4,956,613
Unrestricted	<u>(85,071,250)</u>	<u>(99,989,550)</u>	<u>(132,745,617)</u>
 Total net position	 \$ <u>28,338,382</u>	 \$ <u>18,336,231</u>	 \$ <u>1,226,688</u>

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2023 and 2022
(Unaudited)

Financial Analysis of the University (Continued)

The change in the current asset category when comparing 2023 to 2022 is mainly due to an increase in cash and cash equivalents of \$5.8 million. This is primarily attributed to budgetary controls and interest earnings. Net accounts receivable increased \$1.9 million, which can be attributed to state and federal grants related to cyber range construction and other receivables that include locally funded capital projects and reserve for IT initiatives. Student receivables remained stable due to strong collection practices.

The change in the current asset category when comparing 2022 to 2021 is mainly due to an increase in cash and cash equivalents of \$22.4 million. This is primarily attributed to the receipt of Higher Education Emergency Relief Funds and budgetary controls. This positive impact on cash is anticipated to be reserved for capital and one-time expenditures to avoid creating structure deficits and positioning the university for an uncertain future. Overall, net accounts receivable decreased mainly due to the HEERF revenue recognition decrease from the prior year. Student receivables remained stable due to strong collection practices.

The change in the current asset category when comparing 2021 to 2020 is mainly due to an increase in cash and cash equivalents of \$17.3 million. This is primarily attributed to receipt of Higher Education Emergency Relief Funds and budgetary controls. Overall net accounts receivable decreased due to excellent collection practices related to student receivables and relief of \$702 thousand from ARPA grant to support clearing of student balances.

Current Ratio

An excess of current assets over current liabilities (the “current ratio”) is a measure of liquidity and provides a buffer against future uncertainties. The current ratio is presented for the primary government and our component units. A ratio greater than 1 indicates that the university could cover its current obligations with its most liquid assets. For 2023, combined current assets of \$115.2 million are sufficient to cover combined current liabilities of \$49.5 million, yielding a current ratio of 2.33. For 2022, combined current assets of \$108.2 million were sufficient to cover combined current liabilities of \$43.6 million, which yielded a current ratio of 2.48. For 2021, the combined current assets of \$87.6 million were sufficient to cover combined current liabilities of \$38 million, which yielded a current ratio of 2.30.

Capital Assets

By far the largest portion of Bridgewater State University’s net position reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt, used to acquire those assets that are still outstanding. Bridgewater State University uses these capital assets to provide services to students, and support to faculty and administration; consequently, these assets are not available for future spending. Although Bridgewater State University’s investment in its capital assets is reported net of related debt and accumulated depreciation, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities without legislative action. For more information relating to capital asset activity refer to Notes 2 and 11 accompanying the basic financial statements.

Capital assets are comprised of land, buildings and building improvements, furnishings and equipment, library materials, artwork, construction in progress, and intangible right-to-use assets.

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(Unaudited)

Financial Analysis of the University (Continued)

Capital Assets (Continued)

As of June 30, 2023, 2022, 2021, net capital assets were \$336.1 million, \$344.9 million, and \$363.5 million, respectively. For the years ended June 30, 2023, 2022, and 2021, depreciation and amortization expenses totaled \$26.4 million, \$25.5 million, and \$24.9 million, respectively. Capital asset additions for the current fiscal year totaled \$17.6 million.

\$4.3 million of the \$17.6 million total capital asset additions during the year ended June 30, 2023, related to Construction in Progress for the following projects:

- Shea Durgin Bathroom Project \$1,625,000
- Cyber Range Construction \$740,076
- Tillinghast Accessibility \$283,821
- Hunt Hall Elevator \$268,041
- Maxwell Library Repairs and Renovations \$261,459
- Persona Lock Replacement \$257,737
- Burnell Hall Renovations \$188,208
- Outdoor Athletic Gym \$175,285
- Other Improvements and Renovations totaling \$504,462

\$3.9 million of the \$17.6 million total capital asset additions related to major purchases, renovations, and projects that were considered completed.

The major items were comprised of the following:

- Hart Hall Air Handler \$836,037
- Moakley Roof Replacement \$809,186
- Cyber Range Equipment \$753,605
- Tilly Kitchen Renovations \$471,722
- East Campus Commons Cook Station \$296,052
- Aircraft - Cessna \$230,000
- Sidewalk Repairs \$192,387
- Electrical Infrastructure Upgrades \$128,898
- Small & Large Gym Painting \$111,013
- Workstations for Conference Center \$87,636

\$5.5 million of the \$17.6 million total capital asset additions consists of right-to-use use lease assets, recognized due to application of GASB 87, *Leases* implemented in fiscal year 2022.

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Financial Analysis of the University (Continued)

Capital Assets (Continued)

The major items added in fiscal year ended 2023 were comprised of the following:

- Equipment and software related to campus-wide refresh of wireless network \$4,214,017
- 26 vehicle leases totaling \$ 865,477
- 7 buses totaling \$227,561
- Fiber optic cables totaling \$163,237

The remaining \$4 million of the \$17.6 million total capital asset additions consists of right-to-use use subscription assets recognized due to implementation of GASB 96, *SBITAs* in the current fiscal year.

The major items added in fiscal year ended 2023 were comprised of the following platforms:

- Enterprise Resource Planning \$2,695,307
- Student Success \$468,298
- Cyber security detection and response \$277,795
- Connect Card \$235,128
- Other Subscription Based Information Technology Agreements \$275,918

\$711 thousand, including \$246 thousand related to a service concession arrangement, represents projects that began in prior fiscal years. This dollar amount was reclassified from Construction in Progress to capital assets subject to depreciation. The major items reclassified were:

- Moakley Roof Repairs \$174,585
- Hart Hall Air Handler \$150,089
- Tillinghast Hall Kitchen Renovations (service concession arrangement) \$129,886
- ECC Cook Station (service concession arrangement) \$115,737
- Small and large gym painting \$87,415
- Other renovations and repairs totaling \$53,954

\$195 thousand represents a reclassification for disposal/sale of 2 aircrafts. \$49 thousand represents the disposal of vehicles classified as right-to-use assets under GASB 87, *Leases*.

In fiscal year 2022, major renovations and project fixed asset additions included Swenson Athletic Complex upgrades of \$941 thousand, Rondileau Student Union renovations of \$1.1 million, Wyatt Garden gifted artwork, and restoration of \$839 thousand, Tillinghast Hall and East Campus Commons renovations of \$366 thousand, Maxwell Library renovations of \$351 thousand. Right-to-use lease assets were \$1.4 million, and right-to-use subscription assets were \$611 thousand in fiscal year 2022.

In fiscal year 2021 major renovations and project fixed asset additions included DCAMM campus-wide electrical infrastructure upgrades of \$4 million and \$7 million, completion of the Rondileau Student Union Auditorium of \$3 million, Swenson Athletic Complex Pavilion improvements of \$1 million, and Maxwell Library renovations of \$350

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Financial Analysis of the University (Continued)

Capital Assets (Continued)

thousand. Right-to-use lease assets were \$10.5 million (including \$10.2 million of related party right-to-use lease assets) and right-to-use subscription assets were \$5.7 million in fiscal year 2021.

Within the university's plans is an active program to address deferred maintenance needs on campus. Renovations and repairs detailed above reflect this ongoing agenda.

For more information relating to capital asset activity refer to Notes 2 and 11 accompanying the basic financial statements.

Non-current Liabilities

During fiscal year 2006, the university entered into a financing agreement with the MSCBA to construct a new parking lot. The financing was based upon Project Revenue Bonds issued by MSCBA on behalf of the university (Series 2012B and 2019C (previously 2006A)). In July 2020 these Series 2012B and 2019C bonds were partially refunded with Series 2020A bonds. The university repays this debt service in semi-annual installments, starting May 1, 2007 and ending May 1, 2034, at an annual variable coupon averaging 2.13%. At June 30, 2023 and 2022, the balance on the bond was \$334,791 and \$419,963, respectively.

During fiscal year 2010, the university entered into a financing agreement with the MSCBA to renovate an athletic field. The financing was based upon Project Revenue Bonds issued by MSCBA on behalf of the university (Series 2009B & 2009C). In July 2020 the Series 2009C bond was partially refunded with series 2020A bonds. The university repays this debt service in semi-annual installments, starting May 1, 2011 and ending May 1, 2034, at an annual variable coupon averaging 5.24%. At June 30, 2023 and 2022, the balance on the bond was \$2,439,369 and \$2,703,750, respectively.

During fiscal year 2012, the university entered into a financing agreement with the MSCBA to convert an existing parking lot into University Park, green space that includes pedestrian walkways. The financing for the project was based upon Project Revenue Bonds issued by MSCBA on behalf of the university (Series 2012A). In July 2020 the Series 2012A bond was partially refunded with series 2020A bonds. The university repays this debt service in semi-annual installments, starting October 1, 2012 and ending February 21, 2032, at an annual variable coupon averaging 3.90%. At June 30, 2023 and 2022, the balance on the bond was \$647,724 and \$719,214, respectively.

During fiscal year 2013, the university entered into a financing agreement with the MSCBA to renovate the main entrances to the Rondileau Student Union. The financing for the project was based upon Project Revenue Bonds issued by MSCBA on behalf of the university (Series 2012C, as modified). In July 2021 the series 2012C Bond was refinanced by bond series 2022A. In July 2020 the series 2012C Bond was refinanced by bond series 2020A. The university repays this debt service in semi-annual installments, starting November 1, 2013 and ending May 1, 2041, at an annual variable coupon averaging 4.47%. At June 30, 2023 and 2022, the balance on the bond was \$3,378,569 and \$3,585,336, respectively.

During fiscal year 2015, the MSCBA authorized and issued a debt modification resulting in the transfer of \$3,680,000 of principal from the Rondileau Student Union project. The transfer of principal was to fund the construction of the Welcome Center building. The financing was based upon the issuance of debt modification by the MSCBA on behalf of the university (Series 2012C modification). In July 2021 the series 2012C Bond was refinanced by bond series 2022A. In July 2020, the series 2012C was partially refunded with series 2020A bonds.

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Financial Analysis of the University (Continued)

Non-current Liabilities (Continued)

The university repays this debt service in semi-annual installments, starting May 1, 2015 and ending May 1, 2041, at annual variable coupon averaging 4.41%. At June 30, 2023 and 2022, the balance on the bond was \$2,756,233 and \$2,928,627, respectively.

Debt Burden Ratio

The debt burden ratio measures an institution's dependence on borrowed funds by comparing the level of debt service to total expenditures. Industry standards for responsible and effective debt management range from 2% to 11%. BSU's debt burden percentage reflects a policy that leverages debt as a strategic tool. The debt burden ratio for the primary government and component units, as of June 30, 2023, 2022, and 2021 is 10.16%, 7.84%, and 5.88%, respectively. Implementation of GASB 87, *Leases* and GASB 96, *Subscription Based Information Technology Arrangements* had significant impact on these percentages; leases and subscriptions previously reported as operating expenses are recorded as right-to-use assets and short-term and long-term liabilities on the financial statements.

For more information relating to non-current liability activity refer to Note 14 accompanying the basic financial statements.

Lease and SBITA Obligations

The university leases certain assets including equipment, space, vehicles, and subscription-based information technology arrangements (software arrangements). The largest component of the university's lease obligations consists of a related party arrangement with the Massachusetts State College Building Authority (MSCBA) for real estate on campus. Net of debt service reserve funds and BABs subsidies, the payments for related party leases cost the university \$14,801,749, \$7,798,436, and \$4,614,896 in principal and interest for the fiscal years ended June 30, 2023, 2022, and 2021 respectively. The leases categorized as equipment, space, vehicles cost the university \$2,621,531, \$1,442,940, and \$892,830 in principal and interest for the fiscal years ended June 30, 2023, 2022, and 2021 respectively. The software arrangements cost the university \$1,311,185, \$1,697,647, and \$2,044,684 in principal and interest for the fiscal years ended June 30, 2023, 2022, and 2021 respectively. BSU's leases also include energy improvements that were implemented throughout the campus in 2006. These energy improvements are considered a lease as they were a tax-exempt lease purchase. The cost of the tax-exempt lease purchase was \$629,877, \$629,877, and \$629,877 in principal and interest for the fiscal years ended June 30, 2023, 2022, and 2021 respectively. For more detailed information relating to related party and other lease and software arrangements activity refer to Note 14 accompanying the basic financial statements.

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Financial Analysis of the University (Continued)

Bridgewater State University's changes in net position related to operations for the years ended June 30 are as follows:

	2023	2022 <i>Restated</i>	2021 <i>Restated</i>
Operating revenues:			
Tuition and fees	\$ 105,795,481	\$ 104,993,317	\$ 110,514,093
Student financial aid (contra revenue)	(27,960,590)	(31,809,718)	(27,135,063)
Operating grants	29,262,334	25,455,875	25,320,236
Auxiliary enterprises	36,792,690	34,940,605	15,422,689
Other operating revenue	648,877	433,496	60,517
	<u>144,538,792</u>	<u>134,013,575</u>	<u>124,182,472</u>
Total operating revenues			
Operating expenses:			
Instruction	73,395,949	74,685,226	75,309,975
Public service	1,433,813	1,160,957	1,414,288
Academic support	23,628,014	23,048,547	24,266,106
Student services	24,320,434	24,327,265	22,086,008
Institutional support	23,771,695	21,154,097	22,326,645
Operation and maintenance of plant	12,060,467	14,441,992	14,384,013
Scholarships and fellowships	8,123,878	18,517,462	15,285,158
Depreciation and amortization	26,398,865	25,544,730	24,977,128
Auxiliary enterprises	23,724,738	22,011,750	14,549,475
	<u>216,857,853</u>	<u>224,892,026</u>	<u>214,598,796</u>
Total operating expenses			
Net operating loss	<u>\$ (72,319,061)</u>	<u>\$ (90,878,451)</u>	<u>\$ (90,416,324)</u>

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Management's Discussion and Analysis

June 30, 2023 and 2022
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Financial Analysis of the University (Continued)

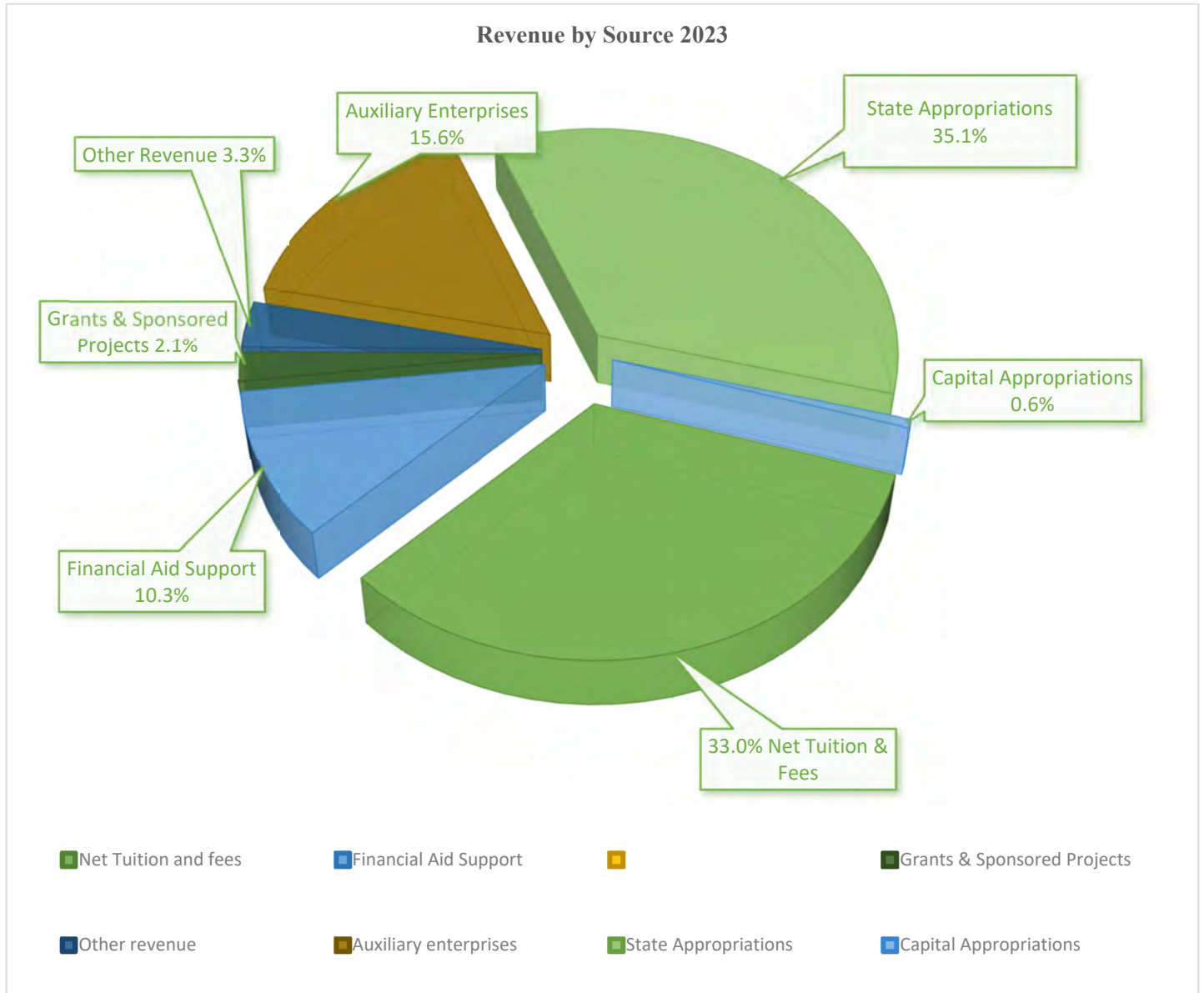
	2023	2022 <i>Restated</i>	2021 <i>Restated</i>
Non-operating revenues (expenses):			
State appropriations, net	\$ 82,684,885	\$ 79,219,174	\$ 70,562,036
Gifts	2,553,489	2,354,390	2,116,858
HEERF funds	-	29,463,444	19,421,645
Investment income	1,377,287	74,082	17,923
Interest expense	(8,877,683)	(8,970,305)	(9,051,654)
Other non-operating revenues (expenses)	<u>3,178,877</u>	<u>5,244,740</u>	<u>4,342,126</u>
Net non-operating revenues (expenses)	<u>80,916,855</u>	<u>107,385,525</u>	<u>87,408,934</u>
Net income (loss) before capital appropriations	8,597,794	16,507,074	(3,007,390)
Capital appropriations	<u>1,404,357</u>	<u>602,469</u>	<u>15,771,408</u>
Total increase (decrease) in net position	10,002,151	17,109,543	12,764,018
Net position, beginning of year	<u>18,336,231</u>	<u>1,226,688</u>	<u>(11,537,330)</u>
Net position, end of year	<u>\$ 28,338,382</u>	<u>\$ 18,336,231</u>	<u>\$ 1,226,688</u>

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Financial Analysis of the University (Continued)



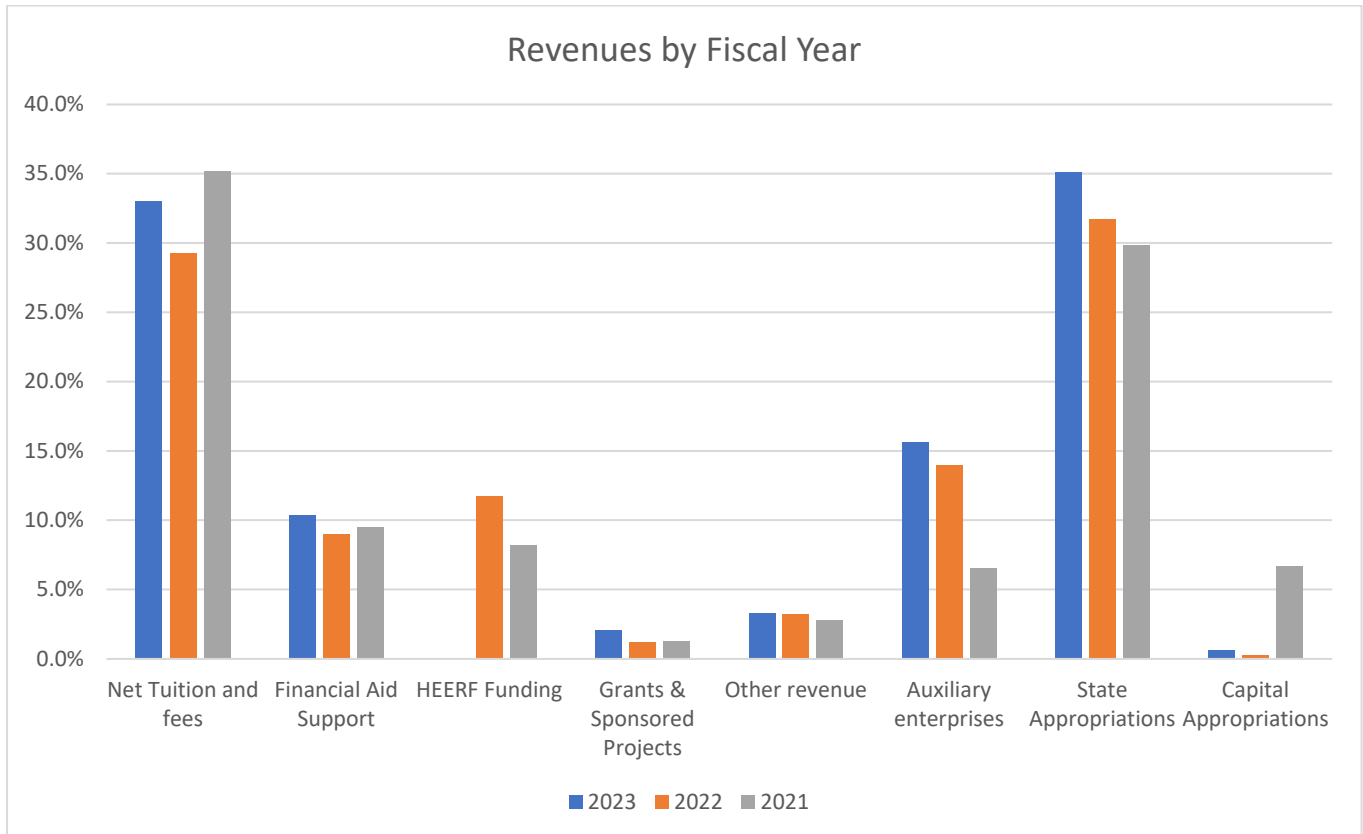
As illustrated in the chart above, approximately 33.0% of the university's total fiscal year 2023 revenue was derived from Tuition and Fees, 35.1% was from State Appropriations, 15.6% was from fees and other Auxiliary Enterprises, 10.3% was Financial Aid student support, 2.1% was a result of Grants and Sponsored Projects, and 0.6% was from Capital Appropriations. 3.3% was categorized as Other Revenue which is comprised of gifts, investment income and other non-operating revenue. See Note 21 for further detail on state and capital appropriations.

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Management's Discussion and Analysis

June 30, 2023 and 2022
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Financial Analysis of the University (Continued)



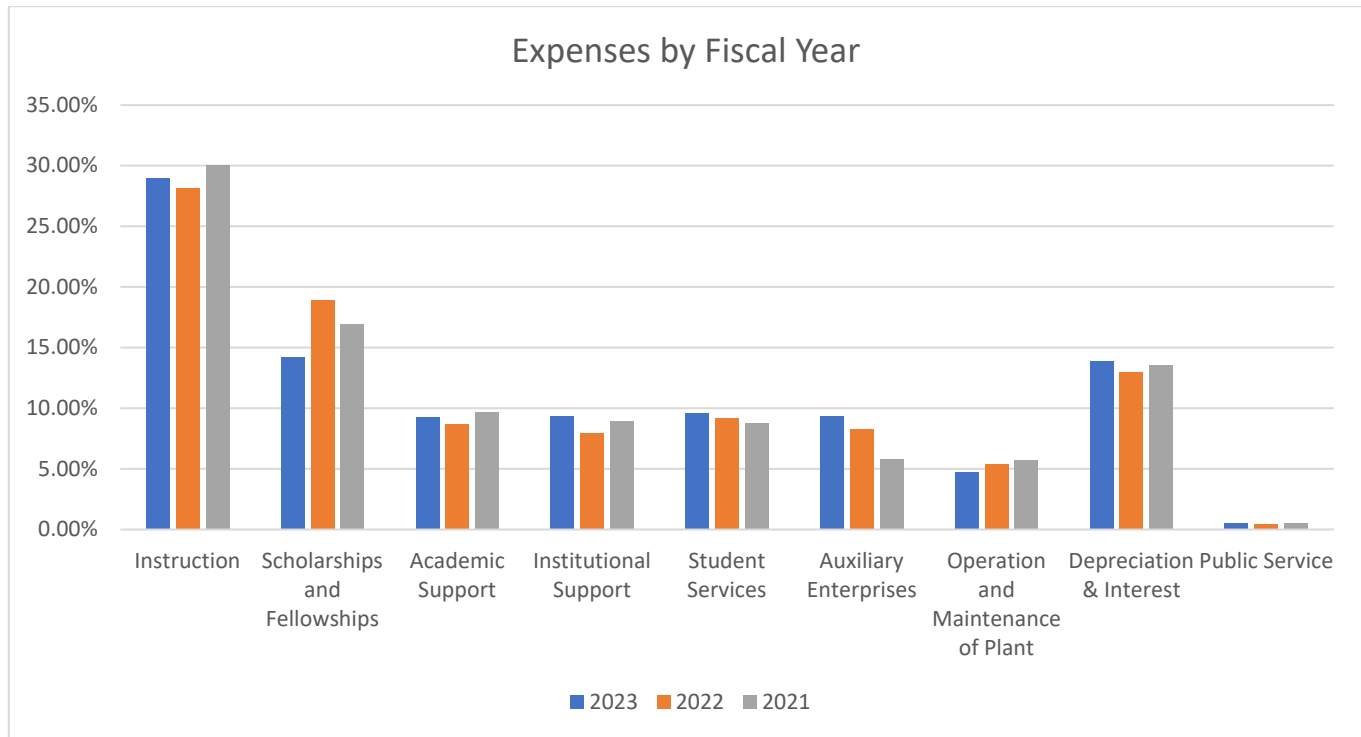
The chart above displays trends in the university’s revenue by source over the last three fiscal years. Student fees, as a percentage of total revenue increased in the current fiscal year. Financial Aid support increased. HEERF Funding was fully recognized as of June 30, 2022. Revenue from Grants and Sponsored Projects continued to rise in 2023. Auxiliary Revenue recovered to close to pre-pandemic levels in 2022 and experienced a slight uptick in 2023. State Appropriations continued to rise in 2023, showing an increase of 4.4% when comparing 2023 versus 2022. Capital Appropriations had a significant jump in fiscal year 2021 due to a DCAMM funded energy upgrade. Other Revenue increased due to continued support from the Foundation and impacts from GASB 87 implementation.

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Financial Analysis of the University (Continued)



The chart above displays trends in university expenses over the past three fiscal years. Expenses promoting student support remain a focus. The decrease in Scholarships and Fellowships as a percentage of total expenses in 2023 is a reflection of HEERF funding being fully expended by June 30, 2022. Removing the impact of this aid, Scholarships and Fellowships expense increased approximately 8% in 2023. Expenses for student services continued to increase; the graph demonstrates a rise of approximately 10% when comparing 2023 to 2021. Expenses related to Auxiliary Enterprises increased 51.3% due to resurgence in residence hall occupancy when comparing 2023 versus 2021. Instruction, Academic Support and Institutional Support continue to be impacted by implementation of GASB 68 and 75 and the proportional decrease in scholarships and fellowships. Overall, these expense trends illustrate the university's dedication of resources to programs supporting student success.

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Financial Analysis of the University (Continued)

State Appropriations

Unless otherwise permitted by the Massachusetts Legislature, the university is required to remit tuition to the Commonwealth for courses taught by state supported faculty. The university collects this student tuition on behalf of the Commonwealth and remits it to the Commonwealth's General Fund. There is no direct connection between the amount of tuition revenues collected by the university and the amount of state funds appropriated in any given year. The following details the Commonwealth appropriations received by the university for fiscal years ending June 30:

	<i>2023</i>	<i>2022</i>	<i>2021</i>
Gross Commonwealth appropriations	\$ 59,762,005	\$ 58,512,737	\$ 52,106,936
Plus: Fringe benefits***	<u>22,924,943</u>	<u>20,717,250</u>	<u>18,464,155</u>
	82,686,948	79,229,987	70,571,091
Less: Tuition remitted	<u>(2,063)</u>	<u>(10,813)</u>	<u>(9,055)</u>
Net Commonwealth support	<u>\$ 82,684,885</u>	<u>\$ 79,219,174</u>	<u>\$ 70,562,036</u>

*** The Commonwealth pays the fringe benefit cost for university employees paid from Commonwealth appropriations. Therefore, such fringe benefit support is added to the "State Appropriations" financial statement line item as presented in the above table. The university pays the fringe benefit cost of the employees paid from funding sources other than Commonwealth appropriations.

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Financial Analysis of the University (Continued)

Grant and Contract Revenue

The university received \$29,262,334, \$54,919,319, and \$44,741,881 in grant and contract revenues for the fiscal years ended June 30, 2023, 2022, and 2021, respectively. Below presents the primary grants and contracts received for the following fiscal years ended June 30:

	<i>2023</i>	<i>2022</i>	<i>2021</i>
Operating Grants:			
Federal			
Pell grant	\$ 12,352,910	\$ 12,679,825	\$ 14,322,014
Federal work study	441,938	422,783	234,172
Federal SEOG	378,058	389,374	389,374
Teach grant	84,146	57,997	48,229
BABS revenue	346,199	309,487	309,487
State			
Mass grants	6,978,488	4,924,412	3,981,972
Tuition grants	2,075,900	2,040,658	1,996,042
Other	6,604,695	4,631,339	4,038,946
Total Operating Grants	<u>29,262,334</u>	<u>25,455,875</u>	<u>25,320,236</u>
Non-operating Federal Grants:			
HEERF Institutional Support	-	14,722,196	11,344,623
HEERF Student Emergency Funds	-	13,621,742	7,025,410
HEERF Strengthening Institutions Program	-	1,119,506	1,051,612
Total Non-operating Federal Grants	<u>-</u>	<u>29,463,444</u>	<u>19,421,645</u>
Total Grants	<u>\$ 29,262,334</u>	<u>\$ 54,919,319</u>	<u>\$ 44,741,881</u>

Enrollment

Enrollment at the university decreased this past academic year. The university's enrollment head-count for Fall 2022 was 9,604, which is a 3.4% decrease from Fall 2021 enrollment head-count of 9,942.

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Management's Discussion and Analysis

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(Unaudited)

Financial Analysis of the University (Continued)

Tuition and Fees

The university strives to provide students with the opportunity to obtain a quality education. Tuition and fee rates for three fiscal years ended June 30 are reflected in the schedule below:

	<i>Tuition Resident</i>	<i>Tuition Non- Resident</i>	<i>Fees</i>	<i>Total Resident Tuition & Fees</i>	<i>Average Room & Board</i>	<i>Total Resident Average Cost</i>
<u>2023</u>						
Undergraduate	\$ 910	\$ 7,050	\$ 10,145	\$ 11,055	\$ 13,807	\$ 24,862
Graduate	1,675	1,675	10,043	11,718	13,807	25,525
<u>2022</u>						
Undergraduate	\$ 910	\$ 7,050	\$ 9,822	\$ 10,732	\$ 13,464	\$ 24,196
Graduate	1,676	1,676	9,722	11,398	13,464	24,862
<u>2021</u>						
Undergraduate	\$ 910	\$ 7,050	\$ 9,822	\$ 10,732	\$ 13,363	\$ 24,095
Graduate	1,676	1,676	9,722	11,398	13,363	24,761

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Factors Impacting Future Periods

Strategic Plan

Under the leadership of President Fred Clark, Bridgewater State University has implemented a unique strategic planning process with a central focus on student success and achievement. This planning process is unique both in its design and in its time horizon. The design of the planning process is based on a nested planning model. The university model includes an institutional plan; a divisional level plan; and college, departmental, and program level plans. In addition, the model allows for formalization of policies and procedures that inform the decision-making process going forward. The second 5-year Strategic Plan (2.0) is in process and anticipated to be submitted and approved by the Massachusetts Department of Higher Education in FY2024. The goals, objectives and specific outcome measures will provide specificity on strategic needs and will help guide the utilization of future financial resources.

Enrollment & Retention

Enrollment has stabilized. Registration in the Fall 2023 semester shows a small overall increase of 0.3% versus Fall 2022 and includes the second largest incoming class of first-time full-time students in the university's history. Resident hall occupancy stabilized to 94% in Fall 2023 versus 92% in Fall 2022. The typical occupancy rate ranges from 95-100%. Freshman historically have made up the majority of BSU resident students and the university has a higher percentage of these students continuing as resident students. Accordingly, as the size of incoming classes stabilizes, occupancy rates are expected to return to typical levels.

BSU achieved strong student retention from Fall 2022 to Fall 2023, which helped stabilize enrollment. Regional community colleges continue to experience enrollment challenges. BSU will continue to focus efforts on both recruiting and retention to maintain a predictable student revenue stream. The recovery of student revenues is anticipated to continue with the implementation of the strategic enrollment plan. The plan includes evaluation of prospective student communication, improvement to academic websites, investment in search engine optimization and development of online degree programs for both traditional students and adult learners (an underserved population in the Commonwealth of Massachusetts). Online programs are continuing to be developed in the College of Graduate Studies.

Fall 2023 marks the beginning of the second year of the university's reorganization of enrollment resources that is geared toward execution of the strategic enrollment plan. The overall responsibility for enrollment management is vested in the modified division of Enrollment, Marketing and Communications. The Financial Aid Department has been added to the Finance division. Student Life provides renewed focus on occupancy and programing aimed at fostering opportunities for students to succeed and persist. Specific enrollment responsibilities have also been assigned in the division of Academic Affairs to create a comprehensive intra-divisional effort to recruit, retain and graduate students with a quality education.

Based on an exhaustive assessment of prospective student applications, acceptances and enrollments, BSU kicked off an innovative merit-based financial award system in Fall 2022. This merit-based award program positions BSU ahead of the competition who are aggressively pursuing similar agendas.

Investments have been made in the university's Academic Advising function. A significant two-year grant received in July 2022 funds additional Student Navigators. These positions are imbedded throughout campus, promote BSU's efforts to identify at risk students, close equity gaps, and improve student retention and persistence through warm handoffs to campus-wide experts. The award also provides funding for retention grants that assist students facing unique financial issues.

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Factors Impacting Future Periods (Continued)

Enrollment & Retention (Continued)

Funding was also made available for a new student support platform to be used by all personnel connected to the student experience. This program functions as an early warning system to identify students in need of additional services or support.

The federal and state resources for student financial aid continue to increase. The maximum federal Pell grant for students with demonstrated need increased from \$6,895 in fiscal year 2023 to \$7,395 in fiscal year 2024, a 7.25% increase. The total state funding for student financial aid in fiscal year 2024 increased by \$84 million, from \$175 million to \$259 million. This assistance, coupled with implementation of the strategic enrollment plan and student related investments and initiatives, will provide opportunity for enrollment growth.

State Appropriation

Fiscal year 2024, BSU benefits from a better-than-expected state appropriation which resulted from higher-than-expected state revenues. Future state revenues will continue to have a significant impact on the university's appropriation. BSU will continue to advocate for an appropriation commensurate with enrollment, unique program offerings, collective bargaining/fringe benefit increases, inflationary impacts, and community educational impact.

Negotiations on the current collective bargaining agreements have been completed. The state is finalizing the supplemental funding for these contracts and preliminary estimates indicate the funding is sufficient to avoid significant student affordability impacts.

Fundraising Campaign

The university's component units are involved in a fundraising campaign to increase the endowment to \$100 million to address the urgent needs of the university. The organizational stage of the fundraising campaign continues, and the campaign is poised to be initiated. The gifts and contribution revenues from the university's component units averaged \$6.3 million over the past two years compared to \$2.4 million average over the prior three years. This increase in run rate is a positive indicator for the future of the campaign.

Racial Justice

In June 2020, following the death of George Floyd who was murdered on May 25, 2020, President Fred Clark formed a Special Presidential Task Force on Racial Justice. With a mission of translating longstanding institutional values into an action agenda for positive and necessary change, this task force was charged with conducting a comprehensive review aimed at identifying elements of policy, practice, and culture that may serve to impede the university's efforts at fully realizing racial justice and equity at BSU. The task force published their report in May 2021. The University Board of Trustees endorsed this report and created a board of trustee committee entitled the Racial Justice and Equity Committee. This board oversees implementation of the action items identified in the report and maintains focus on this important initiative.

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Factors Impacting Future Periods (Continued)

Capital Projects

Facility construction is almost complete for a grant-funded cyber range that will provide hands-on training for BSU and community partners. It will allow students and professionals to experience simulations, including sophisticated ransomware and malware attacks. These mock cybercrime investigations will be cloud accessible and based on real cases. The Dana Mohler-Faria Science and Mathematics Center will be the location for this state-of-the-art lab with computers and a wall of monitors. This will offer a realistic setting to experience the pressure and complexity of cyber-attacks. The range complements Bridgewater's growing offerings in the cyber-security field with an estimated 7,400 open job positions region wide. Across the country, the Bureau of Labor Statistics projects 31-percent growth in the number of information security analyst jobs between 2019 and 2029. The range will also serve regional organizations, as BSU will provide cybersecurity training to municipalities, schools, state agencies, law enforcement, the military and private businesses.

Funding for the project includes, a Congressionally Directed Spending award of \$2.0 million, a \$1.2 million Technology and Innovation Ecosystem Grant, a \$250,000 state Skills Capital Grant and a Center of Excellence grant of \$50,000. BSU is close to receiving approval for an undergraduate degree Cybersecurity Program; the university anticipates beginning this program in Fall 2024.

Additionally, in late June 2021, Massachusetts Governor Charlie Baker' administration chose BSU to be the location for the announcement of his fiscal year 2022 capital budget plan. Joined by Lieutenant Governor Karyn Polito, Secretary of Education James Peyser, Secretary of Administration and Finance Michael Heffernan and State Senator Marc Pacheco, the Governor announced an initial investment of \$25 million in BSU for the renovation of Burnell Hall and in support of the College of Education and Health Sciences (CEHS). BSU has been actively pursuing state funding for the Burnell project for many years. Due to increases in inflationary costs since 2020, the state will provide an additional investment of \$8.0 million. The total project cost is estimated to be \$47 million. The project will impact nearly 95,000 square feet of building space on campus, includes 80 new offices for faculty, and will benefit 4,000 students in 35 majors on campus. The detailed project schedule is currently being finalized with completion anticipated by February 2027. The project represents a truly transformative and impactful investment that will promote student success, support innovative program delivery, expand the advanced use of technology, and serve critical workforce needs in the Commonwealth.

On October 6, 2023, the Foundation purchased a piece of property at 21 Park Terrace in Bridgewater, Massachusetts for \$729,176, including closing costs. Prior to the purchase, the Foundation had placed a deposit on the property worth \$145,000. This property will be capitalized in fiscal year 2024.

In fiscal year 2024 the university will begin working on a capital master plan. This master plan will align with the Strategic Plan 2.0 and is intended to chart the way forward for campus planning and facility improvements/ additions/ changes. The university's last master plan was completed in 2012. This process will include interviewing multiple stakeholder groups, aligning with strategic plan, mission, vision, values, and assessing resources.

On July 13, 2023, the MSCBA closed on \$2,855,000 of Project Revenue Bonds Series 2023A for the purpose of providing funding for residence hall renovations at Bridgewater State University (Shea Durgin). The first principal payment is due on May 1, 2024, and the final principal payment is on May 1, 2043. Interest is due semi-annually each May 1st and November 1st. The bonds carry interest rates ranging from 3.25% to 5.00%.

“Today we reaffirm our commitment to the future of this extraordinary partnership. Our vision is clear, and our intentions are nothing short of profound.”

BSU President Frederick W. Clark Jr.



CAPE VERDE PRESIDENT VISITS CAMPUS

Cape Verde President, José Neves visited campus to celebrate 20 years of collaboration between BSU and the African nation. The partnership, forged by Neves and former BSU President Dana Mohler-Faria, is an important link between Cape Verde and its diaspora, which predominately lives in Southern New England.

Through the partnership, Bridgewater faculty helped Cape Verdean officials secure a major grant from a U.S. foreign assistance program. Faculty and students traveled to the

African archipelago and Cape Verdeans came to BSU to attend workshops and earn degrees. BSU also helped create the University of Cape Verde, which is the country's first public university.

“We feel like we’re the 11th island of Cabo Verde,” said BSU President Frederick W. Clark Jr. “We’re very proud of that. . . . Today we reaffirm our commitment to the future of this extraordinary partnership. Our vision is clear, and our intentions are nothing short of profound.”



MEN'S BASEBALL EARNS MASCAC TITLE



The Bridgewater State University baseball team captured its second straight Massachusetts State Collegiate Athletic Conference (MASCAC) Tournament title and seventh overall as the second-seeded Bears downed #5 seed Massachusetts Maritime Academy.

This win allowed BSU to advance to the NCAA Division III Tournament for the second straight year and 16th time in the history of the program.

The Bears improved to 32-11 as they set the program record for wins in a season breaking the tie with the 1996 team. Bridgewater also captured the MASCAC Tournament title in 2001, 2003, 2004, 2011, 2012 and 2022.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2023 and 2022
(Unaudited)

Factors Impacting Future Periods (Continued)

Grants

The university received the following significant grants:

- BSU, as the lead institution, has recently received a new National Science Foundation award for \$3,000,000 for Research and Mentoring post baccalaureates in Biological Sciences (RaMP). The grant focuses on training the next generation of interdisciplinary scientists to collaboratively address species responses to climate change with SPARCnet. BSU will collaborate with four subcontracted universities listed below who will receive a total of \$578,010 distributed over the four years:
 - Pennsylvania State University - \$408,211
 - Michigan State University - \$25,239
 - Monmouth University - \$92,101
 - Susquehanna University - \$52,458
- A \$1,358,000 U.S. Department of Education – Congressionally Directed Spending (CDS) Grant. The grant will allow for improvements in the Aviation Program including the purchase of airplanes and a portable hanger.
- A \$1.9 million Massachusetts Department of Mental Health Grant to promote the growth and stability of the Massachusetts public behavioral health workforce through paid internships to both Bachelor and Master's Programs of Social Work students. Internships are expected to begin this Fall semester.
- A \$623,400 Massachusetts Life Sciences Center Grant has been received which will support the purchase of biology equipment over two fiscal years (FY24 and FY25).

Tuition and Fees

The university approved a slight increase in mandatory tuition and fees for the 2023-2024 academic year of 3.0%. In March 2023, an increase in residence hall rates for the 2023-2024 academic year was approved by the Massachusetts Board of Higher Education as proposed by BSU and endorsed by the MSCBA. The average increase was 1.4% and targeted the newer, in demand residence halls.

Costs at residence halls for 2023-2024, which reflect the MSCBA value-pricing, increased an average of 1.4%, as follows: Great Hill Apartments, \$10,400 from \$10,070; Miles-DiNardo Hall, \$9,282 from \$9,100; Pope and Scott Halls, \$8,301 from \$8,160; Shea-Durgin Hall, \$8,301 from \$8,160; Woodward Hall, \$8,301 from \$8,140; Stonehouse Hall, \$10,249 from \$9,970 for singles; \$9,050 from \$8,960 for doubles; Crimson, \$10,475 from \$10,480 for singles; \$9,221 from \$9,360 for doubles; Weygand, \$10,480 from \$10,691 for singles; \$9,413 from \$9,360 for doubles.

In response to changing student expectations, the university continues to modify its meal plan options. Some of the meal plan improvements include increased flexibility, longer hours of operation, and more variety. Costs for meal plans per semester for 2023-2024 are as follows: Diamond \$2,625; Platinum \$2,600; Gold \$2,274; Silver \$2,215; Sapphire \$2,000; Bronze \$460 & Copper \$260 (for commuters and student apartments only).

Requests for Information

This financial report is designed to provide a general overview of Bridgewater State University's finances for all those with an interest in the university's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Associate Vice President, Finance, Fiscal Affairs, 131 Summer Street, Bridgewater, Massachusetts 02325.

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Statements of Net Position

June 30, 2023 and 2022

Assets and Deferred Outflows of Resources

	Primary Government		Component Units	
	2023	(Restated) 2022	2023	2022
Assets	University	University	Combined	Combined
Current assets:				
Cash and equivalents	\$ 93,242,915	\$ 87,402,843	\$ 831,876	\$ 1,115,579
Deposits held by State Treasurer	8,628,861	10,037,214	-	-
Cash held by State Treasurer	3,846,928	2,398,739	-	-
Restricted cash and equivalents	55,726	829,470	-	-
Contributions receivable, net	-	-	398,059	362,038
Accounts receivable, net	6,419,302	4,497,798	-	5,523
Current portion of lease receivable	46,181	45,102	-	-
Prepaid expenses and other assets	<u>1,374,161</u>	<u>1,400,478</u>	<u>309,603</u>	<u>66,063</u>
Total current assets	<u>113,614,074</u>	<u>106,611,644</u>	<u>1,539,538</u>	<u>1,549,203</u>
Non-current assets:				
Investments	-	-	60,833,442	54,166,612
Contributions receivable, net	-	-	1,266,275	1,067,706
Properties held for resale	-	-	-	1,100,000
Lease receivable	462,556	508,737	-	-
Capital assets, net	<u>336,095,175</u>	<u>344,855,889</u>	<u>4,364,493</u>	<u>3,360,064</u>
Total non-current assets	<u>336,557,731</u>	<u>345,364,626</u>	<u>66,464,210</u>	<u>59,694,382</u>
Total assets	<u>450,171,805</u>	<u>451,976,270</u>	<u>68,003,748</u>	<u>61,243,585</u>
Deferred outflows of resources				
Deferred outflows of resources related to pension	8,020,878	11,684,767	-	-
Deferred outflows of resources related to OPEB	10,348,666	17,915,877	-	-
Deferred outflows of resources related to MSCBA bond refunding	<u>391,900</u>	<u>435,444</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>18,761,444</u>	<u>30,036,088</u>	<u>-</u>	<u>-</u>

See Independent Auditors' Report and accompanying notes to the financial statements.

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Statements of Net Position (Continued)

June 30, 2023 and 2022

Liabilities, Deferred Inflows of Resources and Net Position

	Primary Government		Component Units	
	2023 University	(Restated) 2022 University	2023 Combined	2022 Combined
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	\$ 9,079,937	\$ 6,466,243	\$ 263,907	\$ 248,923
Accrued payroll	8,991,972	9,089,782	-	-
Accrued worker's compensation	201,006	192,289	-	-
Accrued compensated absences	8,652,203	8,625,809	-	-
State funds payable	2,515	3,733	-	-
Unearned revenues	9,120,479	7,144,202	-	960
Other current liabilities	-	-	-	210
Current portion of related party lease obligations	8,125,370	7,664,151	-	-
Current portion of lease obligations	2,181,436	1,722,015	-	-
Current portion of SBITA obligations	2,011,316	1,609,517	-	-
Current portion of bonds payable	<u>824,817</u>	<u>800,204</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>49,191,051</u>	<u>43,317,945</u>	<u>263,907</u>	<u>250,093</u>
Non-current liabilities:				
Accrued worker's compensation	1,510,053	1,402,784	-	-
Accrued compensated absences	4,261,533	4,248,533	-	-
Related party lease obligation	193,585,176	201,710,546	-	-
Lease obligation	5,536,765	3,572,891	-	-
SBITA obligation	3,266,279	1,728,369	-	-
Bonds payable	8,731,869	9,556,686	-	-
Net pension liability	44,874,753	38,224,852	-	-
Net OPEB liability	<u>56,474,453</u>	<u>67,113,969</u>	<u>-</u>	<u>-</u>
Total non-current liabilities	<u>318,240,881</u>	<u>327,558,630</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>367,431,932</u>	<u>370,876,575</u>	<u>263,907</u>	<u>250,093</u>
Deferred inflows of resources				
Deferred inflows of resources related to MSCBA refunding	185,311	214,380	-	-
Service concession arrangement	860,269	295,486	-	-
Deferred inflows of resources related to pension	14,726,547	28,690,314	-	-
Deferred inflows of resources related to OPEB	56,867,440	63,023,749	-	-
Deferred Inflows from leases	<u>523,368</u>	<u>575,623</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>73,162,935</u>	<u>92,799,552</u>	<u>-</u>	<u>-</u>
Net position				
Net investment in capital assets	112,038,736	116,712,575	4,364,493	3,360,064
Restricted:				
Nonexpendable, scholarships and fellowships	23,000	23,000	30,396,643	27,200,423
Expendable, grants, construction, debt service and other agency funds	1,347,896	1,590,206	13,685,766	11,460,194
Unrestricted	<u>(85,071,250)</u>	<u>(99,989,550)</u>	<u>19,292,939</u>	<u>18,972,811</u>
Total net position	<u>\$ 28,338,382</u>	<u>\$ 18,336,231</u>	<u>\$ 67,739,841</u>	<u>\$ 60,993,492</u>

See Independent Auditors' Report and accompanying notes to the financial statements.

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended June 30, 2023 and 2022

	<i>Primary Government</i>		<i>Component Units</i>	
	<i>2023</i>	<i>(Restated)</i>	<i>2023</i>	<i>2022</i>
	<i>University</i>	<i>University</i>	<i>Combined</i>	<i>Combined</i>
Operating revenues:				
Tuition and fees	\$ 105,795,481	\$ 104,993,317	\$ -	\$ -
Less: scholarships and fellowships	<u>(27,960,590)</u>	<u>(31,809,718)</u>	<u>-</u>	<u>-</u>
Net tuition and fees	77,834,891	73,183,599	-	-
Gifts and contributions	-	-	5,380,916	7,203,416
Federal, state and private grants and contracts	29,262,334	25,455,875	-	-
Auxiliary enterprises	36,792,690	34,940,605	-	-
Other operating revenues	<u>648,877</u>	<u>433,496</u>	<u>2,369,180</u>	<u>2,969,385</u>
Total operating revenues	<u>144,538,792</u>	<u>134,013,575</u>	<u>7,750,096</u>	<u>10,172,801</u>
Operating expenses:				
Educational and general:				
Instruction	73,395,949	74,685,226	-	-
Gifts and contributions	-	-	3,945,368	3,590,472
Public service	1,433,813	1,160,957	-	-
Academic support	23,628,014	23,048,547	-	-
Student services	24,320,434	24,327,265	-	-
Institutional support	23,771,695	21,154,097	3,739,830	2,643,583
Operation and maintenance of plant	12,060,467	14,441,992	-	-
Scholarships and fellowships	8,123,878	18,517,462	-	-
Depreciation and amortization	26,398,865	25,544,730	73,890	60,187
Auxiliary enterprises	<u>23,724,738</u>	<u>22,011,750</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>216,857,853</u>	<u>224,892,026</u>	<u>7,759,088</u>	<u>6,294,242</u>
Net operating income (loss)	<u>(72,319,061)</u>	<u>(90,878,451)</u>	<u>(8,992)</u>	<u>3,878,559</u>
Non-operating revenues (expenses):				
State appropriations, net	82,684,885	79,219,174	-	-
Gifts	2,553,489	2,354,390	-	-
HEERF Act funds	-	29,463,444	-	-
Investment income (loss)	1,377,287	74,082	6,809,873	(8,002,510)
Interest expense	(8,877,683)	(8,970,305)	-	-
Other non-operating revenues (expenses)	<u>3,178,877</u>	<u>5,244,740</u>	<u>(54,532)</u>	<u>-</u>
Net non-operating revenues (expenses)	<u>80,916,855</u>	<u>107,385,525</u>	<u>6,755,341</u>	<u>(8,002,510)</u>
Increase (decrease) in net position before capital appropriations	8,597,794	16,507,074	6,746,349	(4,123,951)
Capital appropriations	<u>1,404,357</u>	<u>602,469</u>	<u>-</u>	<u>-</u>
Total increase (decrease) in net position	<u>\$ 10,002,151</u>	<u>\$ 17,109,543</u>	<u>\$ 6,746,349</u>	<u>\$ (4,123,951)</u>
Net position, at beginning of year	<u>18,336,231</u>	<u>1,226,688</u>	<u>60,993,492</u>	<u>65,117,443</u>
Net position, at end of year	<u>\$ 28,338,382</u>	<u>\$ 18,336,231</u>	<u>\$ 67,739,841</u>	<u>\$ 60,993,492</u>

See Independent Auditors' Report and accompanying notes to the financial statements.

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Statements of Cash Flows

For the Years Ended June 30, 2023 and 2022

	<i>Primary Government</i>	
	<i>2023</i>	<i>(Restated)</i>
	<i>University</i>	<i>2022</i>
		<i>University</i>
Cash flows from operating activities:		
Tuition and fees	\$ 76,959,745	\$ 71,558,966
Grants and contracts	28,480,047	30,693,044
Payments to employees	(99,471,565)	(142,137,013)
Payments to suppliers and vendors	(46,387,552)	(4,806,044)
Payments to students	(8,123,878)	(18,517,462)
Auxiliary enterprises charges	(23,724,738)	(22,011,750)
Auxiliary enterprises	39,971,567	40,185,345
Other operating revenues	<u>616,603</u>	<u>582,428</u>
Net cash used in operating activities	<u>(31,679,771)</u>	<u>(44,452,486)</u>
Cash flows from non-capital financing activities:		
State appropriations	59,759,942	58,501,924
HEERF Act funds	-	29,463,444
Gifts	<u>3,118,272</u>	<u>2,551,892</u>
Net cash provided by non-capital financing activities	<u>62,878,214</u>	<u>90,517,260</u>
Cash flows from capital financing activities:		
Capital appropriation	3,147,619	1,164,218
Purchase of capital assets	(8,316,707)	(4,880,033)
Proceeds on sale of plane	107,000	-
Principal paid on leases	(10,711,148)	(5,138,596)
Principal paid on software arrangements	(2,018,443)	(1,666,682)
Payments of capital debt	(800,204)	(1,707,495)
Interest paid on capital debt, leases and software arrangements	<u>(8,877,683)</u>	<u>(8,970,305)</u>
Net cash used in capital financing activities	<u>(27,469,566)</u>	<u>(21,198,893)</u>
Cash flows from investing activity:		
Interest on investments	<u>1,377,287</u>	<u>74,082</u>
Net increase in cash and equivalents	5,106,164	24,939,963
Cash and equivalents, beginning of year	<u>100,668,266</u>	<u>75,728,303</u>
Cash and equivalents, end of year	<u>\$ 105,774,430</u>	<u>\$ 100,668,266</u>

See Independent Auditors' Report and accompanying notes to the financial statements.

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Statements of Cash Flows (Continued)

For the Years Ended June 30, 2023 and 2022

	<i>Primary Government</i>	
	<i>2023</i>	<i>(Restated)</i>
	<i>University</i>	<i>2022</i>
		<i>University</i>
Reconciliation of net operating loss to net cash used in operating activities:		
Net operating loss	\$ (72,319,061)	\$ (90,878,451)
Adjustments to reconcile net operating loss to net cash used in operating activities:		
Depreciation and amortization	26,398,865	25,544,730
Bad debts (recovery)	(129,466)	197,680
Fringe benefits provided by Commonwealth	22,924,943	20,717,250
Other non-operating revenues	3,178,877	5,244,740
Amortization of deferred inflows of lease receivable and MSCBA bond refunding	7,322	265,025
Deferred outflows for pension	3,663,889	8,603,178
Deferred inflows from pension	(13,963,767)	24,766,238
Deferred outflows for net other-post employment benefit obligation	7,567,211	10,131,673
Deferred inflows for net other-post employment benefit obligation	(6,156,309)	14,501,589
Changes in assets and liabilities:		
Accounts receivable, net	(1,792,038)	4,136,629
Prepaid expenses and other assets	26,317	(404,514)
Accounts payable and accrued expenses	2,612,476	(390,391)
Accrued payroll and benefits	57,570	839,268
Unearned revenues	233,015	(6,602)
Net pension liability	6,649,901	(37,453,803)
Net OPEB liability	<u>(10,639,516)</u>	<u>(30,266,725)</u>
Net cash used in operating activities	<u>\$ (31,679,771)</u>	<u>\$ (44,452,486)</u>

Cash Flow Information

For purposes of the statement of cash flows, cash and equivalents are comprised of the following at June 30:

Cash and equivalents	\$ 93,242,915	\$ 87,402,843
Deposits held by State Treasurer	8,628,861	10,037,214
Cash held by State Treasurer	3,846,928	2,398,739
Restricted cash and equivalents	<u>55,726</u>	<u>829,470</u>
	<u>\$ 105,774,430</u>	<u>\$ 100,668,266</u>

See Independent Auditors' Report and accompanying notes to the financial statements.

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Combining Statements of Net Position of Major Component Units

June 30, 2023 and 2022

Assets and Deferred Outflows of Resources

Assets	2023			2022		
	<i>Foundation</i>	<i>Alumni Association</i>	<i>Combined</i>	<i>Foundation</i>	<i>Alumni Association</i>	<i>Combined</i>
Current assets:						
Cash and equivalents	\$ 805,473	\$ 26,403	\$ 831,876	\$ 1,039,831	\$ 75,748	\$ 1,115,579
Deposits held by State Treasurer	-	-	-	-	-	-
Cash held by State Treasurer	-	-	-	-	-	-
Restricted cash and equivalents	-	-	-	-	-	-
Contributions receivable, net	398,059	-	398,059	362,038	-	362,038
Accounts receivable, net	-	-	-	-	5,523	5,523
Current portion of lease receivable	-	-	-	-	-	-
Prepaid expenses and other assets	<u>309,603</u>	<u>-</u>	<u>309,603</u>	<u>65,853</u>	<u>210</u>	<u>66,063</u>
Total current assets	<u>1,513,135</u>	<u>26,403</u>	<u>1,539,538</u>	<u>1,467,722</u>	<u>81,481</u>	<u>1,549,203</u>
Non-current assets:						
Investments	54,208,663	6,624,779	60,833,442	48,260,407	5,906,205	54,166,612
Contributions receivable, net	1,266,275	-	1,266,275	1,067,706	-	1,067,706
Debt service reserve fund	-	-	-	-	-	-
Properties held for resale	-	-	-	1,100,000	-	1,100,000
Lease receivable	-	-	-	-	-	-
Capital assets, net	<u>4,364,493</u>	<u>-</u>	<u>4,364,493</u>	<u>3,360,064</u>	<u>-</u>	<u>3,360,064</u>
Total non-current assets	<u>59,839,431</u>	<u>6,624,779</u>	<u>66,464,210</u>	<u>53,788,177</u>	<u>5,906,205</u>	<u>59,694,382</u>
Total assets	<u>61,352,566</u>	<u>6,651,182</u>	<u>68,003,748</u>	<u>55,255,899</u>	<u>5,987,686</u>	<u>61,243,585</u>
Deferred outflows of resources						
Deferred outflows of resources related to pension	-	-	-	-	-	-
Deferred outflows of resources related to OPEB	-	-	-	-	-	-
Deferred outflows of resources related to MSCBA bond refunding	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

See Independent Auditors' Report and accompanying notes to the financial statements.

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Combining Statements of Net Position of Major Component Units (Continued)

June 30, 2023 and 2022

Liabilities, Deferred Inflows of Resources and Net Position

	2023			2022		
	Foundation	Alumni Association	Combined	Foundation	Alumni Association	Combined
Liabilities						
Current liabilities:						
Accounts payable and accrued expenses	242,635	21,272	263,907	238,683	10,240	248,923
Accrued payroll	-	-	-	-	-	-
Accrued worker's compensation	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
State funds payable	-	-	-	-	-	-
Unearned revenues	-	-	-	-	960	960
Other current liabilities	-	-	-	210	-	210
Current portion of related party lease obligations	-	-	-	-	-	-
Current portion of lease obligations	-	-	-	-	-	-
Current portion of bonds payable	-	-	-	-	-	-
	242,635	21,272	263,907	238,893	11,200	250,093
Total current liabilities						
Non-current liabilities:						
Accrued workers' compensation	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Related party lease obligation	-	-	-	-	-	-
Lease obligation	-	-	-	-	-	-
Bonds payable	-	-	-	-	-	-
Net pension liability	-	-	-	-	-	-
Net OPEB liability	-	-	-	-	-	-
	-	-	-	-	-	-
Total non-current liabilities						
Total liabilities	242,635	21,272	263,907	238,893	11,200	250,093
Deferred inflows of resources						
Deferred inflows of resources related to MSCBA refunding	-	-	-	-	-	-
Service concession arrangement	-	-	-	-	-	-
Deferred outflows of resources related to pension	-	-	-	-	-	-
Deferred inflows of resources related to OPEB	-	-	-	-	-	-
Deferred inflows from leases	-	-	-	-	-	-
	-	-	-	-	-	-
Total deferred inflows of resources						
Net position						
Net investment in capital assets	4,364,493	-	4,364,493	3,360,064	-	3,360,064
Restricted:						
Nonexpendable: scholarships and fellowships	29,044,227	1,352,416	30,396,643	25,892,778	1,307,645	27,200,423
Expendable: grants, construction, debt service and other agency funds	11,703,374	1,982,392	13,685,766	9,637,390	1,822,804	11,460,194
Unrestricted	15,997,837	3,295,102	19,292,939	16,126,774	2,846,037	18,972,811
Total net position	\$ 61,109,931	\$ 6,629,910	\$ 67,739,841	\$ 55,017,006	\$ 5,976,486	\$ 60,993,492

See Independent Auditors' Report and accompanying notes to the financial statements.



UNDER African Skies

Dr. Jibril Solomon, an assistant professor of social work, spent six days of his 2022 summer break in the East African nation of Kenya. It was nothing short of transformative, he remarked.

He spent six days in Kenya, driving across the country, stopping for interviews and site-specific research in Nairobi, Siaya and Bondo Towns where he met with local officials and security experts, as well as children's and women's groups, and spent time at the University of Nairobi, where he met with students.

His work in-country led to a report, "Develop Peacebuilding and Conflict Resolution Strategies in Siaya County, Kenya, for Good Governance and Public Participation." Knowing that Kenya has had its share of tribal wars and instability, Dr. Solomon sought to learn the causes.

Kenyan officials will benefit from Dr. Solomon's report, as will BSU students. He'd like to make the country a regular study tour destination for his students.

"Education in this century must have a global aspect to it, which is why it's important to me to always have this larger perspective."

Dr. Jibril Solomon

"As a scholar, the trip was an opportunity to continue to develop my field research work, expertise and skills, especially at a global level, to broaden my competencies in teaching and learning in a more diverse and globalized world," he said.

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Combining Statements of Revenues, Expenses and Changes in Net Position of Major Component Units

For the Years Ended June 30, 2023 and 2022

	2023			2022		
	Foundation	Alumni Association	Combined	Foundation	Alumni Association	Combined
Operating revenues:						
Tuition and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: scholarships and fellowships	-	-	-	-	-	-
Net tuition and fees						
Gifts and contributions	5,240,770	140,146	5,380,916	7,050,585	152,831	7,203,416
Federal, state and private grants and contracts	-	-	-	-	-	-
Auxiliary enterprises	-	-	-	-	-	-
Other operating revenues	<u>1,291,967</u>	<u>1,077,213</u>	<u>2,369,180</u>	<u>2,088,021</u>	<u>881,364</u>	<u>2,969,385</u>
Total operating revenues	<u>6,532,737</u>	<u>1,217,359</u>	<u>7,750,096</u>	<u>9,138,606</u>	<u>1,034,195</u>	<u>10,172,801</u>
Operating expenses:						
Educational and general:						
Instruction	-	-	-	-	-	-
Gifts and contributions	3,781,763	163,605	3,945,368	3,483,132	107,340	3,590,472
Public service	-	-	-	-	-	-
Academic support	-	-	-	-	-	-
Student services	-	-	-	-	-	-
Institutional support	2,620,812	1,119,018	3,739,830	1,697,239	946,344	2,643,583
Operation and maintenance of plant	-	-	-	-	-	-
Scholarships and fellowships	-	-	-	-	-	-
Depreciation and amortization	73,890	-	73,890	60,187	-	60,187
Auxiliary enterprises	-	-	-	-	-	-
Total operating expenses	<u>6,476,465</u>	<u>1,282,623</u>	<u>7,759,088</u>	<u>5,240,558</u>	<u>1,053,684</u>	<u>6,294,242</u>
Net operating income	<u>56,272</u>	<u>(65,264)</u>	<u>(8,992)</u>	<u>3,898,048</u>	<u>(19,489)</u>	<u>3,878,559</u>
Non-operating revenues (expenses):						
State appropriations, net	-	-	-	-	-	-
Gifts	-	-	-	-	-	-
HEERF Act funds						
Investment income, net	6,091,185	718,688	6,809,873	(7,115,370)	(887,140)	(8,002,510)
Interest expense	-	-	-	-	-	-
Other non-operating expenses	<u>(54,532)</u>	<u>-</u>	<u>(54,532)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net non-operating revenues (expenses)	<u>6,036,653</u>	<u>718,688</u>	<u>6,755,341</u>	<u>(7,115,370)</u>	<u>(887,140)</u>	<u>(8,002,510)</u>
Increase in net position before capital appropriations	<u>6,092,925</u>	<u>653,424</u>	<u>6,746,349</u>	<u>(3,217,322)</u>	<u>(906,629)</u>	<u>(4,123,951)</u>
Capital appropriations	-	-	-	-	-	-
Total increase (decrease) in net position	<u>\$ 6,092,925</u>	<u>\$ 653,424</u>	<u>\$ 6,746,349</u>	<u>\$ (3,217,322)</u>	<u>\$ (906,629)</u>	<u>\$ (4,123,951)</u>
Net position, at beginning of year	<u>55,017,006</u>	<u>5,976,486</u>	<u>60,993,492</u>	<u>58,234,328</u>	<u>6,883,115</u>	<u>65,117,443</u>
Net position, at end of year	<u>\$ 61,109,931</u>	<u>\$ 6,629,910</u>	<u>\$ 67,739,841</u>	<u>\$ 55,017,006</u>	<u>\$ 5,976,486</u>	<u>\$ 60,993,492</u>

See Independent Auditors' Report and accompanying notes to the financial statements.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 1 - Summary of Significant Accounting Policies

Organization

Bridgewater State University (the “university”) is a public, state-supported, comprehensive university that offers a quality education leading to certificates, bachelors, and master's degrees. The university also offers, through the College of Continuing Studies, credit and noncredit courses as well as a variety of summer workshop programs. It is governed by its Board of Trustees under the direction of the Massachusetts Department of Higher Education, and is accredited by the New England Commission of Higher Education. The university’s main campus is located in Bridgewater, Massachusetts.

The university is an Agency of the Commonwealth of Massachusetts (the “Commonwealth”) and, accordingly, the accompanying financial statements may not necessarily be indicative of the conditions that would have existed if the university had been operated as an independent institution.

The Bridgewater State University Foundation (the “Foundation”) and the Bridgewater Alumni Association (the “Alumni Association”) were formed to render financial assistance and support to the educational programs and development of the university. Both organizations are legally separate from the university, and the university has no financial responsibility for either organization. These entities follow Financial Accounting Standards Board pronouncements which in some cases differ from the Governmental Accounting Standards Board (“GASB”) standards. Although the university does not control the timing or the amount of receipts from the Foundation or the Alumni Association, the majority of resources received or held by the Foundation and the Alumni Association are restricted to the activities of the university by donors. Because these resources can only be used by, or are for the benefit of the university, the Foundation and the Alumni Association are considered component units of the university and as such they have been combined and are discretely presented in the university’s financial statements. Complete financial statements for either organization can be obtained from their respective administrative offices in Bridgewater, Massachusetts.

Basis of Presentation and Accounting

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles as prescribed by GASB.

The university has determined that it functions as a business-type activity, as defined by GASB. The effect of interfund activity has been eliminated from these financial statements. The basic financial statements and required supplementary information for general-purpose governments consist of management’s discussion and analysis, basic financial statements including the university’s discretely presented component units and required supplementary information. The university presents Statements of Net Position, Revenues, Expenses and Changes in Net Position, and Cash Flows on a combined university-wide basis.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Direct expenses are those that are clearly identifiable within a specific function.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Presentation and Accounting (Continued)

The university's policies for defining operating activities in the Statements of Revenues, Expenses and Changes in Net Position are those that generally result from exchange transactions such as tuition and fees, grants and contracts, auxiliary enterprise revenues as well as expenses for salaries, wages, fringe benefits, utilities, supplies and services, depreciation and amortization.

Certain other transactions are reported as non-operating activities including the university's operating and capital appropriations from the Commonwealth, HEERF funding, net investment income and interest expense and non-capital gifts.

Classification of Assets and Liabilities

The university presents current and non-current assets and liabilities in the Statements of Net Position. Assets and liabilities are considered current if they mature in one year or less, or expect to be received, used, or paid within one year or less.

Net Position

Resources are classified for accounting purposes into the following four net position categories:

Net investment in capital assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, repair or improvement of those assets, as well as deferred outflows of resources and deferred inflows of resources attributable to acquisition, construction, and improvement of those assets.

Restricted - nonexpendable: Net position subject to externally imposed conditions or by law requiring the university to maintain them in perpetuity.

Restricted - expendable: Net position whose use is subject to externally imposed conditions or by law that can be fulfilled by the actions of the university's Board of Trustees or by the passage of time.

Unrestricted: All other categories of net position. Unrestricted net position may be designated by actions of the university's Board of Trustees, or may otherwise be limited by contractual agreement with outside parties.

The university has adopted a policy of generally utilizing restricted - expendable funds, when available, prior to unrestricted funds.

Cash and Equivalents

The university's cash and equivalents are cash on hand, cash held with the Commonwealth's Treasurer and the Massachusetts State College Building Authority ("MSCBA"), and short-term, highly liquid investments with original maturities of three months or less from the date of purchase. Cash and equivalents held by MSCBA is for capital project-type items. Restricted cash and equivalents includes amounts held for capital appropriations and debt service.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Investments

Investments in marketable securities are stated at fair value. Dividends, interest, and net realized and unrealized gains or losses on investments are reported in the Combining Statements of Revenues, Expenses and Changes in Net Position. Gains and losses on the disposition of investments are determined based on specific identification of securities sold. Investment income is recognized when earned.

Fair Value Measurements

In accordance with Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*, the university has established a framework for measuring fair value which provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements.)

The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the university's component units have the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The university's component units utilize the market approach which uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities.

Allowances on Accounts Receivable

Accounts receivable are reported at the amount management expects to collect in the future on balances outstanding at year end. Management estimates allowances for losses based on the history of collections and the knowledge acquired about specific items. Adjustments to the allowance are charged to bad debt expense. Interest is not charged on accounts receivable.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Allowances on Accounts Receivable (Continued)

Uncollectible amounts are written off against the reserve when deemed uncollectible; recoveries are recorded when received. An amount is considered uncollectible when reasonable efforts to collect the account have been exhausted.

Capital Assets

Capital assets are generally controlled but not owned by the university. For assets purchased with state-appropriated funds, the university is not able to sell or otherwise pledge its assets unless authorized to do so by the Commonwealth of Massachusetts.

Real estate assets, including improvements, are generally stated at cost at the date of acquisition. Furnishings, equipment and collections items are stated at cost at date of acquisition. Capital assets received with service concession arrangements and donated collection items are measured at the acquisition date value, the price that would be paid to acquire an asset with equivalent service potential in a similar market transaction. In accordance with the Commonwealth's capitalization policy, non-collection items with a unit cost of \$50,000 or more are capitalized. Land and collection items are capitalized, regardless of cost. University capital assets, with the exception of land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives, which range from 2 to 40 years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Amortization of capital assets is included with depreciation expense.

Right-to-use lease assets and right-to-use subscription assets (subscription-based information technology arrangements), recognized in accordance with GASB 87 and GASB 96 respectively, are amortized over the life of the lease/ arrangement. Variable components, interest rates, and terms are considered when valuing these right-to-use assets.

All library materials are capitalized at historical cost for purchased materials. The cost of library materials and related accumulated depreciation is disposed for financial statement purposes after five years.

Bond Premiums

Bond premiums are amortized on a straight-line basis over the terms of the related debt agreements.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Massachusetts State Employees' Retirement System ("MSERS") and additions to/deductions from MSERS's fiduciary net position have been determined on the same basis as they are reported by MSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions ("OPEB")

For purposes of measuring the university's net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State Retirees' Benefit Trust ("SRBT") and additions to/deductions from SRBT's fiduciary net position have been determined on the same basis as they are reported by SRBT. For this purpose, SRBT recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Fringe Benefits

The university participates in the Commonwealth's fringe benefit programs, including health insurance, unemployment, and pension and workers' compensation benefits. Health insurance, unemployment and pension costs are billed through a fringe benefit rate charged to the university. Workers' compensation costs are assessed separately based on the university's actual experience.

Compensated Absences

Employees earn the right to be compensated during absences for vacation leave, sick leave and accrued compensatory time. Accrued vacation is the amount earned by all eligible employees through June 30, 2023 and 2022. The accrued sick leave balance represents 20% of amounts earned by those employees with ten or more years of state service at June 30, 2023 and 2022. Upon retirement, these employees are entitled to receive payment for this accrued balance.

Unearned Revenues

Student deposits and advance payments received for tuition and fees related to certain summer programs, and tuition received for the following academic year are recorded as revenues as earned. Grants, including HEERF institutional portion, and other advance payments are recognized as revenue in accordance with the underlying agreement.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Student Fees

Student tuition, dining, residence and other fees are presented net of scholarships and fellowships applied to students' accounts. Certain other scholarship amounts that are paid directly to, or refunded to, the students are generally reflected as expenses.

Tax Status

The university is an Agency of the Commonwealth of Massachusetts and is therefore generally exempt from federal income taxes under Section 115 of the Internal Revenue Code, as well as state income taxes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 could differ from those estimates. Significant management estimates included in the financial statements relate to the allowances for accounts, useful lives of capital assets, pension and OPEB liabilities, as well as lease and subscription based information technology arrangement liabilities.

New Government Accounting Pronouncements

GASB Statement 100 – *Accounting Changes and Error Corrections* – an amendment of GASB 62 is effective for reporting periods beginning after June 15, 2023. The objective of this statement is to provide consistency for changes in accounting principles, accounting estimates, and the reporting entity and corrections of errors. Management has not completed its review of the requirements of this Standard and its applicability.

GASB Statement 101 – *Compensated Absences* is effective for reporting periods beginning after December 15, 2023. The objective of this statement is to update the recognition and measurement for compensated absences. Management has not completed its review of the requirements of this Standard and its applicability.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported change in net position for the year ended June 30, 2022.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 2 – Implementation of Newly Effective Accounting Standard

GASB 94 Implementation

As of July 1, 2020, the university implemented GASB 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements (PPP)*. GASB 94 provides accounting and financial reporting guidance for arrangements in which the governmental entity (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset. The implementation of this standard did not have a material impact on the financial statements.

GASB 96 Implementation

As of July 1, 2020, the university implemented GASB 96, *Subscription Based Information Technology Arrangements (SBITAs)*. GASB 96 provides accounting and financial reporting guidance for transactions in which a governmental entity contracts with another party for the right to use their software. A right-to-use asset and a corresponding liability are recognized for SBITAs.

The impact to net position as of June 30, 2022 and 2021 was \$92,386 and \$6,495, respectively.

The prior period adjustment due to the implementation of GASB 96 as of and for the year ended June 30, 2022 and 2021 is as follows:

	<u>Previously Reported</u>	<u>FY21 Adjustment</u>	<u>FY22 Adjustment</u>	<u>Restated</u>
As of June 30, 2021:				
Capital assets, net	\$ 359,110,947	4,428,582	-	\$ 363,539,529
Accounts payable and accrued expenses	\$ 6,266,604	28,317	-	\$ 6,294,921
SBITA lease obligations	\$ -	4,393,770	-	\$ 4,393,770
Net position	\$ 1,220,193	6,495	-	\$ 1,226,688
As of June 30, 2022:				
Capital assets, net	\$ 341,395,332	-	3,460,557	\$ 344,855,889
Accounts payable and accrued expenses	\$ 6,442,452	-	23,791	\$ 6,466,243
SBITA lease obligations	\$ -	-	3,337,886	\$ 3,337,886
Net position	\$ 18,237,350	6,495	92,386	\$ 18,336,231
Year Ended June 30, 2022:				
Operating Expenses:				
Instruction	\$ 74,689,976	-	(4,750)	\$ 74,685,226
Academic support	\$ 23,391,078	-	(342,531)	\$ 23,048,547
Student services	\$ 24,457,304	-	(130,039)	\$ 24,327,265
Institutional support	\$ 22,374,424	-	(1,220,327)	\$ 21,154,097
Depreciation and amortization	\$ 23,965,906	-	1,578,824	\$ 25,544,730
Interest expense	\$ 8,943,866	-	26,439	\$ 8,970,305

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 3 - Cash and Equivalents

Custodial credit risk is risk associated with the failure of a depository financial institution. At June 30, 2023 and 2022, the university's deposits were either insured or fully collateralized, with the exception of amounts held by the Massachusetts Municipal Depository Trust ("MMDT"). At June 30, 2023 and 2022, the carrying amount of the university's deposits, net of deposits and disbursements in transit, was \$93,298,641 and \$88,232,313 respectively. Of the carrying amount, \$41,409,370 and \$20,057,122 were held by MMDT at June 30, 2023 and 2022, respectively. In December 2022, the university transferred \$20 million to MMDT to take advantage of a significant increase in interest rates. Total return rates increased from 0.32% in 2022 to 4.06% in 2023.

The MMDT is an investment pool for political subdivisions in the Commonwealth that was designed as a legal means to safely invest temporarily available cash. Its primary purpose is to provide a safe, liquid, high-yield investment vehicle offering participation in a diversified portfolio of high-quality money market instruments. The MMDT, an instrumentality of the State Treasurer, is not a bank, savings institution, or financial institution, and is not subject to FDIC insurance. MMDT operates as a qualifying external investment pool and is valued by MMDT's management on an amortized cost where the net asset value is \$1 per share.

Note 4 - Cash Held by State Treasurer

Accounts payable, accrued salaries and outlays for future capital projects to be funded from state-appropriated funds totaled \$3,846,928 and \$2,398,739 at June 30, 2023 and 2022, respectively. The university has recorded a comparable dollar amount of cash held by State Treasurer for the benefit of the university, which will be subsequently utilized to pay for such liabilities. The cash is held in the State Treasurer's pooled cash account.

Note 5 - Restricted Cash and Equivalents

Restricted cash and equivalents are as follows:

	<i>2023</i>	<i>2022</i>
Construction	\$ 30,674	\$ 797,936
Debt service funds	-	6,640
Other	25,052	24,894
	\$ 55,726	\$ 829,470

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 6 - Investments - Component Units

Investments of the combined component units are stated at fair value and consist of the following at June 30:

	<i>2023</i>	<i>2022</i>
Equity mutual funds	\$ 44,262,891	\$ 39,261,495
Mutual funds	78,208	64,669
Corporate equity securities	78,199	50,922
Real asset mutual funds	1,576,617	1,437,447
Fixed income bond mutual funds	<u>14,837,527</u>	<u>13,352,079</u>
Total investments	\$ <u>60,833,442</u>	\$ <u>54,166,612</u>

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023.

Equity Mutual Funds: Valued at the net asset value ("NAV") of the shares held at fiscal year-end. Mutual funds consist of open-ended mutual funds that "strike a NAV" at the close of every day that financial markets are open and are available to purchase by the general public through brokerage houses. Equities within the fund are valued at quoted market value of the shares held at fiscal year-end.

Mutual Funds and Corporate Equity Securities: Valued at the net asset value ("NAV") of the shares held at fiscal year-end. Mutual funds consist of open-ended mutual funds that "strike a NAV" at the close of every day that financial markets are open and are available to purchase by the general public through brokerage houses.

Real Asset Mutual Funds: Valued at the net asset value ("NAV") of the shares held at fiscal year end. Mutual funds consist of open-ended mutual funds that "strike a NAV" at the close of every day that financial markets are open and are available to purchase by the general public through brokerage houses. Real estate equities within the fund are valued at the closing price reported on the active market on which the individual securities are traded.

Fixed Income Bond Mutual Funds: Valued at the net asset value ("NAV") of the shares held at fiscal year-end. Mutual funds consist of open-ended mutual funds that "strike a NAV" at the close of every day that financial markets are open and are available to purchase by the general public through brokerage houses. Fixed income bonds within the fund are valued at the closing price reported on the active market on which the individual securities are traded.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 6 - Investments - Component Units (Continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Although the Foundation and Alumni Association believe its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 7 - Fair Value Measurements - Component Units

Within the fair value hierarchy, the component units' investment assets are all deemed to be level 1 investments at June 30, 2023 and 2022.

Further disclosures regarding the component units' investments can be found on their respective financial statements.

Note 8 - Accounts Receivable, Net

Accounts receivable is comprised of the following at June 30:

	<i>2023</i>	<i>2022</i>
Students	\$ 4,410,293	\$ 4,441,317
Grants	1,855,473	926,634
Other	1,827,755	933,532
	<u>8,093,521</u>	<u>6,301,483</u>
Less: allowance for doubtful accounts	<u>(1,674,219)</u>	<u>(1,803,685)</u>
Net accounts receivable	<u><u>\$ 6,419,302</u></u>	<u><u>\$ 4,497,798</u></u>

Note 9 - Contributions Receivable - Component Units

Contributions receivable consist of unconditional promises to give. Such promises are initially recorded at fair value considering possible losses and a risk adjusted time value of money factor.

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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 9 - Contributions Receivable - Component Units (Continued)

Contributions receivable are as follows as of June 30:

	2023	2022
Amounts due in:		
Less than one year	\$ 398,059	\$ 362,038
One to five years	1,271,500	1,074,500
	<u>1,669,559</u>	<u>1,436,538</u>
Less: unamortized discounts	(3,525)	(5,094)
Less: allowance for uncollectible accounts	<u>(1,700)</u>	<u>(1,700)</u>
 Net contributions receivable	 1,664,334	 1,429,744
 Less: current portion	 <u>(398,059)</u>	 <u>(362,038)</u>
 Non-current contributions receivable	 \$ <u>1,266,275</u>	 \$ <u>1,067,706</u>

Note 10 - Lease Receivable

As of November 1, 2020 the university leases certain rooftop space for a cell tower to Verizon. Though the general terms are illustrated in the chart below, it should be noted that the terms include an early termination clause. Should the university terminate the lease prior to the end date, a \$236.12 fee for each month remaining shall be assessed.

As of September 1, 2021, the university also leases certain cables within the university owned fiber optic cable system to Taunton Municipal Lighting Plant (TMLP). The terms below include a 5 year-renewal period that calls for an adjustment to the lease payment based on the Consumer Price Index.

<u>Lease</u>	<u>Term</u> <u>(Months)</u>	<u>2023</u>			<u>2022</u>		
		<u>Receivable</u>	<u>Rent</u> <u>Inflow</u>	<u>Interest</u> <u>Inflow</u>	<u>Receivable</u>	<u>Rent</u> <u>Inflow</u>	<u>Interest</u> <u>Inflow</u>
Verizon	60	\$ 276,244	\$ 17,632	\$ 2,292	\$ 293,876	\$ 16,919	\$ 2,424
TMLP	120	\$ 232,493	\$ 27,470	\$ 3,250	\$ 259,963	\$ 30,720	\$ -

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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 11 - Capital Assets

Capital asset activity for the year ended June 30, 2023 is as follows:

	<i>Estimated Lives (in Years)</i>	<i>(Restated) Beginning Balance</i>	<i>Additions</i>	<i>Disposals</i>	<i>Reclassifications</i>	<i>Ending Balance</i>
Capital assets not depreciated:						
Land		\$ 2,971,396	\$ -	\$ -	\$ -	\$ 2,971,396
Artwork		2,407,000	1,500	-	-	2,408,500
Construction in progress		1,476,802	4,304,089	-	(711,666)	5,069,225
Total not depreciated		<u>6,855,198</u>	<u>4,305,589</u>	<u>-</u>	<u>(711,666)</u>	<u>10,449,121</u>
Capital assets depreciated:						
Buildings, including improvements	11-40	285,090,812	2,460,166	-	711,666	288,262,644
Furnishings and equipment	3-10	21,176,785	1,415,879	(195,345)	-	22,397,319
Library materials	5	669,677	36,882	-	-	706,559
Total depreciated		<u>306,937,274</u>	<u>3,912,927</u>	<u>(195,345)</u>	<u>711,666</u>	<u>311,366,522</u>
ROU Capital assets being amortized:						
Related parties ROU asset, real estate	4-22	220,639,904	-	-	-	220,639,904
Equipment	2-5	1,982,425	4,604,815	-	-	6,587,240
Space	3-13	2,115,270	-	-	-	2,115,270
Vehicle	3-5	1,418,224	864,708	(49,085)	-	2,233,847
Software arrangements	2-7	6,313,264	3,952,447	-	-	10,265,711
Total amortized		<u>232,469,087</u>	<u>9,421,970</u>	<u>(49,085)</u>	<u>-</u>	<u>241,841,972</u>
Total capital assets		<u>546,261,559</u>	<u>17,640,486</u>	<u>(244,430)</u>	<u>-</u>	<u>563,657,615</u>
Less accumulated depreciation:						
Buildings, including improvements		143,467,279	9,106,148	-	-	152,573,427
Furnishings and equipment		16,392,349	1,777,227	(195,345)	-	17,974,231
Library materials		359,040	70,656	-	-	429,696
Total accumulated depreciation		<u>160,218,668</u>	<u>10,954,031</u>	<u>(195,345)</u>	<u>-</u>	<u>170,977,354</u>
Less accumulated amortization:						
Related parties ROU asset, real estate		35,523,269	11,659,168	-	-	47,182,437
Equipment		1,250,196	1,044,550	-	-	2,294,746
Space		707,993	419,928	-	-	1,127,921
Vehicle		852,838	338,770	(46,750)	-	1,144,858
Software arrangements		2,852,706	1,982,418	-	-	4,835,124
Total accumulated amortization		<u>41,187,002</u>	<u>15,444,834</u>	<u>(46,750)</u>	<u>-</u>	<u>56,585,086</u>
Capital assets, net		<u>\$ 344,855,889</u>	<u>\$ (8,758,379)</u>	<u>\$ (2,335)</u>	<u>\$ -</u>	<u>\$ 336,095,175</u>

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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 11 - Capital Assets (Continued)

Capital asset activity for the year ended June 30, 2022 is as follows:

	<i>Estimated Lives (in Years)</i>	<i>(Restated) Beginning Balance</i>	<i>Additions</i>	<i>Disposals</i>	<i>Reclassifications</i>	<i>Ending Balance</i>
Capital assets not depreciated:						
Land		\$ 2,971,396	\$ -	\$ -	\$ -	\$ 2,971,396
Artwork		1,469,915	852,559	-	84,526	2,407,000
Construction in progress		718,139	1,279,833	-	(521,170)	1,476,802
Total not depreciated		<u>5,159,450</u>	<u>2,132,392</u>	<u>-</u>	<u>(436,644)</u>	<u>6,855,198</u>
Capital assets depreciated:						
Buildings, including improvements	11-40	282,669,095	1,996,373	-	425,344	285,090,812
Furnishings and equipment	3-10	20,245,716	919,769	-	11,300	21,176,785
Library materials	5	637,988	31,689	-	-	669,677
Total depreciated		<u>303,552,799</u>	<u>2,947,831</u>	<u>-</u>	<u>436,644</u>	<u>306,937,274</u>
ROU Capital assets being amortized:						
Related parties ROU asset, real estate	4-22	220,844,622	-	(204,718)	-	220,639,904
Equipment	2-4	1,628,944	353,481	-	-	1,982,425
Space	3-13	1,320,777	794,493	-	-	2,115,270
Vehicle	3-5	1,191,411	226,813	-	-	1,418,224
Software arrangements	2-7	5,702,466	610,798	-	-	6,313,264
Total amortized		<u>230,688,220</u>	<u>1,985,585</u>	<u>(204,718)</u>	<u>-</u>	<u>232,469,087</u>
Total capital assets		<u>539,400,469</u>	<u>7,065,808</u>	<u>(204,718)</u>	<u>-</u>	<u>546,261,559</u>
Less accumulated depreciation:						
Buildings, including improvements		134,463,487	9,003,792	-	-	143,467,279
Furnishings and equipment		14,357,073	2,035,276	-	-	16,392,349
Library materials		292,073	66,967	-	-	359,040
Total accumulated depreciation		<u>149,112,633</u>	<u>11,106,035</u>	<u>-</u>	<u>-</u>	<u>160,218,668</u>
Less accumulated amortization:						
Related parties ROU asset, real estate		23,864,104	11,659,165	-	-	35,523,269
Equipment		799,054	451,142	-	-	1,250,196
Space		285,049	422,944	-	-	707,993
Vehicle		526,216	326,622	-	-	852,838
Software arrangements		1,273,884	1,578,822	-	-	2,852,706
Total accumulated amortization		<u>26,748,307</u>	<u>14,438,695</u>	<u>-</u>	<u>-</u>	<u>41,187,002</u>
Capital assets, net		<u>\$ 363,539,529</u>	<u>\$ (18,478,922)</u>	<u>\$ (204,718)</u>	<u>\$ -</u>	<u>\$ 344,855,889</u>

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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 12 - Unearned Revenues

Unearned revenues include tuition received in advance from students for summer courses commencing after June 30, the subsequent fall semester, and capital grants received in advance.

Unearned revenues of the university are considered current liabilities and include the following at June 30:

	<i>2023</i>	<i>2022</i>
Tuition and fees	\$ 5,496,137	\$ 5,377,400
Unearned capital appropriations	2,355,477	612,215
Grants	971,415	824,863
Other	<u>297,450</u>	<u>329,724</u>
Total unearned revenues	\$ <u>9,120,479</u>	\$ <u>7,144,202</u>

The unearned capital appropriations represent funding by the Commonwealth relative to ongoing construction of various projects. Unearned revenue from capital appropriations are recognized as revenue in the fiscal year in which the related project funds are expensed.

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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 13 - Deferred Inflows of Resources – Service Concession Arrangement

A component of deferred inflows of resources consists of unamortized balances of a food service agreement with an outside party. Under this agreement, the university’s food service vendor provides funding for capital projects (i.e., food truck installation, renovations of dining facilities on campus). These capital assets are reported as construction in progress until/unless complete and are carried at the net value of cost less accumulated depreciation. The university reports the carrying value of assets related to the service concession arrangement as \$1,118,570 and \$387,730 for fiscal year end June 30, 2023, and 2022, respectively.

A deferred inflow of resources equal to the total investment is recognized and amortized over a five-year period. At June 30, 2023 and 2022, deferred inflows of resources related to this arrangement totaled \$860,269 and \$295,486, respectively.

The total investment, annual amortization, unamortized deferred inflow and carrying value of the capital assets at June 30, 2023 consist of:

<i>Capital Project</i>	<i>Total Investment</i>	<i>Annual Amortization</i>	<i>Unamortized Deferred Inflow</i>	<i>Carrying Value of Asset</i>
Food Truck	\$ 122,480	\$ 24,496	\$ 48,992	\$ 73,488
ECC Servery	296,052	59,210	213,694	281,249
Tillinghast Kitchen	471,722	94,344	351,400	448,136
Tillinghast Accessibility	315,697	63,139	246,183	315,697

The total investment, annual amortization, unamortized deferred inflow and carrying value of the capital assets at June 30, 2022 consist of:

<i>Capital Project</i>	<i>Total Investment</i>	<i>Annual Amortization</i>	<i>Unamortized Deferred Inflow</i>	<i>Carrying Value of Asset</i>
Food Truck	\$ 122,480	\$ 24,496	\$ 73,488	\$ 110,232
ECC Servery	115,737	23,147	92,590	115,737
Tillinghast Kitchen	129,886	25,977	103,908	129,886
Tillinghast Accessibility	31,875	6,375	25,500	31,875

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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 14 – Non-current Liabilities

Non-current liabilities of the university at June 30, 2023 consist of:

	<i>(Restated)</i> Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Non-Current Balance
Leases and bonds payable:						
Bonds payable	\$ 10,356,890	\$ -	\$ 800,204	\$ 9,556,686	\$ 824,817	\$ 8,731,869
Related party lease obligations	209,374,697	-	7,664,151	201,710,546	8,125,370	193,585,176
Lease obligations	5,294,906	5,470,292	3,046,997	7,718,201	2,181,436	5,536,765
SBITA obligations	3,337,886	3,958,152	2,018,443	5,277,595	2,011,316	3,266,279
	<u>228,364,379</u>	<u>9,428,444</u>	<u>13,529,795</u>	<u>224,263,028</u>	<u>13,142,939</u>	<u>211,120,089</u>
Other non-current liabilities:						
Accrued workers' compensation	1,595,073	390,215	274,229	1,711,059	201,006	1,510,053
Accrued compensated absences	12,874,342	528,579	489,185	12,913,736	8,652,203	4,261,533
Net pension liability	38,224,852	6,649,901	-	44,874,753	-	44,874,753
Net OPEB liability	67,113,969	-	10,639,516	56,474,453	-	56,474,453
	<u>119,808,236</u>	<u>7,568,695</u>	<u>11,402,930</u>	<u>115,974,001</u>	<u>8,853,209</u>	<u>107,120,792</u>
Total other non-current liabilities	<u>119,808,236</u>	<u>7,568,695</u>	<u>11,402,930</u>	<u>115,974,001</u>	<u>8,853,209</u>	<u>107,120,792</u>
Total non-current liabilities	<u>\$ 348,172,615</u>	<u>\$ 16,997,139</u>	<u>\$ 24,932,725</u>	<u>\$ 340,237,029</u>	<u>\$ 21,996,148</u>	<u>\$ 318,240,881</u>

Non-current liabilities of the university at June 30, 2022 consist of:

	<i>(Restated)</i> Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	(Restated) Non-Current Balance
Leases and bonds payable:						
Bonds payable	\$ 12,064,385	\$ 759,300	\$ 2,466,795	\$ 10,356,890	\$ 800,204	\$ 9,556,686
Related party lease obligations	212,672,740	-	3,298,043	209,374,697	7,664,151	201,710,546
Lease obligations	5,760,673	1,374,786	1,840,553	5,294,906	1,722,015	3,572,891
SBITA obligations	4,393,770	610,798	1,666,682	3,337,886	1,609,517	1,728,369
	<u>234,891,568</u>	<u>2,744,884</u>	<u>9,272,073</u>	<u>228,364,379</u>	<u>11,795,887</u>	<u>216,568,492</u>
Other non-current liabilities:						
Accrued workers' compensation	1,514,599	481,827	401,353	1,595,073	192,289	1,402,784
Accrued compensated absences	12,156,498	1,383,939	666,095	12,874,342	8,625,809	4,248,533
Net pension liability	75,678,655	-	37,453,803	38,224,852	-	38,224,852
Net OPEB liability	97,380,694	-	30,266,725	67,113,969	-	67,113,969
	<u>186,730,446</u>	<u>1,865,766</u>	<u>68,787,976</u>	<u>119,808,236</u>	<u>8,818,098</u>	<u>110,990,138</u>
Total other non-current liabilities	<u>186,730,446</u>	<u>1,865,766</u>	<u>68,787,976</u>	<u>119,808,236</u>	<u>8,818,098</u>	<u>110,990,138</u>
Total non-current liabilities	<u>\$ 421,622,014</u>	<u>\$ 4,610,650</u>	<u>\$ 78,060,049</u>	<u>\$ 348,172,615</u>	<u>\$ 20,613,985</u>	<u>\$ 327,558,630</u>

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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 14 – Non-current Liabilities (Continued)

Bonds Payable

	2023	2022
Parking lot		
Bonds through MSCBA at average interest of 2.13%, maturing 5/1/2034	334,791	419,963
Athletic field		
Bonds through MSCBA at average interest of 5.24%, maturing 5/1/2034	2,439,369	2,703,750
University Park		
Bonds through MSCBA at average interest of 3.90%, maturing 2/21/2032	647,724	719,214
Campus Center		
Bonds through MSCBA at average interest of 4.47%, maturing 5/1/2041	3,378,569	3,585,336
Welcome Center		
Bonds through MSCBA at average interest of 4.41%, maturing 5/1/2041	2,756,233	2,928,627
	\$ 9,556,686	\$ 10,356,890

On July 1, 2021, the university’s MSCBA Series 2012C bonds were partially refunded as part of the MSCBA’s Refunding Revenue Bonds Series 2022A. The purpose of the bond refunding was to lower interest rates which resulted in a deferred economic gain of approximately \$133,000. On July 1, 2020 the University’s MSCBA Series 2009C, 2012B, 2012C, and 2019C bonds were partially refunded as part of the MSCBA’s Refunding Revenue Bonds Series 2020A. The purpose of the issuance was to provide budgetary relief for fiscal years 2021 and 2022 to the University. The refunding resulted in a net economic loss of approximately \$394,000 and a deferred loss of approximately \$479,000 and deferred gain of approximately \$111,000. The first principal payments were due on May 1, 2022, and the final payments due range from February 21, 2032, to May 1, 2041, with variable coupon interest rates that range from 2.13% to 5.24%. At June 30, 2023 and 2022 the outstanding amounts related to all MSCBA bond series were \$9,556,686 and \$10,356,890 and is included in the project related bond payable amounts described below.

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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 14 – Non-current Liabilities (Continued)

Bonds Payable (Continued)

Parking Lot:

During fiscal year 2006, the university entered into a financing agreement with the MSCBA to construct a new parking lot. The source of financing the project was based upon the issuance of Project Revenue Bonds issued by MSCBA on behalf of the university (Series 2012B and 2019C (previously 2006A)). As disclosed above, in July 2020 the Series 2012B and 2019C bonds were partially refunded with Series 2020A bonds. Through its agreements with MSCBA, the university will repay this debt in semi-annual installments, starting May 1, 2007 and ending May 1, 2034, at an annual variable coupon averaging 2.13%. At June 30, 2023 and 2022, the balance on the bond was \$334,791 and \$419,963, respectively.

Athletic Field:

During fiscal year 2010, the university entered into a financing agreement with the MSCBA to renovate an athletic field. The source of financing the project was based upon the issuance of Project Revenue Bonds issued by MSCBA on behalf of the university (Series 2009B & 2009C). As disclosed above, in July 2020 the Series 2009C bond was partially refunded with series 2020A bonds. Through its agreements with MSCBA, the university has an agreement to repay this debt in semi-annual installments, starting May 1, 2011 and ending May 1, 2034, at an annual variable coupon averaging 5.24%. At June 30, 2023 and 2022, the balance on the bond was \$2,439,369 and \$2,703,750, respectively.

University Park:

During fiscal year 2012, the university entered into a financing agreement with the MSCBA to redevelop an existing parking lot to construct green space to include pedestrian walkways. The source of financing the project was based upon the issuance of Project Revenue Bonds issued by MSCBA on behalf of the university (Series 2012A). As disclosed above, in July 2020 the Series 2012A bond was partially refunded with series 2020A bonds. Through its agreement with MSCBA, the university has an agreement to repay this debt in semi-annual installments, starting October 1, 2012 and ending February 21, 2032, at an annual variable coupon averaging 3.90%. At June 30, 2023 and 2022, the balance on the bond was \$647,724 and \$719,214, respectively.

Campus Center:

During fiscal year 2013, the university entered into a financing agreement with the MSCBA to renovate the main entrances to the Rondileau Student Union. The source of financing the project was based upon the issuance of Project Revenue Bonds issued by MSCBA on behalf of the university (Series 2012C, as modified). As disclosed above, in July 2021 the series 2012C Bond was refinanced by bond series 2022A. As disclosed above, the series 2012C was partially refunded with series 2020A bonds. Through its agreements with MSCBA, the university has an agreement to repay this debt in semi-annual installments, starting November 1, 2013 and ending May 1, 2041, at an annual variable coupon averaging 4.47%. At June 30, 2023 and 2022, the balance on the bond was \$3,378,569 and \$3,585,336, respectively.

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Notes to Financial Statements (Continued)

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Note 14 – Non-current Liabilities (Continued)

Bonds Payable (Continued)

Welcome Center:

During fiscal year 2015, the MSCBA authorized and issued a debt modification resulting in the transfer of \$3,680,000 of principal from the Rondileau Student Union project. The transfer of principal was to fund the construction of the Welcome Center building. The source of financing the project was based upon the issuance of debt modification by the MSCBA on behalf of the university (Series 2012C modification). As disclosed above, in July 2021, the series 2012C was partially refunded with series 2022A bonds. As disclosed above, the series 2012C was partially refunded with series 2020A bonds. Through its agreements with MSCBA, the university has an agreement to repay this debt in semi-annual installments, starting May 1, 2015 and ending May 1, 2041, at annual variable coupon averaging 4.41%. At June 30, 2023 and 2022, the balance on the bond was \$2,756,233 and \$2,928,627, respectively.

Certain of these bonds rely on revenue streams such as student fees as their source of repayment.

Interest expense on bonds payable for the years ended June 30, 2023 and 2022 was \$463,240 and \$333,034, respectively.

Maturities of the bonds payable subsequent to June 30, 2023 are as follows:

<i>Fiscal Years Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2024	824,817	395,563	1,220,380
2025	979,032	364,645	1,343,677
2026	993,969	325,289	1,319,258
2027	922,634	282,707	1,205,341
2028	941,009	240,381	1,181,390
2029 - 2033	3,579,231	560,586	4,139,817
2034 - 2038	710,660	118,899	829,559
2039 - 2041	605,334	55,788	661,122
	<u>\$ 9,556,686</u>	<u>\$ 2,343,858</u>	<u>\$ 11,900,544</u>

Lease Obligations, Related Party Lease Obligations and SBITAs

Lease Obligations

The university leases certain assets under lease arrangements including leases for equipment, space, vehicles, and tax-exempt financing leases for various energy improvements. The university also leases certain assets under related party lease arrangements including real estate from MSCBA.

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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 14 – Non-current Liabilities (Continued)

Related Party Lease Obligations (MSCBA)

The land on which the residence hall resides is leased by the Massachusetts State College Building Authority (“MSCBA”) from the Commonwealth of Massachusetts. MSCBA has issued bonds to construct and refurbish the university’s residence halls. The residence halls and the associated liability of these lease transactions are reflected on the financial statements of MSCBA. MSCBA leases the residence halls to the University.

According to an agreement between the Commonwealth of Massachusetts and the University, the University is responsible for reimbursing MSCBA for debt service payments of the bonds that MSCBA has issued for the residence halls and operating costs for the residence halls incurred by MSCBA.

The lease term is completed when the final bond payment is made, which is scheduled for May 2041. The lease liability was calculated based upon the discounting of the future bond service payments using the average interest rate of the bond issuance associated with that lease. If MSCBA refunds the bonds, any cost savings are passed through to the university. The difference in the lease liability due to the refunding was recognized as deferred outflow of resources related to leases.

Payments to MSCBA are due in semi-annual installments that occur during the fall and spring academic semesters. For the years ended June 30, 2023 and 2022, debt service payments and operating costs paid by the University were \$15,890,727 and \$12,058,861 respectively. Debt Service Relief Funds (DSRF) can be elected to be released by either the university or the MSCBA to assist in lowering the overall assessment. DSRF were utilized in the amount of \$787 thousand and \$3.9 million in fiscal years ended June 30, 2023 and 2022, respectively. The interest rates displayed in the table below are the implicit rates of the leases. The implicit rate is the rate that, at a given date, causes the aggregate present value of the lease payments following the end of the lease term to equal the fair market value of the lease. These interest rates are not representative of the bond offering interest rates. For unrelated leases, there are various options to renew depending upon the specific circumstances.

Subscription-Based Information Technology Arrangements (SBITAs)

The university has entered into subscription-based information technology arrangements (SBITAs) for various software products which were initiated during fiscal years ended ranging from June 30, 2021 through 2023. There were no payments made for additional services not included in the required SBITA payments. The university has no options to purchase the software products, while some arrangements may offer options to renew. The university did not have any commitments under SBITAs before the SBITA term commenced and did not record any impairment losses associated with any SBITA liability. The total SBITA right of use assets is \$10,265,711 and \$6,313,264 at June 30, 2023 and 2022, respectively, while the total accumulated amortization is \$4,835,124 and \$2,852,706, respectively.

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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 14 – Non-current Liabilities (Continued)

Lease Obligations, Related Party Lease Obligations and SBITAs (Continued)

Group	Type	Commencement Date	Term In Months	FY23 Payments	Interest Rate
Related Party	Real Estate	7/1/2019	52 - 268	\$15,890,727	2.14% - 26.68%
Unrelated	Space	7/1/2019 - 7/1/2021	34 - 156	\$385,597	0.78% - 1.25%
Unrelated	Equipment	7/1/2019 - 3/1/2023	18 - 60	\$1,857,166	0.78% - 3.05%
Unrelated	Vehicles	7/1/2019 - 5/1/2023	36 - 60	\$349,173	0.78% - 3.05%
Unrelated	Software	7/1/2020 - 4/1/2023	15 - 84	\$2,044,684	0.78% - 1.52%

Group	Type	6/30/2023 Lease/SBITA Liability	6/30/2022 Lease/SBITA Liability	FY23 Additional Outflows	FY22 Additional Outflows
Related Party	Real Estate	\$201,710,546	\$209,374,697	\$2,782,092	\$2,376,040
Unrelated	Space	\$971,422	\$1,328,703	\$540,647	\$102,374
Unrelated	Equipment	\$5,653,669	\$757,830	\$21,326	\$13,383
Unrelated	Vehicles	\$1,093,110	\$576,067	-	-
Unrelated	Software	\$5,277,595	\$3,337,886	-	-

The following schedule summarizes future minimum payments under non-cancellable leases subsequent to June 30, 2023:

Fiscal Years Ending June 30,	Related Party		Lease Obligations		SBITA Obligations		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2024	8,125,370	7,876,154	2,181,436	187,953	2,011,316	24,600	20,406,829
2025	8,533,772	7,493,485	1,725,518	133,226	1,150,933	44,760	19,081,694
2026	8,977,692	7,059,152	1,613,522	82,729	787,904	30,272	18,551,271
2027	9,560,372	6,577,334	1,265,188	36,997	727,284	19,256	18,186,431
2028	10,320,527	6,021,372	596,842	14,503	600,158	9,186	17,562,588
2029 - 2033	55,895,190	22,391,410	335,695	23,693	-	-	78,645,988
2034 - 2038	64,901,828	12,595,478	-	-	-	-	77,497,306
2039 - 2041	35,395,795	2,375,207	-	-	-	-	37,771,002
	\$ 201,710,546	\$ 72,389,592	\$ 7,718,201	\$ 479,101	\$ 5,277,595	\$ 128,074	\$ 287,703,109

Interest expense on related party lease obligations for the years ended June 30, 2023 and 2022 was \$8,170,042 and \$8,381,564, respectively. Interest expense on unrelated lease obligations for the years ended June 30, 2023 and 2022 was \$212,199 and \$229,259, respectively. Interest expense on SBITA obligations for the years ended June 30, 2023 and 2022 was \$32,223 and \$26,440, respectively.

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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 15 - Pensions

Defined Benefit Plan Description

Certain employees of the University participate in a cost-sharing multiple-employer defined benefit pension plan – the Massachusetts State Employees’ Retirement System – administered by the Massachusetts State Board of Retirement (the “Board”), which is a public employee retirement system (“PERS”). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits through the plan, regardless of the status of the employers’ payment of its pension obligations to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries.

The Massachusetts State Employees’ Retirement System does not issue stand-alone financial statements. Additional information regarding the Plan is contained in the Commonwealth’s financial statements, which is available on-line from the Office of State Comptroller’s website.

Benefit Provisions

SERS provides retirement, disability, survivor and death benefits to members and their beneficiaries. Massachusetts General Laws (“MGL”) establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member’s highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated based on the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member’s age, length of creditable service, and group creditable service, and group classification. The authority for amending these provisions rests with the Massachusetts State Legislature (the “Legislature”).

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65; for certain hazardous duty and public safety positions, normal retirement is at age 55. Most employees who joined the system after April 1, 2012 are not eligible for retirement until they have reached age 60.

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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 15 – Pensions (Continued)

Contributions

The SERS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the SERS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

Member contributions for SERS vary depending on the most recent date of membership:

<u>Hire Date</u>	<u>Percentage of Compensation</u>
Prior to 1975	5% of regular compensation
1975 - 1983	7% of regular compensation
1984 - 6/30/1996	8% of regular compensation
7/1/1996 - present	9% of regular compensation
1979 - present	An additional 2% of regular compensation in excess of \$30,000

For employees covered by SERS but not paid from state appropriations, the University is required to contribute at an actuarially determined rate. The rate was 16.70%, 16.11%, and 14.66% of annual covered payroll for the fiscal years ended June 30, 2023, 2022, and 2021, respectively. The University contributed \$3,969,963, \$4,540,705 and \$4,357,036 for the fiscal years ended June 30, 2023, 2022, and 2021, respectively, equal to 100% of the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2023 and 2022, the University reported a liability of \$44,874,753, \$38,224,852, respectively, for its proportionate share of the net pension liability related to its participation in SERS. The net pension liability as of June 30, 2023, the reporting date, was measured as of June 30, 2022, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to June 30, 2022. The net pension liability as of June 30, 2022, the reporting date, was measured as of June 30, 2021, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021 rolled forward to June 30, 2021.

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 15 - Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The University's proportion of the net pension liability was based on its share of the Commonwealth of Massachusetts' collective pension amounts allocated on the basis of actual fringe benefit charges assessed to the University for the fiscal years 2023 and 2022. The Commonwealth's proportionate share was based on actual employer contributions to the SERS for fiscal years 2023 and 2022 relative to total contributions of all participating employers for the fiscal year. At June 30, 2023 and 2022, the University's proportion was 0.323% and 0.366%, respectively.

For the year ended June 30, 2023 the University recognized pension income of \$6,649,901. For the year ended June 30, 2022 the University recognized pension income of \$4,084,386. The University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30,:

	2023	2022
Deferred Outflows of Resources Related to Pension		
Contributions subsequent to the measurement date	\$ 3,969,963	\$ 4,540,705
Change in plan actuarial assumptions	1,235,475	2,605,941
Difference between expected and actual experience	1,116,278	1,318,987
Net difference between projected and actual investment earnings on plan investments	-	-
Change in proportion due to internal allocation	1,696,092	3,203,852
Change in proportion from Commonwealth	3,070	15,282
Total deferred outflows of resources related to pension	\$ 8,020,878	\$ 11,684,767
Deferred Inflows of Resources Related to Pension		
Net differences between projected and actual investment earnings on plan investments	\$ 239,231	\$ 14,986,359
Difference between expected and actual experience	1,751,476	2,767,450
Change in proportion due to internal allocation	12,614,454	10,815,735
Change in proportion from Commonwealth	121,385	120,770
Total deferred inflows of resources related to pension	\$ 14,726,547	\$ 28,690,314

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 15 - Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The University's contributions of \$3,969,963 and \$4,540,705 made during the fiscal years ending 2023 and 2022, respectively, subsequent to the measurement date will be recognized as a reduction of the net pension liability in each of the succeeding years.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) in pension expense as follows:

<i>Fiscal Years</i>	
<i>Ending June 30,</i>	
2024	(2,299,583)
2025	(3,081,807)
2026	(4,492,165)
2027	(32,081)
2028	<u>(769,996)</u>
Total	\$ <u>(10,675,632)</u>

Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>2023</u>	<u>2022</u>
Measurement date	June 30, 2022	June 30, 2021
Inflation on the first \$13,000 of allowance	2.50%	3.00%
Salary increases	4.00% to 9.00%	4.00% to 9.00%
Investment rate of return	7.00%	7.00%
Interest rate credited to annuity saving fund	3.50%	3.50%

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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 15 - Pension Plan (Continued)

Actuarial Assumptions (Continued)

For measurement dates June 30, 2021 and 2020, mortality rates were based on:

- Pre-retirement - reflects RP-2014 Blue Collar Employees table projected generationally with Scale MP-2016 set forward 1 year for females.
- Post-retirement - reflects RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2016 set forward 1 year for females
- Disability – reflects the post-retirement mortality described above, set forward 1 year.

The 2023 pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of January 2022 and rolled forward to June 30, 2022. The 2022 pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of January 2021 and rolled forward to June 30, 2021.

Investment assets of SERS are with the Pension Reserves Investment Trust (“PRIT”) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund’s target asset allocation as of June 30, are summarized in the following table:

<i>Asset Class</i>	<u>Target Allocation</u>		<u>Long-term Expected Rate of Return</u>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
Global equity	38.00%	39.00%	4.20%	4.80%
Core fixed income	15.00%	15.00%	7.30%	0.30%
Private equity	10.00%	13.00%	2.70%	7.80%
Real estate	10.00%	10.00%	3.30%	2.90%
Value added fixed income	8.00%	8.00%	3.70%	3.70%
Portfolio completion strategies	15.00%	11.00%	5.00%	3.90%
Timber/Natural resources	4.00%	4.00%	3.90%	4.30%
	100.00%	100.00%		

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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 15 - Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% at both June 30, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth's contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table illustrates the sensitivity of the net pension liability calculated using the discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate at June 30:

<i>Reporting Year Ended June 30 2023</i>	<i>1% Decrease to 6.00%</i>	<i>Current Discount Rate 7.00%</i>	<i>1% Increase to 8.00%</i>
	\$ 61,892,048	\$ 44,874,753	\$ 30,475,266
<i>Reporting Year Ended June 30 2022</i>	<i>1% Decrease to 6.00%</i>	<i>Current Discount Rate 7.00%</i>	<i>1% Increase to 8.00%</i>
	\$ 58,508,785	\$ 38,224,852	\$ 21,553,043

Note 16 - Postemployment Benefits Other Than Pensions ("OPEB")

Plan Description

As an agency of the Commonwealth, certain employees of the University participate in the Commonwealth's single employer defined benefit-OPEB plan – the State Retirees' Benefit Trust ("SRBT"). Benefits are managed by the Group Insurance Commission ("GIC") and investments are managed by the Pension Reserves Investment Management ("PRIM") Board. The GIC has representation on the Board of Trustees of the State Retirees' Benefits Trust ("Trustees").

The SRBT is set up solely to pay for OPEB benefits and the cost to administer those benefits. It can only be revoked when all such health care and other non-pension benefits, current and future, have been paid or defeased. The GIC administers benefit payments, while the Trustees are responsible for investment decisions.

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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 16 - Postemployment Benefits Other Than Pensions ("OPEB") (Continued)

Plan Description (Continued)

Management of the SRBT is vested with the board of trustees, which consists of seven members (or their designatee) and includes the Secretary of Administration and Finance, the Executive Director of the GIC, the Executive Director of PERAC, the State Treasurer, the Comptroller, one person appointed by the Governor and one person appointed by the State Treasurer. These members elect one person to serve as chair of the board.

The SRBT does not issue a stand-alone audited financial statement but is reflected as a fiduciary fund in the Commonwealth's audited financial statements.

Benefits Provisions

Under Chapter 32A of the Massachusetts General Laws, the Commonwealth is required to provide certain health care and life insurance benefits for retired employees of the Commonwealth, housing authorities, redevelopment authorities and certain other governmental agencies. Substantially all of the Commonwealth's employees may become eligible for these benefits if they reach retirement age while working for the Commonwealth. Eligible retirees are required to contribute a specified percentage of the health care / benefit costs, which are comparable to contributions required from employees. Dental and vision coverage may be purchased by these groups with no subsidy from the Commonwealth.

Contributions

Employer and employee contribution rates are set by MGL. The Commonwealth recognizes its share of the costs on an actuarial basis. As of June 30, 2023 and 2022, and as of the valuation date (January 1, 2022 and 2021), participants contributed 10% to 20%, respectively, of premium costs, depending on the date of hire and whether the participant's status is active, retired, or survivor. As part of the fiscal year 2010 General Appropriation Act, all active employees pay an additional 5% of premium costs.

The Massachusetts General Laws governing employer contributions to SRBT determine whether entities are billed for OPEB costs. Consequently, SRBT developed an effective contribution methodology which allocates total actual contributions amongst the employers in a consistent manner (based on an employer's share of total covered payroll). The University is required to contribute based on Massachusetts General Laws; the rate was 7.28% and 7.65% of annual covered payroll for the fiscal years ended June 30, 2023 and 2022, respectively. The University contributed \$1,730,073 and \$2,156,436 for the fiscal years ended June 30, 2023 and 2022, respectively, equal to 100% of the required contribution for the year.

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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 16 - Postemployment Benefits Other Than Pensions ("OPEB") (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023 and 2022, the University reported a liability of \$56,474,453 and \$67,113,969, respectively, for its proportionate share of the net OPEB liability related to its participation in SRBT. The net OPEB liability was measured as of June 30, 2022 and 2021, respectively, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 and 2021, respectively. The University's proportion of the net OPEB liability was based on its share of the Commonwealth's collective OPEB amounts allocated on the basis of an effective contribution methodology which allocates total actual contributions amongst the employers in a consistent manner based on the University's share of total covered payroll for the fiscal years 2022 and 2021. The University's proportionate share was based on the actual employer contributions to the SRBT for fiscal years 2022 and 2021 relative to total contributions of all participating employers for the fiscal year. At June 30, 2022 and 2021, the University's proportion was 0.423% and 0.419%, respectively.

For the year ended June 30, 2023 the University recognized income related to OPEB of \$9,228,613. For the year ended June 30, 2022 the University recognized income related to OPEB of \$5,633,463. The University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30:

Deferred Outflows of Resources Related to OPEB:	2023	2022
Contributions subsequent to the measurement date	\$ 1,730,073	\$ 2,156,436
Changes in proportion from Commonwealth	25,948	75,247
Difference between expected and actual experience	1,039,621	1,713,213
Net difference between projected and actual investment earnings on OPEB investments	85,848	-
Change in plan actuarial assumptions	4,159,529	5,636,482
Changes in proportion due to internal allocation	<u>3,307,647</u>	<u>8,334,499</u>
Total deferred outflows of resources related to OPEB	<u>\$ 10,348,666</u>	<u>\$ 17,915,877</u>
Deferred Inflows of Resources Related to OPEB:		
Changes in proportion from Commonwealth	\$ 278,899	\$ 291,497
Differences between expected and actual experience	9,349,958	11,814,198
Net difference between projected and actual investment earnings on OPEB investments	-	815,584
Changes in proportion due to internal allocation	26,799,282	36,900,136
Change in plan actuarial assumptions	<u>20,439,301</u>	<u>13,202,334</u>
Total deferred inflows of resources related to OPEB	<u>\$ 56,867,440</u>	<u>\$ 63,023,749</u>

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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 16 - Postemployment Benefits Other Than Pensions ("OPEB") (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The University's contributions of \$1,730,073 and \$2,156,436 made during the fiscal year 2023 and 2022, respectively, subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in each of the succeeding years.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as increases (decreases) in OPEB expense as follows:

Fiscal Years <u>Ending June 30,</u>	
2024	(11,514,703)
2025	(11,428,809)
2026	(11,102,935)
2027	(10,722,285)
2028	<u>(3,480,115)</u>
	<u>\$ (48,248,847)</u>

Actuarial Assumptions

The total OPEB liability for 2023 and 2022 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement date	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Salary increases	Rates vary by years of service and group classification, consistent with SERS	Rates vary by years of service and group classification, consistent with SERS
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation	7.00%, net of OPEB plan investment expense, including inflation
Health care cost trend rates	Developed based on the most recent published GAO-Getzen trend rate model, version 2022_f4. Medicare and non-medicare benefits range from 5.00% to 7.60%	Developed based on the most recent published GAO-Getzen trend rate model, version 2021_b. Medicare and non-medicare benefits range from 4.04% to 7.30%

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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 16 - Postemployment Benefits Other Than Pensions ("OPEB") (Continued)

Actuarial Assumptions (Continued)

The mortality rate was in accordance with RP 2014 Blue Collar Mortality Table projected with scale MP-2020 from the central year, with females set forward one year.

The participation rates are actuarially assumed as below:

- 100% of all retirees who currently have health care coverage will continue with the same coverage, except that retirees under age 65 with POS/PPO coverage switch to Indemnity at age 65 and those over 65 with POS/PPO coverage switch to HMO.
- All current retirees, other than those indicated on the census data as not being eligible by Medicare, have Medicare coverage upon attainment of age 65, as do their spouses. All future retirees are assumed to have Medicare coverage upon attainment of age 65.
- 85% of current and future contingent eligible participants will elect health care benefits at age 55, or current age if later.
- Actives, upon retirement, take coverage, and are assumed to have the following coverage:

	Retirement Age		Retirement Age	
	2023		2022	
	Under 65	Age 65+	Under 65	Age 65+
Indemnity	28.0%	96.0%	28.0%	96.0%
POS/PPO	62.0%	0.0%	60.0%	0.0%
HMO	10.0%	4.0%	12.0%	4.0%

The actuarial assumptions used in the January 1, 2022 and 2021 valuations were based on the results of an actuarial experience study for the periods ranging July 1, 2022 and 2021 through December 31, 2021 and 2020, depending upon the criteria being evaluated.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage.

The SRBT is required to invest in the PRIT Fund. Consequently, information about SRBT's target asset allocation and long-term expected real rate of return as of June 30, 2023 and 2022, are the same as discussed in the pension footnote.

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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 16 - Postemployment Benefits Other Than Pensions ("OPEB") (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability for 2022 and 2021 was 4.30% and 2.77%, respectively. These rates were based on a blend of the Bond Buyer Index rate (3.54% and 2.16%) as of the measurement date and the expected rate of return. The OPEB plan's fiduciary net position was not projected to be available to make all projected future benefit payments for current plan members. The projected "depletion date" when projected benefits are not covered by projected assets is 2042 and 2041 for the fiscal years 2023 and 2022, respectively. Therefore, the long-term expected rate of return on OPEB plan investments is 7.00% and 7.00%, respectively per annum was not applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the University's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the University's proportionate share of the net OPEB liability, as well as what the University's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate:

Reporting Year Ended June 30,	1.00% Decrease 3.30%	Discount Rate 4.30%	1.00% Increase 5.30%
2023	\$ 65,883,544	\$ 56,474,453	\$ 48,745,571

Reporting Year Ended June 30,	1.00% Decrease 1.77%	Discount Rate 2.77%	1.00% Increase 3.77%
2022	\$ 79,730,869	\$ 67,113,969	\$ 56,951,308

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 16 - Postemployment Benefits Other Than Pensions ("OPEB") (Continued)

Discount Rate (Continued)

Sensitivity of the University's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the University's proportionate share of the net OPEB liability, as well as what the University's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

Reporting Year Ended June 30,	1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Increase
2023	\$ 47,341,757	\$ 56,474,453	\$ 68,035,349
Reporting Year Ended June 30,	1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Increase
2022	\$ 54,952,541	\$ 67,113,969	\$ 82,964,394

Note 17 - Restricted Net Position

The university's restricted net position at June 30 is as follows:

	2023	2022
Restricted - nonexpendable:		
Scholarships and fellowships	\$ <u>23,000</u>	\$ <u>23,000</u>
Restricted - expendable:		
Grants, construction, debt service and other agency funds	\$ <u>1,347,896</u>	\$ <u>1,590,206</u>

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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 17 - Restricted Net Position (Continued)

The university's restricted-expendable net position consists of funds whose income is mainly used for grants, construction, debt service and other agency funds. The university's restricted-nonexpendable net position consists of investments to be held in perpetuity and the income is restricted for the purpose of providing scholarships and other activities that benefit the university.

Note 18 - Contingencies

The university, in the normal course of business, is subject to various legal claims and related issues of which the more significant items are as follows:

During 2015, certain allegations were made relative to abuse by a former employee associated with the university's day care center. This matter was settled during the current fiscal year and therefore the settlement amount is reflected within the statement of net position as of June 30, 2023.

The university receives significant financial assistance from federal and state agencies in the form of grants. Expenditures of funds under these programs require compliance with the grant agreements and are subject to audit. Any disallowed expenditures resulting from such audits becomes a liability of the university. In the opinion of management, such adjustments, if any, are not expected to materially affect the financial condition of the university.

The university participates in the Massachusetts College Savings Prepaid Tuition Program, (the "program"). This program allows individuals to pay in advance for future tuition at the cost of tuition at the time of election to participate, increased by changes in the Consumer Price Index plus 2%. The university is obligated to accept as payment of tuition the amount determined by this program without regard to the standard tuition rate in effect at the time of the individual's enrollment at the university. The likely effect of the program is that discounts will be provided in the future to students if the cost of attendance increases by more than the benchmark.

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Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 19 - Operating Expenses

The university's operating expenses, on a natural classification basis, are comprised of the following for the years ended June 30:

	<i>2023</i>	<i>2022</i> <i>(Restated)</i>
Compensation and benefits	\$ 132,500,430	\$ 138,937,699
Supplies and services	49,834,680	41,892,137
Depreciation and amortization	26,398,865	25,544,728
Scholarships and fellowships	8,123,878	18,517,462
	\$ 216,857,853	\$ 224,892,026

Note 20 - Interest Expense

Interest expense for the years ended June 30, 2023 and 2022, is comprised of the following:

	<i>2023</i>	<i>2022</i> <i>(Restated)</i>
Interest on lease obligations, related party	\$ 8,170,021	\$ 8,381,572
Interest on lease obligations, unrelated	212,199	229,259
Interest on lease obligations, SBITAs	32,223	26,440
Interest on bonds payable	463,240	333,034
	\$ 8,877,683	\$ 8,970,305

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 21 - Massachusetts Management Accounting and Reporting System

Section 15C of Chapter 15A of the Massachusetts General Laws requires Commonwealth colleges and universities to report activity of campus-based funds to the Comptroller of the Commonwealth on the Commonwealth's Statewide Accounting System, Massachusetts Management Accounting and Reporting System ("MMARS"), using the statutory basis of accounting. The statutory basis of accounting is a modified accrual basis of accounting and differs from the information included in these financial statements.

The amounts reported on MMARS agree to the university's records at June 30, 2023 and 2022. Management believes the amounts reported on MMARS meet the guidelines of the Comptroller's *Guide for Higher Education Audited Financial Statements*.

The university's state appropriations are composed of the following for the years ended June 30:

	<i>2023</i>	<i>2022</i>
Direct unrestricted appropriations	\$ 59,762,005	\$ 58,512,737
Add: Fringe benefits for benefited employees on the state payroll	22,924,943	20,717,250
Less: Day school tuition remitted to the state and included in tuition and fee revenue	<u>(2,063)</u>	<u>(10,813)</u>
Total unrestricted appropriations	82,684,885	79,219,174
Capital appropriations	<u>1,404,357</u>	<u>602,469</u>
Total appropriations	\$ <u><u>84,089,242</u></u>	\$ <u><u>79,821,643</u></u>

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 22 - State Controlled Accounts

Certain significant costs and benefits associated with the operations of the university are appropriated, expended, controlled, and reported by the Commonwealth through non-university line items in the Commonwealth's budget. Under generally accepted accounting principles, such transactions must be recorded in the financial statements of the university. These transactions include payments by the Commonwealth for the employer's share of funding the Massachusetts State Employees' Retirement System and for the employer's share of health care premiums.

The estimated amounts of funding attributable for the Commonwealth's retirement system contribution and the employer's share of health care premiums for the years ended June 30, 2023 and 2022 were as follows (see State appropriations under Note 20).

	<i>2023</i>	<i>2022</i>
Commonwealth's retirement system contributions	\$ 10,423,594	\$ 9,517,989
Employer's share of health care premium	<u>12,501,349</u>	<u>11,199,261</u>
Fringe benefits provided by the Commonwealth	<u>\$ 22,924,943</u>	<u>\$ 20,717,250</u>

Note 23 - Fringe Benefits for Current Employees and Postemployment Obligations - Pension and Non-pension

The university participates in the Commonwealth's Fringe Benefit programs, including active employee and postemployment health insurance, unemployment, pension, and workers' compensation benefits. Health insurance and pension costs for active employees and retirees are paid through a fringe benefit rate charged to the university by the Commonwealth.

Group Insurance Commission

The Commonwealth's Group Insurance Commission ("GIC") was established by the Legislature in 1955 to provide and administer health insurance and other benefits to the Commonwealth's employees and retirees, and their dependents and survivors. The GIC also covers housing and redevelopment authorities' personnel, certain authorities and other offline agencies, retired municipal teachers from certain cities and towns, and a small number of municipalities as an agent multiple-employer program, accounted for as an agency fund activity of the Commonwealth, not the university.

The GIC is a quasi-independent state agency governed by a seventeen-member body (the "Commission") appointed by the Governor. The GIC is located administratively within the Executive Office of Administration and Finance, and is responsible for providing health insurance and other benefits to the Commonwealth's employees and retirees and their survivors and dependents. During the fiscal years June 30, 2023 and June 30, 2022, the GIC provided health insurance for its members through indemnity, PPO, and HMO plans. The GIC also administered carve-outs for pharmacy, mental health and substance abuse benefits for certain health plans.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 23 - Fringe Benefits for Current Employees and Postemployment Obligations - Pension and Non-pension (Continued)

In addition to health insurance, the GIC sponsors life insurance, long-term disability insurance (for active employees only), dental and vision coverage (for employees not covered by collective bargaining), a retiree discount vision plan and retiree dental plan, and finally, a pre-tax health care spending account and dependent care assistance program (for active employees only).

Other Retirement Plans

The employees of the university can elect to participate in two defined contribution plans offered and administered by the Massachusetts Department of Higher Education – an IRC 403(b) Tax-Deferred Annuity Plan and an IRC 457 Deferred Compensation SMART Plan. Employees can contribute by payroll deduction a portion of before-tax salary into these plans up to certain limits. The university has no obligation to contribute to these plans and no obligation for any future pay out.

Note 24 - Pass-through Loans

The university distributed \$45,335,711 and \$44,827,604 for student loans through the U.S. Department of Education Federal Direct Lending Program for the years ended June 30, 2023 and 2022, respectively. The university also distributed private alternative loans of \$15,831,112 and \$12,424,473 through the Elm Resources for the years ended June 30, 2023 and 2022, respectively. The university distributed \$241,000 and \$0 through the Massachusetts No Interest Loan Program for the years ended June 30, 2023 and 2022, respectively. These distributions and related funding sources facilitate the payment of tuition and fees incurred by students and thus are not included as expenses and revenues or as cash disbursements or cash receipts in the accompanying financial statements.

Note 25 - Massachusetts State College Building Authority

The MSCBA was created pursuant to Chapter 703 of the Act of 1963 of the Commonwealth as a public instrumentality for the general purpose of providing dormitories, dining commons and other facilities primarily for use by students and staff of the nine state universities of the Commonwealth.

The university is charged a semi-annual revenue assessment that is based on a certified occupancy report, the current rent schedule and the design capacity for each of the residence halls. This revenue assessment is used by the MSCBA to pay principal and interest due on its long-term debt obligations. These obligations may include the costs of periodic renovations and improvements to the residence halls. The Commonwealth guarantees these obligations.

The Revenue Assessments for the residence halls for the years ended June 30, 2023 and 2022 were \$16,324,508 and \$10,271,559, respectively.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

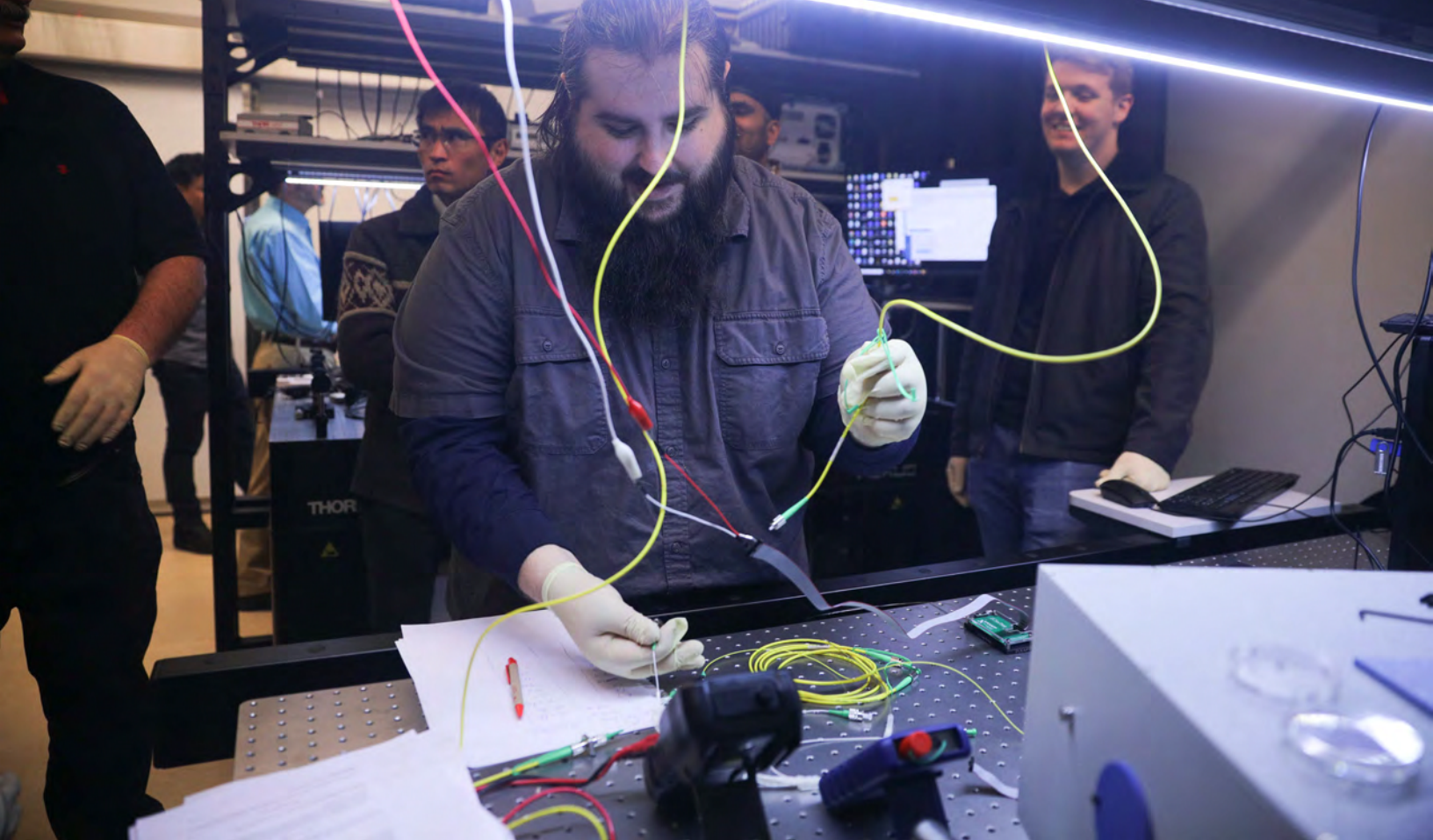
Notes to Financial Statements (Continued)

June 30, 2023 and 2022

Note 26 - Subsequent Event

For purposes of determining the effects on these financial statements, Management has evaluated events subsequent to June 30, 2023 and through November 1, 2023, the date which the financial statements were available to be issued and determined that, with the exception of the following event, there were no additional unrecognized or undisclosed matters requiring recognition or disclosure to the accompanying financial statements.

On July 13, 2023, the MSCBA closed on \$2,855,000 of Project Revenue Bonds Series 2023A for the purpose of providing funding for residence hall renovations at Bridgewater State University. The first principal payment is due on May 1, 2024, and the final principal payment is on May 1, 2043. Interest is due semi-annually each May 1st and November 1st. The bonds carry interest rates ranging from 3.25% to 5.00%.



GREEN SCIENCE

Student research assistants from the Massachusetts Institute of Technology and Bridgewater State University joined forces to research microchip manufacturing with funding from the National Science Foundation's Convergence Accelerator program. The initiative puts interdisciplinary teams from across the country into a friendly competition to develop solutions to pressing societal problems.

The MIT-BSU team is working with industry and government stakeholders to find ways to increase energy efficiency and reduce e-waste. Photonics, which uses particles of light called photons to improve technology, can help lower a device's energy use. The group also aims to explore methods for swapping out chips instead of throwing away an entire phone or computer.



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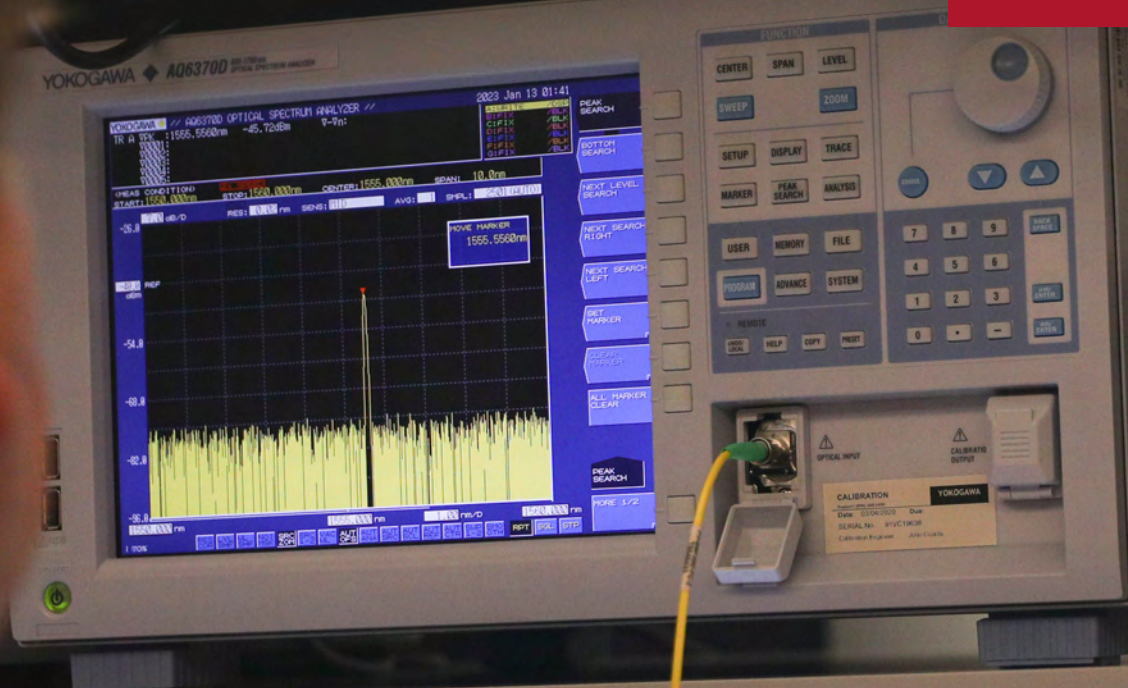
Supplementary Information

2023

ANNUAL

COMPREHENSIVE
FINANCIAL REPORT

2022



BRIDGEWATER STATE UNIVERSITY
 (an Agency of the Commonwealth of Massachusetts)

Schedule of the University's Proportionate Share of Net Pension Liability (Unaudited)

Massachusetts State Employees' Retirement System

Year ended Measurement date Valuation date	June 30, 2023 June 30, 2022 January 1, 2022	June 30, 2022 June 30, 2021 January 1, 2021	June 30, 2021 June 30, 2020 January 1, 2019	June 30, 2020 June 30, 2019 January 1, 2019	June 30, 2019 June 30, 2018 January 1, 2018	June 30, 2018 June 30, 2017 January 1, 2017	June 30, 2017 June 30, 2016 January 1, 2016	June 30, 2016 June 30, 2015 January 1, 2015
University's proportion of the collective net pension liability	0.323%	0.366%	0.441%	0.416%	0.454%	0.425%	0.398%	0.457%
University's proportionate share of the collective net pension liability	\$ 44,874,753	\$ 38,224,852	\$ 75,678,655	\$ 60,911,032	\$ 60,039,220	\$ 54,506,501	\$ 54,936,179	\$ 54,936,179
University's covered payroll	65,023,495	62,578,762	65,177,175	65,853,418	59,884,685	63,303,324	62,138,172	62,138,172
University's proportionate share of the net pension liability as a percentage of its covered payroll	69.01%	61.08%	116.11%	92.49%	100.26%	86.10%	88.41%	88.41%
Plan fiduciary net position as a percentage of the total pension liability	71.05%	77.54%	62.48%	66.28%	67.91%	67.21%	63.48%	67.87%

Notes:

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginning after June 15, 2014 and is intended to provide data for the most recent ten years.

See accompanying notes to the required supplementary information.

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Schedule of the University's Contributions - Net Pension (Unaudited)

Massachusetts State Employees' Retirement System

For the Years Ended June 30,

	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 3,969,963	\$ 4,540,705	\$ 4,357,036	\$ 9,176,946	\$ 7,941,922	\$ 7,054,416	\$ 6,298,681	\$ 5,872,057
Contributions in relation to the statutorily required contribution	<u>\$ (3,969,963)</u>	<u>\$ (4,540,705)</u>	<u>\$ (4,357,036)</u>	<u>\$ (9,176,946)</u>	<u>\$ (7,941,922)</u>	<u>\$ (7,054,416)</u>	<u>\$ (6,298,681)</u>	<u>\$ (5,872,057)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll	\$ 65,153,353	\$ 65,023,495	\$ 62,578,762	\$ 65,177,175	\$ 65,853,418	\$ 59,884,685	\$ 63,303,324	\$ 62,138,172
Contributions as a percentage of covered payroll	16.70%	16.11%	14.66%	14.08%	12.06%	11.78%	9.95%	9.45%

Employers participating in the Massachusetts State Employees' Retirement System are required by MA General Laws, Section 32, to contribute an actuarially determined contribution rate each year.

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginning after June 15, 2014 and is intended to provide data for the most recent ten years.

See accompanying notes to the required supplementary information.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Required Supplementary Information
Notes to Schedule of the University's Proportionate Share of the Net Pension
Liability and Schedule of University Contributions (Unaudited)

Pension Schedules

Note 1 - Changes of Assumptions

Fiscal year June 30, 2022 (measurement date June 30, 2021)

Assumptions:

The investment rate of return changed from 7.15% to 7.00%. In conjunction with the investment rate of return changing, the discount rate was also changed to mirror the new investment rate of return.

The mortality rates were changed as follows

- Pre-retirement mortality reflects RP-2014 Blue Collar Employees table projected generationally with Scale MP-2020, set forward 1 year for females
- Post-retirement mortality reflects RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2020, set forward 1 year for females
- For disabled retirees, mortality reflects the post-retirement mortality described above, set forward 1 year.

Fiscal year June 30, 2021 (measurement date June 30, 2020)

Assumptions:

The investment rate of return changed from 7.25% to 7.15%. In conjunction with the investment rate of return changing, the discount rate was also changed to mirror the new investment rate of return.

Fiscal year June 30, 2020 (measurement date June 30, 2019)

Assumptions:

The investment rate of return changed from 7.35% to 7.25%. In conjunction with the investment rate if return changing, the discount rate was also changed to mirror the new investment rate of return.

Fiscal year June 30, 2019 (measurement date June 30, 2018)

The investment rate of return changed from 7.50% to 7.35%. In conjunction with the investment rate if return changing, the discount rate was also changed to mirror the new investment rate of return.

The mortality rate assumptions were changed as follows:

- Disabled members - the amount reflects the same assumptions as for superannuation retirees, but with an age set forward of one year

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Required Supplementary Information

Notes to Schedule of the University's Proportionate Share of the Net Pension Liability and Schedule of University Contributions (Unaudited) - Continued

Pension Schedules

Note 1 - Changes of Assumptions (Continued)

Fiscal year June 30, 2018 (measurement date June 30, 2017)

The mortality rates were changed as follows:

- Pre-retirement – was changed from RP-2000 Employees table projected generationally with Scale BB and a base year of 2009 (gender distinct) to RP-2014 Blue Collar Employees Table projected generationally with Scale MP-2016 and set forward 1 year for females
- Post-retirement – was changed from RP-2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2009 (gender distinct) to RP-2014 Blue Collar Healthy Annuitant Table projected generationally with Scale MP-2016 and set forward 1 year for females
- Disability – did not change

Fiscal year June 30, 2017 (measurement date June 30, 2016)

The assumption for salary increases changed from a range of 3.5% to 9.0% depending on group and length of service to a range of 4.0% to 9.0% depending on group and length of service. Chapter 176 of the Acts of 2011 created a one-time election for eligible members of the Optional Retirement Plan ("ORP") to transfer to the SERS and purchase service for the period while members of the ORP. As a result, the total pension liability of SERS increased by approximately 400 million as of June 30, 2016.

Fiscal year June 30, 2016 (measurement date June 30, 2015)

The discount rate to calculate the pension liability decreased from 8.0% to 7.5%

In May 2015, Chapter 19 of the Acts of 2015 created an Early Retirement Incentive ("ERI") for certain members of SERS who upon election of the ERI retired effective June 30, 2015. As a result, the total pension liability of SERS increased by approximately \$230 million as of June, 2015.

The mortality rates were changed as follows:

- Pre-retirement – was changed from RP-2000 Employees table projected 20 years with Scale AA (gender distinct) to RP-2000 Employees table projected generationally with Scale BB and a base year of 2009 (gender distinct)
- Post-retirement – was changed from RP-2000 Healthy Annuitant table projected 15 years with Scale AA (gender distinct) to RP-2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2009 (gender distinct)
- Disability – was changed from RP-2000 table projected 5 years with Scale AA (gender distinct) set forward three years for males to RP-2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2015 (gender distinct)

BRIDGEWATER STATE UNIVERSITY
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Schedule of the University's Proportionate Share of Net OPEB Liability (Unaudited)

State Retirees' Benefit Trust

Year ended Measurement date Valuation date	June 30, 2023 June 30, 2022 January 1, 2022	June 30, 2022 June 30, 2021 January 1, 2021	June 30, 2021 June 30, 2020 January 1, 2020	June 30, 2020 June 30, 2019 January 1, 2019	June 30, 2019 June 30, 2018 January 1, 2018	June 30, 2018 June 30, 2017 January 1, 2017	June 30, 2017 June 30, 2016 January 1, 2016
University's proportion of the collective net OPEB liability	0.423%	0.419%	0.471%	0.628%	0.707%	0.600%	0.516%
University's proportionate share of the collective net OPEB liability	\$ 56,474,453	\$ 67,113,969	\$ 97,380,694	\$ 97,380,694	\$ 131,377,242	\$ 106,015,398	\$ 97,744,075
University's covered payroll	65,023,495	62,578,762	65,177,175	65,853,418	59,884,685	63,303,324	62,138,172
University's proportionate share of the net OPEB liability as a percentage of its covered payroll	86.85%	107.25%	149.41%	147.87%	219.38%	167.47%	157.30%
Plan fiduciary net position as a percentage of the total OPEB liability	13.00%	10.70%	6.40%	6.96%	6.01%	5.39%	4.37%

Notes:

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginning after June 15, 2017 and is intended to provide data for the most recent ten years.

See accompanying notes to the required supplementary information.

BRIDGEWATER STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Schedule of the University's Contributions - Net OPEB (Unaudited)

State Retirees' Benefit Trust

For the Years Ended June 30,

	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution	\$ 1,730,073	\$ 2,156,436	\$ 2,287,931	\$ 4,751,416	\$ 5,788,515	\$ 5,341,714	\$ 5,811,245
Contributions in relation to the statutorily required contribution	<u>(1,730,073)</u>	<u>(2,156,436)</u>	<u>(2,287,931)</u>	<u>(4,751,416)</u>	<u>(5,788,515)</u>	<u>(5,341,714)</u>	<u>(5,811,245)</u>
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 65,153,353	\$ 65,023,495	\$ 62,578,762	\$ 65,177,175	\$ 65,853,418	\$ 59,884,685	\$ 63,303,324
Contributions as a percentage of covered payroll	7.28%	7.65%	7.70%	7.29%	8.79%	8.92%	9.18%

Employers participating in the Massachusetts State Employees' Retirement System are required by MA General Laws, Section 32, to contribute an actuarially determined contribution rate each year.

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginning after June 15, 2017 and is intended to provide data for the most recent ten years.

See accompanying notes to the required supplementary information.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Required Supplementary Information
Notes to Schedule of the University's Proportionate Share of the Net OPEB
Liability and Schedule of University Contributions (Unaudited)

OPEB Schedules

Note 1 - Changes of Assumptions

Fiscal year June 30, 2023 (measurement date June 30, 2022)

Assumptions:

Change in per capita claims costs

Per capita claims costs were updated based on the changes in the underlying claims and benefit provisions.

Change in medical trend rates

The medical trend rates were updated based on the SOA-Getzen trend rate model version 2022_f4. The healthcare trend rates were updated to reflect short-term expectations based on a review of the Commonwealth's historical trend rates.

Change in Discount Rate

The discount rate was increased to 4.00% (based upon a blend of the Bond Buyer Index rate (3.54%) as of the measurement date as required by GASB Statement 74.

Fiscal year June 30, 2022 (measurement date June 30, 2021)

Assumptions:

Change in per capita claims costs

Per capita claims costs were updated to reflect lower-than-expected FY22 rates, driven primarily by an increase in expected Pharmacy Benefits Manager rebates.

Change in medical trend rates

The medical trend rates were updated based on the SOA-Getzen trend rate model version 2021_b. The healthcare trend rates were updated to reflect short-term expectations based on a review of the Commonwealth's historical trend rates.

Change in Investments Rate

The investment rate of return decreased from 7.15% to 7.00%.

Change in Mortality Rates

The mortality projection scale was updated from MP-2016 to MP-2020.

Change in Discount Rate

The discount rate was decreased to 2.77% (based upon a blend of the Bond Buyer Index Rate (2.16%) as of the measurement date as required by GASB Statement 74.

Fiscal year June 30, 2021 (measurement date June 30, 2020)

Assumptions:

Change in per capita claims costs

Per capita claims costs were updated based on the changes in the underlying claims and benefit provisions.

Change in medical trend rates

The medical trend rates were updated based on the SOA-Getzen trend rate model version 20920_b, the impact of the discontinuation of the ACA Health Insurer Fee and Excise Tax.

Change in Investment Rate

The investment rate of return decreased from 7.25% to 7.15%.

Change in Salary Scale

The salary scale assumption was updated from a constant 4% assumption to rates that vary by years of service and group classification, consistent with SERS.

Change in Discount Rate

The discount rate was decreased to 2.28% (based upon a blend of the Bond Buyer Index rate (2.21%) as of the measurement date as required by GASB Statement 74.

BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Required Supplementary Information
Notes to Schedule of the University's Proportionate Share of the Net OPEB
Liability and Schedule of University Contributions (Unaudited) - Continued

OPEB Schedules

Note 1 - Changes of Assumptions (Continued)

Fiscal year June 30, 2020 (measurement date June 30, 2019)

Assumptions:

Change in Inflation

The inflation rate decreased from 3.0% to 2.5%.

Change in Salary Assumptions

Salary decreased from 4.5% to 4.0%.

Change in Investment Rate

The investment rate of return decreased from 7.35% to 7.25%.

Change in Trend on Future Costs

The healthcare trend rate decreased from 8.0% to 7.5%, which affects the high-cost excise tax.

Change in Discount Rate

The discount rate was decreased to 3.63% (based upon a blend of the Bond Buyer Index rate (3.51%) as of the measurement date as required by GASB Statement 74.

Fiscal year June 30, 2019 (measurement date June 30, 2018)

Assumptions:

Change in Trend on Future Costs

The healthcare trend rate decreased from 8.5% to 8.0%, which impacts the high cost of excise tax.

Change in Mortality Rates

The following mortality assumption changes were made in the January 1, 2018 Actuarial Valuation:

- Disabled members - would reflect the same assumptions as for superannuation retirees, but with an age set forward of one year

Change in Discount Rate

The discount rate was increased to 3.95% (based upon a blend of the Bond Buyer Index rate of (3.87%) as of the measurement date as required by GASB Statement 74.

Fiscal year June 30, 2018 (measurement date June 30, 2017)

Assumptions:

Change in Discount Rate

The discount rate was increased to 3.63% (based upon a blend of the Bond Buyer Index rate (3.58%) as of the measurement date as required by GASB Statement 74. The June 30, 2016 discount rate was calculated to be 2.80%.



A Home FOR SOCIAL JUSTICE

Whether tutoring at-risk children, striving for racial equity and women's rights, or building water filters in Cambodia, social justice is at the core of a Bridgewater State University education. For the first time in the institution's history, this important work now has a permanent home.

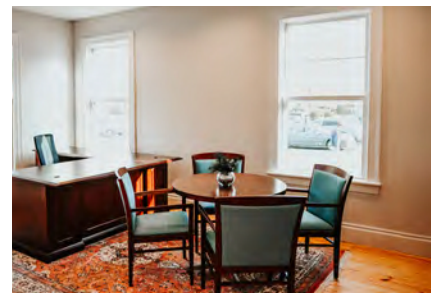
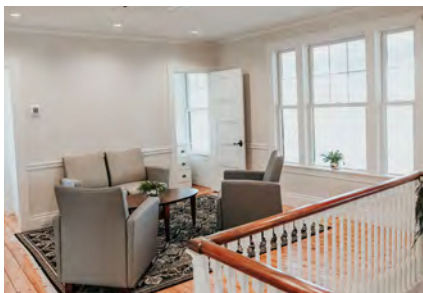
During the 2022 Homecoming weekend, BSU officials cut the ribbon on the newly renovated building just off the Boyden Quadrangle that will house the Martin Richard Institute for Social Justice.

The institute is named for the youngest victim of the Boston Marathon bombings. Student justice fellows, such as Joanne

Tanaka, '24, are still inspired by Martin's message of "No more hurting people. Peace."

Martin's sister, Jane, cut the ribbon alongside parents, Bill and Denise, both members of the Class of 1993. The home, Bill said, provides a prominent physical location for this essential work of helping and standing up for others.

"We love you," he said. "We appreciate you. We thank you. ... Having a home matters." Martin's legacy, Joanne said, will be carried on by the BSU community "and every person we touch through our words and actions for the rest of our lives."



IN MARTIN'S HONOR

Last year when Tyeisha Gilchrist, '26, learned she was the first recipient of the Martin Richard Fellow Scholarship, she was excited, it meant her dream of working as a private investigator could become a reality.

Established in 2021 by Bill and Denise Richard (both members of the class of 1993), the Martin Richard Fellow Scholarship fully funds tuition, fees, on campus-housing and a meal plan. Each student selected will receive \$100,000 to fund four years at Bridgewater State University.

This past year, as a MRISJ fellow, Tyeisha has performed multiple service projects, including her work with School on Wheels, a local program that provides school supplies and other resources for homeless students. She has also been involved with other projects through the Old Colony Y in Brockton.

"Giving back is important to me because if you live in a community, you should do all you can to help those who are struggling. I want to help others as best I can, I want to take action, instead of sitting by and doing nothing," she said.



"I want to help others
as best I can,
I want to take action,
instead of sitting by
and doing nothing."

Tyeisha Gilchrist, '26



MARTIN RICHARD
INSTITUTE FOR
SOCIAL JUSTICE



THE ACROPOLIS AND PARTHENON – ATHENS, GREECE
WINTER 2023

STUDY ABROAD



OXFORD – UNITED KINGDOM
SUMMER 2022



AUSTRALIA
FALL 2022



JAPAN
SUMMER 2023

Statistical SECTION

2023

ANNUAL

COMPREHENSIVE
FINANCIAL REPORT

2022

CHILE
SPRING 2023





WOMEN'S BASKETBALL 2022-2023 MASCAC CHAMPIONS



Bridgewater State University erased a 23-point second half deficit as the top-seeded Bears edged #3 Westfield State University in the championship game of the 2023 Massachusetts State Collegiate Athletic Conference (MASCAC) Women's Basketball Tournament.

Junior guard Caroline Tripp earned tournament MVP honors. Tripp came off the bench to notch 13 points, seven rebounds, a game-high four assists and a steal in 29 minutes of action.

With the win, the Bears (21-6) advanced to the NCAA Division III Tournament for the 11th time in program history and first since 2015. Bridgewater has captured seven MASCAC Tournament titles including five straight from 2011 to 2015.

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 **FINANCIAL TRENDS** III-III6

These schedules contain trend information to help the reader understand how the university's financial performance and well-being have changed over time.

 **DEBT CAPACITY** II7

These schedules display information to help the reader assess the affordability of the university's current level of outstanding debt, and assess the university's ability to issue additional debt in the future.

 **OPERATING INFORMATION** II8-128

These schedules contain service and capital asset data to help the reader understand how the information in the university's financial report relates to the services the university provides and the activities it performs.

 **DEMOGRAPHIC AND ECONOMIC INFORMATION** I29-134

These schedules offer demographic and economic indicators to help the reader understand the environment within which the university's and state's financial activities takes place.

SCHEDULE OF REVENUES BY SOURCE

For the Year Ended June 30,

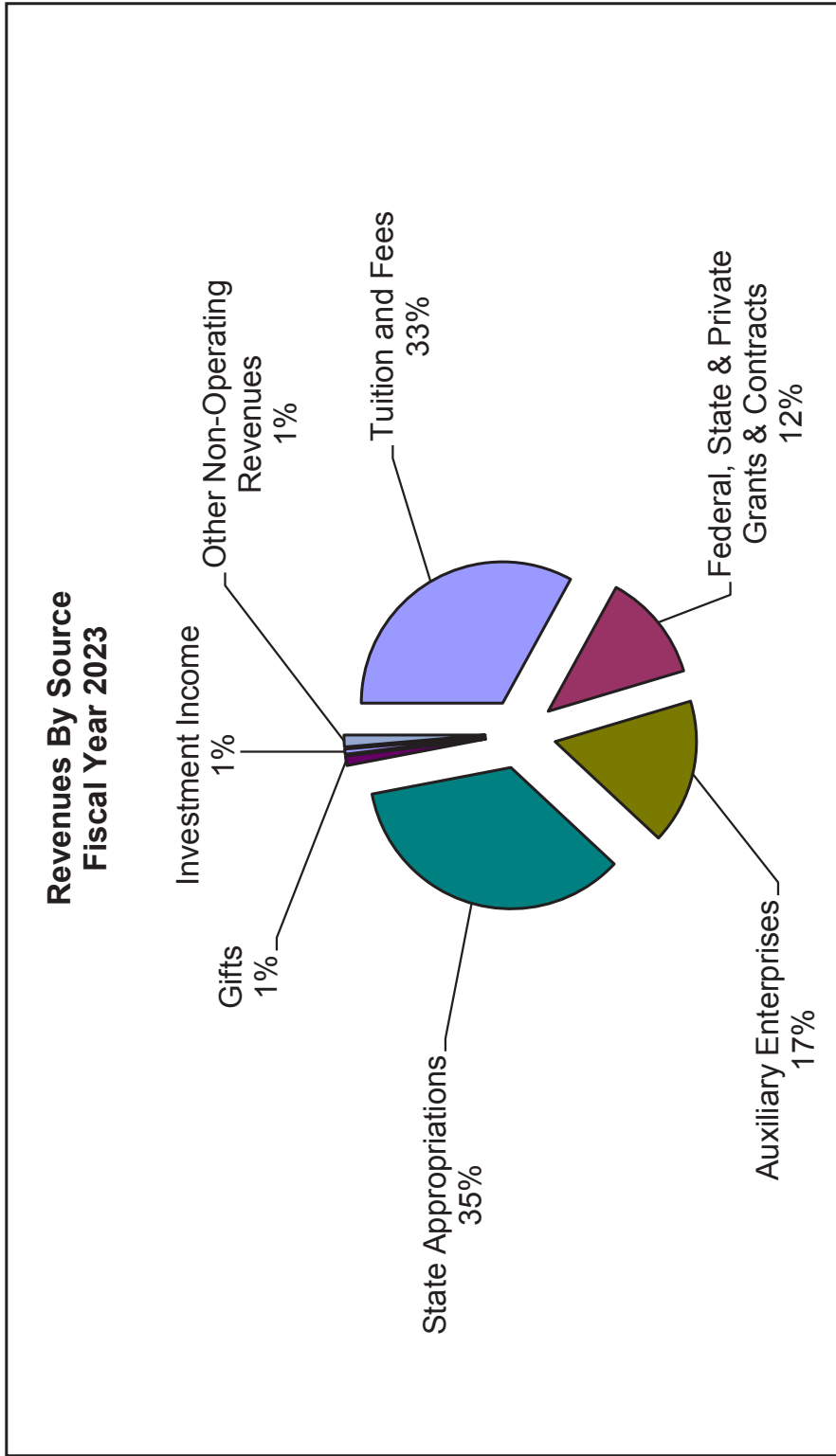
	<u>2023</u>	<u>2022</u>	<u>2021</u> (Restated)	<u>2020</u> (Restated)	<u>2019</u> (Restated)	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues										
Operating Revenues:										
Tuition and Fees (net of scholarships and fellowships)	\$ 77,834,891	\$ 73,183,599	\$ 83,379,030	\$ 89,815,493	\$ 90,711,656	\$ 96,365,646	\$ 90,078,676	\$ 82,971,448	\$ 76,714,808	\$ 75,267,479
Federal, state and private grants and contracts	29,262,334	25,455,875	25,320,236	25,193,325	23,029,402	21,621,193	20,467,984	19,966,803	20,405,558	19,420,622
Auxiliary enterprises	36,792,690	34,940,605	15,422,689	32,309,029	26,754,128	26,441,631	26,706,122	26,814,973	26,147,322	24,623,224
Other Operating Revenue	648,877	433,496	60,517	320,740	665,907	1,568,141	1,863,742	2,201,100	1,073,329	1,078,624
Total Operating Revenues	\$ 144,538,792	\$ 134,013,575	\$ 124,182,472	\$ 147,638,587	\$ 141,161,093	\$ 145,936,611	\$ 139,116,524	\$ 131,954,324	\$ 124,341,017	\$ 120,389,949
Non Operating Revenues										
State appropriations, net	\$ 82,684,885	\$ 79,219,174	\$ 70,562,036	\$ 67,350,219	\$ 65,098,681	\$ 58,883,631	\$ 58,090,595	\$ 55,286,190	\$ 52,109,583	\$ 49,493,966
Gifts	2,553,489	2,354,390	2,116,858	1,902,763	1,279,525	1,282,307	1,540,090	1,326,816	1,252,301	899,221
HEERF Act funds	-	29,463,444	19,421,645	1,668,952	-	-	-	-	-	-
Investment income	1,377,287	74,082	17,923	236,611	216,454	80,447	47,290	54,704	24,946	1,483
Other non-operating revenues	3,178,877	5,244,740	4,342,126	1,721,524	1,596,671	1,815,909	2,090,213	1,779,210	1,815,620	2,493,850
Total Non Operating Revenues	\$ 89,794,538	\$ 116,355,830	\$ 96,460,588	\$ 72,880,069	\$ 68,191,331	\$ 62,082,294	\$ 61,768,188	\$ 58,446,920	\$ 55,202,450	\$ 52,888,520
Total Revenues	\$ 234,333,330	\$ 250,369,405	\$ 220,643,060	\$ 220,518,656	\$ 209,352,424	\$ 208,068,905	\$ 200,884,712	\$ 190,401,244	\$ 179,543,467	\$ 173,278,469

For the Year Ended June 30,
(percent of total revenue)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues										
Operating Revenues:										
Tuition and Fees (net of scholarships and fellowships)	33%	29%	38%	41%	43%	46%	45%	44%	42%	43%
Federal, state and private grants and contracts	12%	10%	11%	11%	11%	10%	10%	10%	11%	11%
Auxiliary enterprises	17%	14%	7%	15%	13%	13%	13%	14%	15%	14%
Other Operating Revenue	0%	0%	0%	0%	0%	1%	1%	1%	1%	1%
Total Operating Revenues	63%	54%	56%	67%	67%	70%	69%	69%	69%	69%
Non Operating Revenues										
State appropriations, net	35%	32%	32%	31%	31%	28%	29%	29%	29%	29%
Gifts	1%	1%	1%	0%	1%	1%	1%	1%	1%	1%
HEERF Act funds	0%	12%	9%	1%	0%	0%	0%	0%	0%	0%
Investment income	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other non-operating revenues	1%	2%	2%	1%	1%	1%	1%	1%	1%	1%
Total Non Operating Revenues	38%	46%	44%	33%	33%	30%	31%	31%	31%	31%
Total Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Bridgewater State University Annual Financial Statements

SCHEDULE OF REVENUES BY SOURCE



Source: Bridgewater State University Annual Financial Statements

SCHEDULE OF EXPENSES BY USE
For the Year Ended June 30,

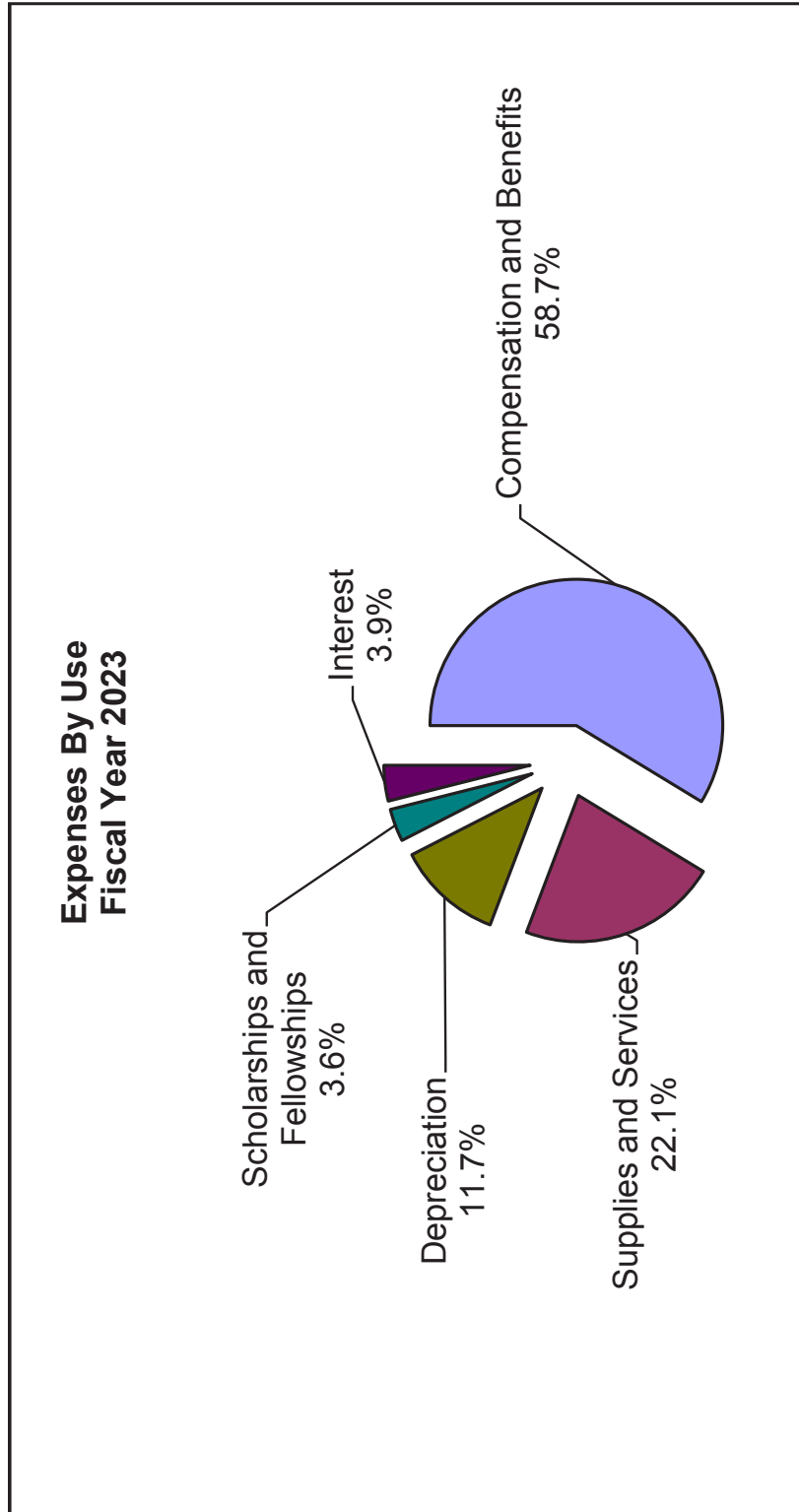
	2023	2022 (Restated)	2021 (Restated)	2020 (Restated)	2019 (Restated)	2018	2017	2016	2015	2014
Expenses:										
Operating Expenses:										
Compensation and benefits	\$ 132,500,430	\$ 138,937,699	\$ 144,238,578	\$ 153,165,918	\$ 155,289,447	\$ 144,031,337	\$ 135,259,364	\$ 127,430,767	\$ 116,177,960	\$ 108,697,916
Supplies and services	49,834,680	41,892,137	30,097,932	43,291,596	49,592,966	47,283,834	48,850,073	50,916,103	51,203,453	48,026,031
Depreciation and amortization	26,398,865	25,544,728	24,977,128	22,932,317	10,235,666	10,126,813	10,125,133	11,991,495	11,699,185	6,073,134
Scholarships and fellowships	8,123,878	18,517,462	15,285,158	10,243,910	9,197,097	17,479,028	13,578,254	10,491,502	9,885,013	8,942,083
Total Operating Expenses	\$ 216,857,853	\$ 224,892,026	\$ 214,598,796	\$ 229,633,741	\$ 224,315,176	\$ 218,921,012	\$ 207,812,824	\$ 200,829,867	\$ 188,965,611	\$ 171,739,164
Non Operating Expenses:										
Interest expense	\$ 8,877,683	\$ 8,970,305	\$ 9,051,654	\$ 10,796,727	\$ 620,695	\$ 721,117	\$ 760,027	\$ 760,885	\$ 2,568,943	\$ 844,091
Total Non Operating Expenses	\$ 8,877,683	\$ 8,970,305	\$ 9,051,654	\$ 10,796,727	\$ 620,695	\$ 721,117	\$ 760,027	\$ 760,885	\$ 2,568,943	\$ 844,091
Total Expenses	\$ 225,735,536	\$ 233,862,331	\$ 223,650,450	\$ 240,430,468	\$ 224,935,871	\$ 219,642,129	\$ 208,572,851	\$ 201,590,752	\$ 191,534,554	\$ 172,583,255

For the Year Ended June 30,
(percent of total expense)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Operating Expenses:										
Compensation and benefits	58.7%	59.5%	64.6%	63.8%	69.1%	65.7%	64.8%	63.2%	60.7%	63.0%
Supplies and services	22.1%	17.9%	13.5%	18.0%	22.0%	21.5%	23.4%	25.3%	26.7%	27.8%
Depreciation and amortization	11.7%	10.9%	11.2%	9.5%	4.6%	4.6%	4.9%	5.9%	6.1%	3.5%
Scholarships and fellowships	3.6%	7.9%	6.8%	4.2%	4.0%	7.9%	6.5%	5.2%	5.2%	5.2%
Total Operating Expenses	96.0%	96.2%	96.0%	95.5%	99.7%	99.7%	99.6%	99.6%	98.7%	99.5%
Non Operating Expenses:										
Interest expense	3.9%	3.8%	4.0%	4.5%	0.3%	0.3%	0.4%	0.4%	1.3%	0.5%
Total Non Operating Expenses	3.9%	3.8%	4.0%	4.5%	0.3%	0.3%	0.4%	0.4%	1.3%	0.5%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Bridgewater State University Annual Financial Statements

SCHEDULE OF EXPENSES BY USE



Source: Bridgewater State University Annual Financial Statements

SCHEDULE OF EXPENSES BY FUNCTION

For the Year Ended June 30,

	<u>2023</u>	<u>2022</u> (Restated)	<u>2021</u> (Restated)	<u>2020</u> (Restated)	<u>2019</u> (Restated)	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses:										
Instruction	\$ 73,395,949	\$ 74,685,226	\$ 75,309,975	\$ 82,834,673	\$ 80,252,755	\$ 74,638,309	\$ 70,057,550	\$ 64,991,488	\$ 61,139,211	\$ 58,453,791
Public service	1,433,813	1,160,957	1,414,288	2,420,144	2,623,570	2,876,939	2,774,925	2,775,815	2,187,039	1,846,410
Academic support	23,628,014	23,048,547	24,266,106	25,988,206	27,901,251	26,422,937	25,512,065	23,796,119	22,674,733	20,693,405
Student services	24,320,434	24,327,265	22,086,008	23,978,138	25,408,170	23,887,255	23,094,520	21,593,072	22,360,467	21,561,475
Institutional support	23,771,695	21,154,097	22,326,645	24,959,230	24,026,458	20,783,716	19,641,046	20,993,149	17,036,747	16,887,940
Operation and maintenance of plant	12,060,467	14,441,992	14,384,013	16,255,816	19,597,190	17,877,940	16,697,626	16,479,057	18,203,719	13,955,958
Scholarships and fellowships	8,123,878	18,517,462	15,285,158	10,243,910	9,197,097	17,479,028	13,578,254	12,668,115	9,885,013	8,942,083
Depreciation and amortization	26,396,865	25,544,730	24,977,128	22,932,317	10,235,666	10,126,813	10,125,133	11,991,495	11,699,185	6,073,134
Auxiliary enterprises, net of scholarship allowances	23,724,738	22,011,750	14,549,475	20,021,307	25,073,019	24,828,075	26,331,705	25,541,557	23,779,497	23,324,968
Total Expenses	\$ 216,857,853	\$ 224,892,026	\$ 214,598,796	\$ 229,633,741	\$ 224,315,176	\$ 218,921,012	\$ 207,812,824	\$ 200,829,867	\$ 188,965,611	\$ 171,739,164

For the Year Ended June 30,
(percent of total expense)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses:										
Instruction	33%	34%	36%	37%	36%	34%	34%	32%	32%	33%
Public service	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Academic support	11%	10%	11%	11%	12%	12%	12%	12%	12%	12%
Student services	11%	11%	10%	10%	11%	11%	11%	11%	12%	13%
Institutional support	11%	9%	10%	11%	11%	10%	9%	11%	9%	10%
Operation and maintenance of plant	6%	6%	7%	7%	9%	8%	8%	8%	10%	8%
Scholarships and fellowships	4%	8%	7%	4%	4%	8%	7%	6%	5%	5%
Depreciation and amortization	12%	11%	12%	10%	5%	5%	5%	6%	6%	4%
Auxiliary enterprises, net of scholarship allowances	11%	10%	7%	9%	11%	11%	13%	13%	13%	14%
Total Expenses	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Bridgewater State University Annual Financial Statements

SCHEDULE OF NET POSITION AND CHANGES IN NET POSITION

For the Year Ended June 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total revenues (from schedule of revenues by source)	\$ 234,333,330	\$ 250,369,405	\$ 220,643,059	\$ 220,518,666	\$ 209,352,424	\$ 208,058,905	\$ 200,884,712	\$ 190,401,244	\$ 179,543,467	\$ 173,278,469
Total expenses (from schedule of expenses by use)	(225,735,536)	(233,862,331)	(223,650,450)	(240,430,468)	(224,935,871)	(219,642,129)	(208,572,851)	(201,590,752)	(194,534,554)	(172,583,255)
Income before other revenues	8,597,794	16,507,074	(3,007,391)	(19,911,812)	(15,583,447)	(11,583,224)	(7,688,139)	(11,189,508)	(11,991,087)	695,214
Capital appropriations	1,404,357	602,469	15,771,408	1,218,147	644,614	605,394	914,758	1,419,509	90,229,323	532,100
Total Increase (Decrease) in Net Position	10,002,151	17,109,543	12,764,017	(18,693,665)	(14,938,833)	(10,977,830)	(6,773,381)	(9,769,999)	78,238,236	1,227,314
Net position, beginning, as restated	18,336,231	1,226,688	(11,537,329)	7,156,336	22,095,169	33,072,999	39,846,380	144,691,666	66,453,430	65,226,116
Net position, ending	\$ 28,338,382	\$ 18,336,231	\$ 1,226,688	\$ (11,537,329)	\$ 7,156,336	\$ 22,095,169	\$ 33,072,999	\$ 134,921,667	\$ 144,691,666	\$ 66,453,430
Net investment in capital assets	\$ 112,038,736	\$ 116,712,575	\$ 129,015,692	\$ 137,593,986	\$ 138,307,417	\$ 140,978,938	\$ 145,245,750	\$ 149,642,168	\$ 157,187,572	\$ 78,067,452
Restricted:										
Nonexpendable	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Expendable	1,347,896	1,590,206	4,933,613	1,564,983	1,219,637	1,039,875	1,211,471	1,132,364	1,140,441	1,130,760
Unrestricted	(85,071,250)	(99,989,550)	(132,745,617)	(150,719,298)	(132,393,718)	(119,946,644)	(113,407,222)	(15,875,865)	(13,659,347)	(12,767,782)
Total Net Position	\$ 28,338,382	\$ 18,336,231	\$ 1,226,688	\$ (11,537,329)	\$ 7,156,336	\$ 22,095,169	\$ 33,072,999	\$ 134,921,667	\$ 144,691,666	\$ 66,453,430

Source: Bridgewater State University Annual Financial Statements

SCHEDULE OF RATIOS OF OUTSTANDING DEBT

For the Year Ended June 30,

	2023	2022 (Restated)	2021 (Restated)	2020 (Restated)	2019	2018	2017	2016	2015	2014
Lease Obligations	\$ 209,428,747	\$ 214,669,603	\$ 218,433,413	\$ 209,391,839	\$ 4,019,251	\$ 4,433,028	\$ 4,671,907	\$ 5,031,601	\$ 5,371,934	\$ 5,693,947
SBITAs	5,277,595	3,337,886	4,393,770							
Notes and bonds payable	9,556,686	10,356,890	12,064,385	12,380,442	13,716,664	15,086,947	16,297,264	17,495,656	18,678,638	19,785,663
Total Outstanding Debt	\$ 224,263,028	\$ 228,364,379	\$ 234,891,568	\$ 221,772,281	\$ 17,735,915	\$ 19,519,975	\$ 20,969,171	\$ 22,527,257	\$ 24,050,572	\$ 25,479,610
Full-time equivalent students	7,774	7,897	8,619	8,976	9,047	9,086	9,054	9,176	9,214	9,230
Outstanding debt per student total	\$ 28,848	\$ 28,918	\$ 27,253	\$ 24,707	\$ 1,960	\$ 2,148	\$ 2,316	\$ 2,455	\$ 2,610	\$ 2,761

Note: Outstanding debt per student is calculated using full-time equivalent enrollment data. FY20-23 outstanding debt per student total increased significantly due to the implementation of GASB 87, Leases and GASB 96, SBITAs.

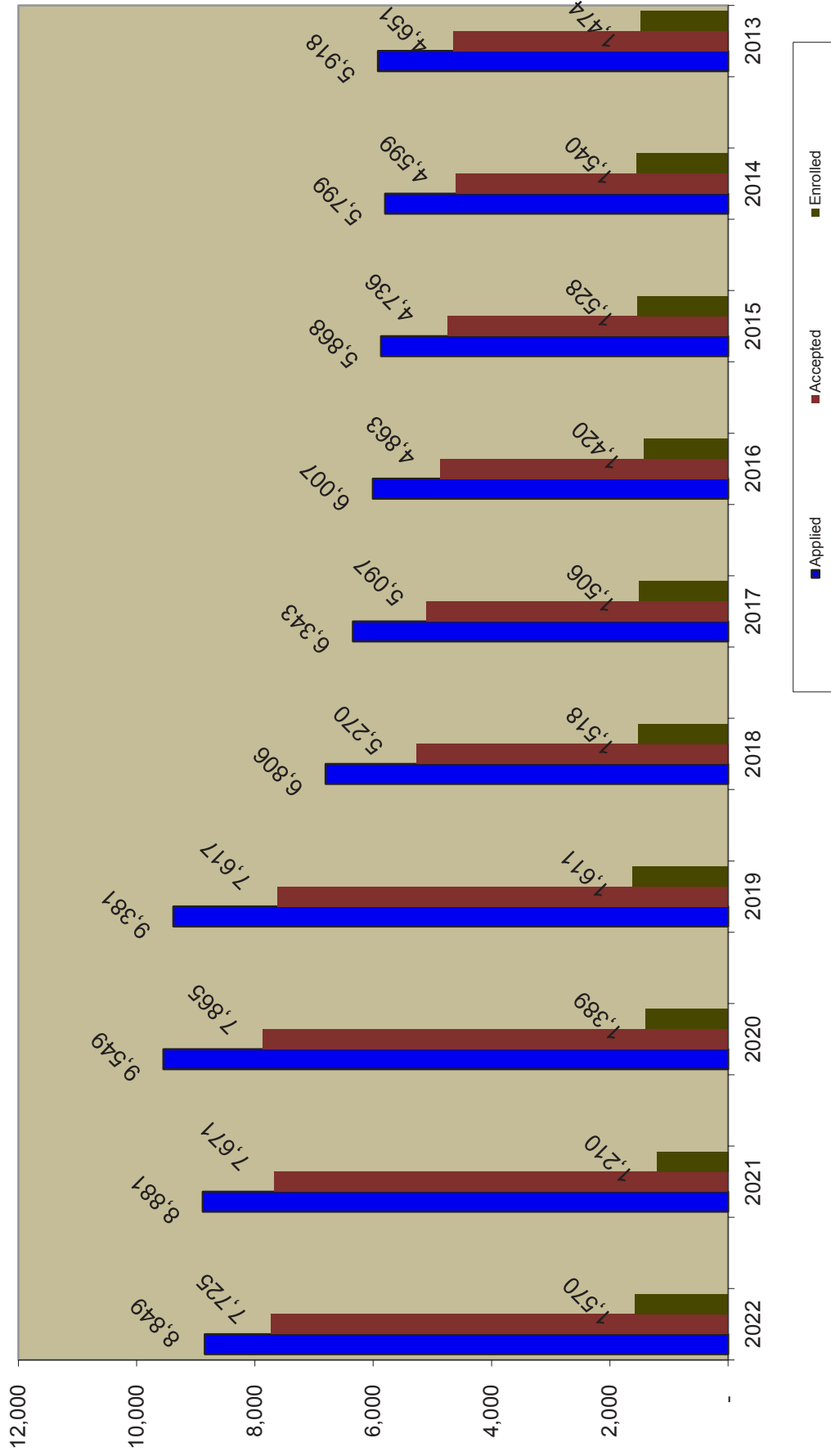
Source: Bridgewater State University Annual Financial Statements and Office of Institutional Research and Assessment

SCHEDULE OF ADMISSIONS, ENROLLMENT AND DEGREE STATISTICS - Last Ten Academic Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Admissions - Freshman										
Applications	8,849	8,881	9,549	9,381	6,806	6,343	6,007	5,868	5,799	5,918
Applications accepted	7,725	7,671	7,865	7,617	5,270	5,097	4,863	4,736	4,599	4,651
Accepted as a percentage of applications	87%	86%	82%	81%	77%	80%	81%	81%	79%	79%
Students enrolled	1,570	1,382	1,389	1,611	1,518	1,506	1,420	1,528	1,540	1,474
Enrolled as a percentage of accepted	20%	18%	18%	21%	29%	30%	29%	32%	33%	32%
SAT scores - total	1,118	1,106	1,050	1,064	1,070	1,063	990	991	993	993
Verbal	565	543	531	535	540	538	493	494	492	492
Math	553	563	519	529	530	525	497	497	501	501
Massachusetts average SAT score - total	1,128	1,184	1,119	1,120	1,125	1,106	1,047	1,045	1,047	1,044
U.S. average SAT score - total	1,050	1,061	1,051	1,059	1,067	1,060	1,002	1,006	1,010	1,010
Enrollment										
Undergraduate and graduate FTE	7,774	7,897	8,619	8,976	9,047	9,086	9,054	9,176	9,214	9,230
Undergraduate and graduate headcount	9,604	9,942	10,651	10,881	10,990	11,019	10,998	11,089	11,187	11,267
<u>Undergraduates</u>										
Percentage of Men	42%	41%	40%	41%	41%	41%	41%	41%	41%	42%
Percentage of Women	58%	59%	60%	59%	59%	59%	59%	59%	59%	58%
Percentage of Students of Color	29%	28%	27%	27%	25%	25%	23%	21%	20%	18%
<u>Graduates</u>										
Percentage of Men	25%	23%	24%	26%	25%	27%	27%	29%	28%	27%
Percentage of Women	76%	77%	76%	74%	75%	73%	73%	71%	72%	73%
Percentage of Students of Color	19%	15%	15%	13%	11%	11%	10%	10%	10%	9%
Degrees Earned										
Bachelor's	1871	1955	1897	2036	2021	1994	2004	1942	1939	1914
Master's	575	529	506	507	516	511	527	484	612	552

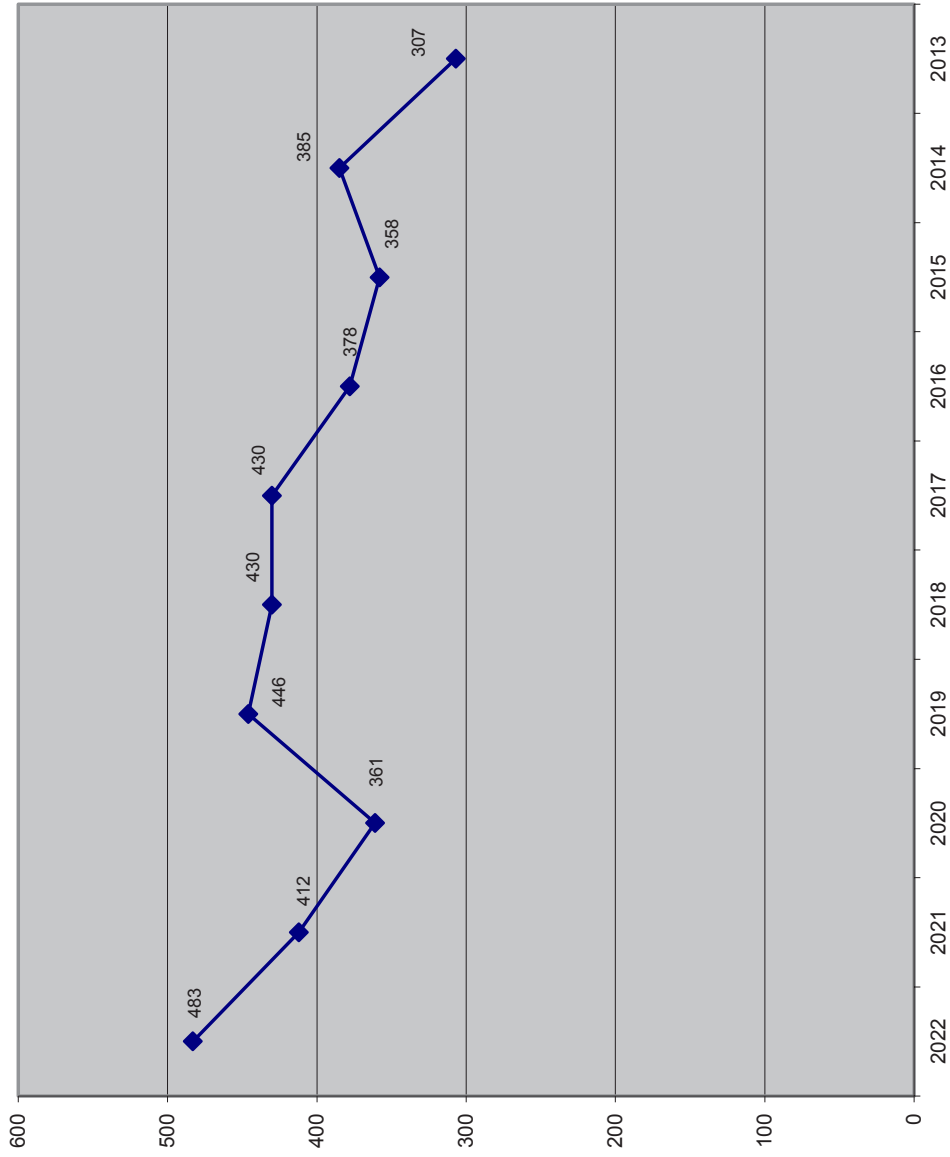
Source: Bridgewater State University Office of Institutional Research and Assessment

**Bridgewater State University Admissions -
Freshman Applied, Accepted and Enrolled For The Last Ten Years**



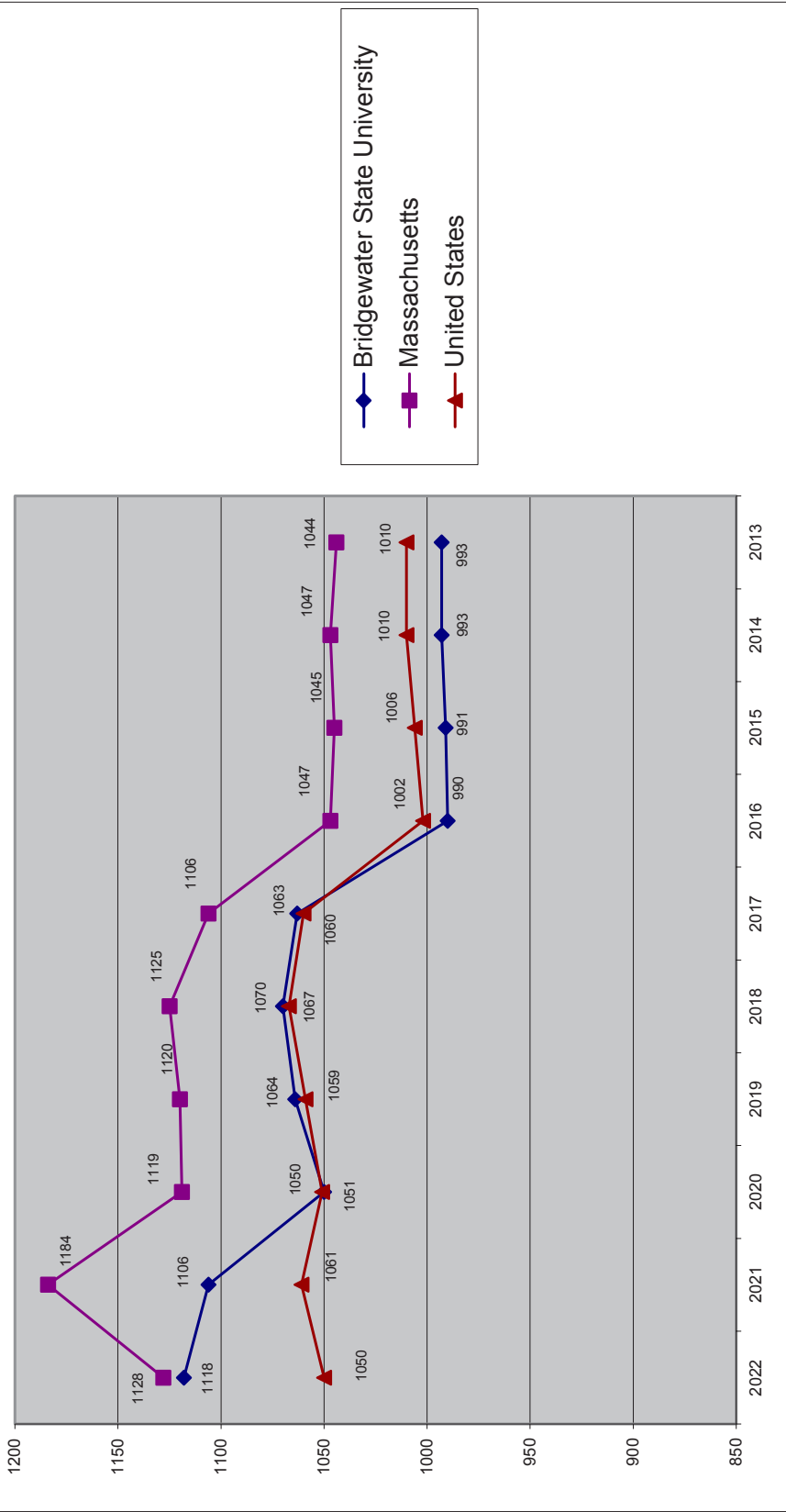
Source: Bridgewater State University Office of Institutional Research and Assessment

Bridgewater State University First Time Freshman Admissions Students of Color



Source: Bridgewater State University Office of Institutional Research and Assessment

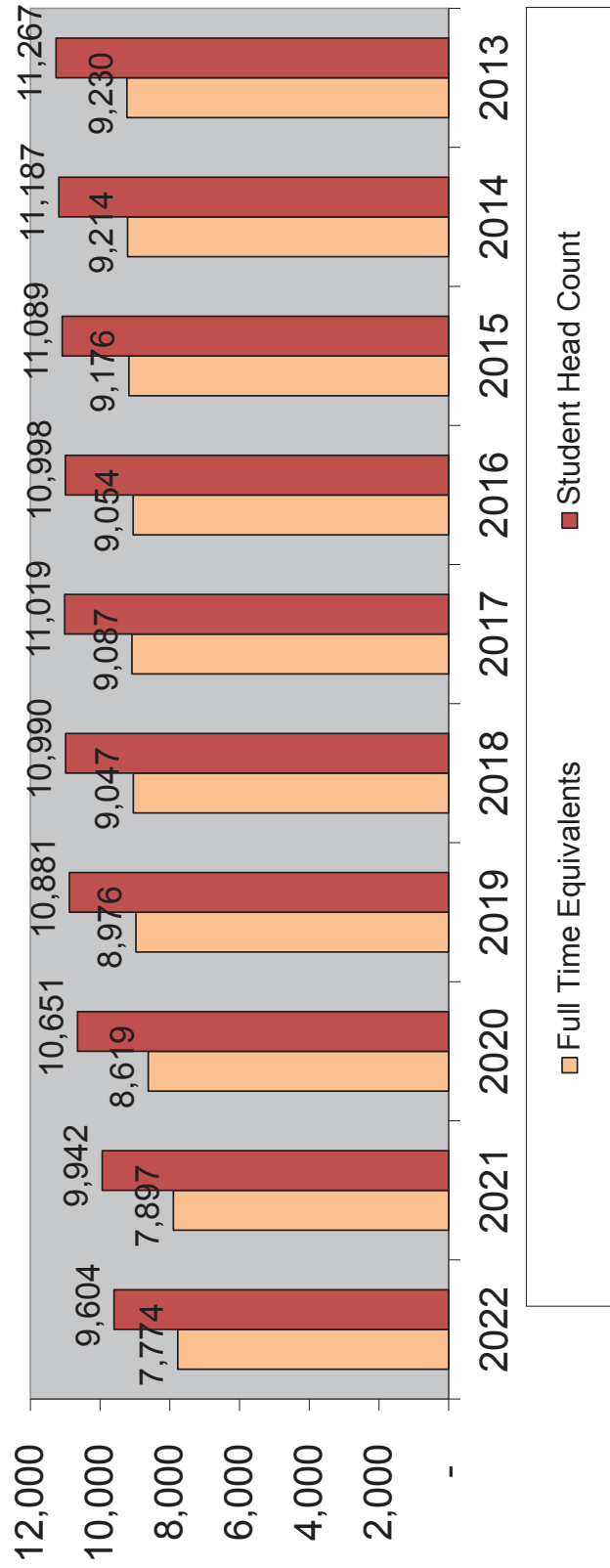
Bridgewater State University Average Combined SAT Scores For the Last Ten Years



Bridgewater State University represents SAT scores of all enrolled incoming freshmen.

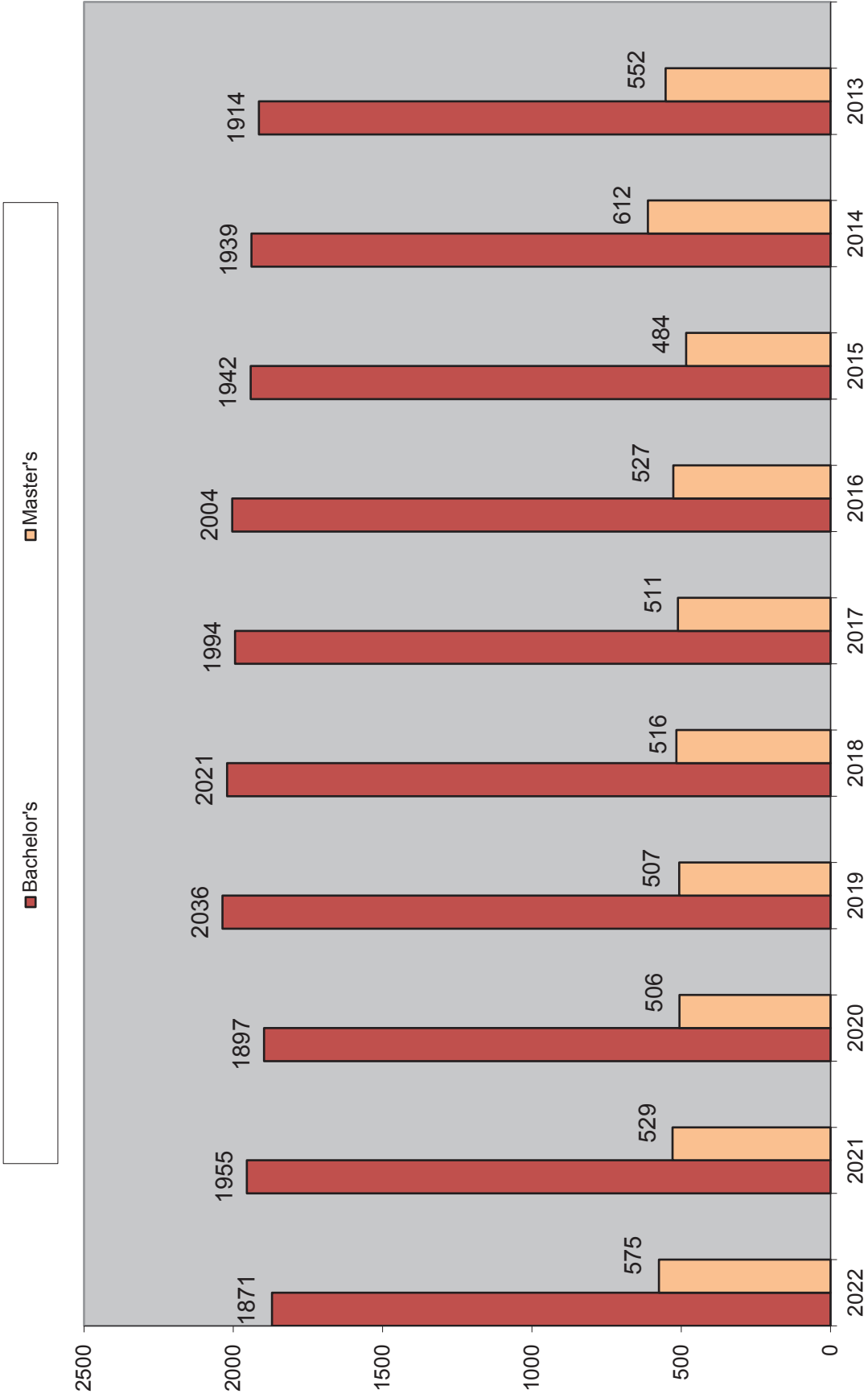
Source: Bridgewater State University Office of Institutional Research and Assessment

**Bridgewater State University
Student Enrollment Comparison
For The Last Ten Academic Years**



Source: Bridgewater State University Office of Institutional Research and Assessment

Bridgewater State University Degrees Earned For The Last Academic Ten Years



Source: Bridgewater State University Office of Institutional Research and Assessment

SCHEDULE OF TUITION AND FEES PER SEMESTER - Last Ten Academic Years

Academic Semester	Undergraduate (a)		Graduate (b)	
	Resident	Nonresident	Resident	Nonresident
Beginning in Fall				
2022	\$ 5,528	\$ 8,598	\$ 5,862	\$ 5,862
2021	5,366	8,436	5,701	5,701
2020	5,366	8,436	5,701	5,701
2019	5,366	8,436	5,701	5,701
2018	5,185	8,255	5,567	5,567
2017	5,008	8,078	5,391	5,391
2016	4,814	7,884	5,196	5,196
2015	4,452	7,522	4,834	4,834
2014	4,177	7,247	4,559	4,559
2013	4,027	7,097	4,409	4,409

Notes:

Charges include a mandatory student government fee of \$50.00 for all undergraduate students for academic semesters beginning Fall 2007.

(a) These amounts are averages for undergraduate, first-time students with an academic semester of 12

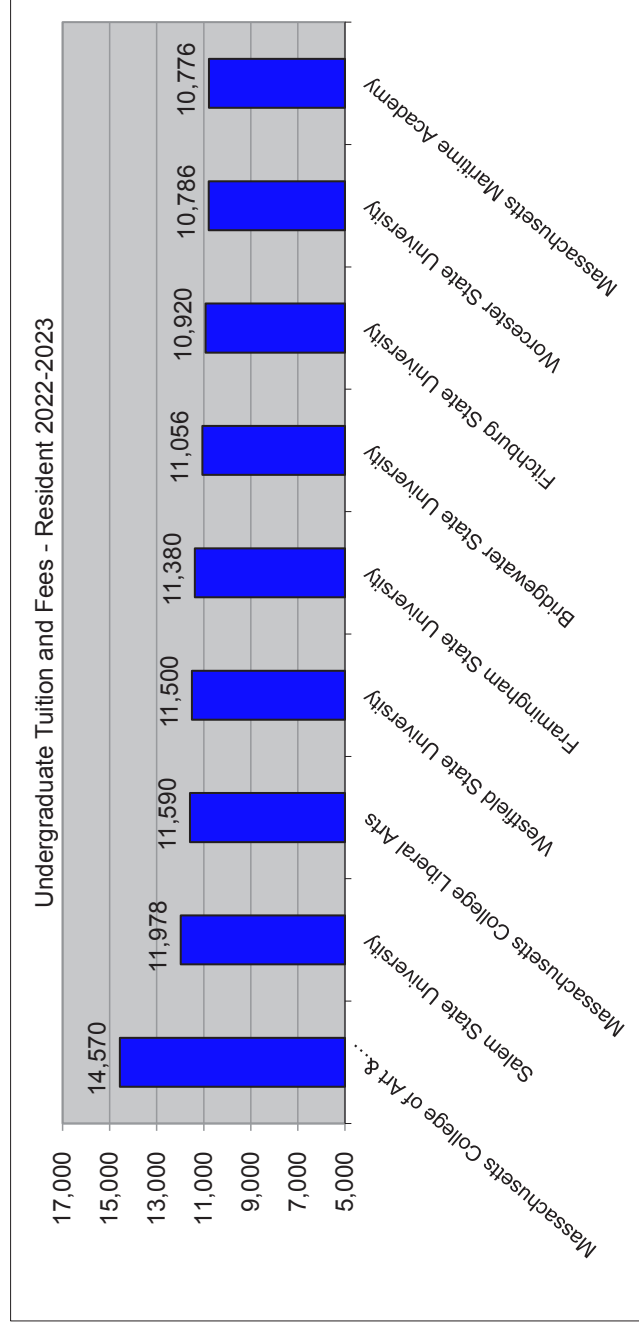
(b) Per credit-hour based on 12 Graduate Credits.

Source: Bridgewater State University Office of Student Accounts

SCHEDULE OF UNDERGRADUATE AVERAGE ANNUAL TUITION AND FEES - Last Ten Academic Years

Bridgewater State University in Comparison to the other Massachusetts State Universities - Last Ten Academic Years

Institution - Resident	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Massachusetts College of Art & Design	14,570	14,200	14,200	13,700	13,200	12,700	12,200	11,724	11,224	10,400
Salem State University	11,978	11,674	11,674	11,284	10,882	10,278	9,736	9,246	8,646	8,130
Massachusetts College Liberal Arts	11,590	11,306	11,306	10,930	10,560	10,136	9,876	9,476	8,976	8,526
Westfield State University	11,500	11,140	11,140	10,850	10,430	9,716	9,276	8,816	8,682	8,298
Framingham State University	11,380	11,380	11,380	11,100	10,520	9,920	9,344	8,704	8,324	8,084
Bridgewater State University	11,056	10,732	10,732	10,732	10,368	10,012	9,628	8,928	8,354	8,054
Fitchburg State University	10,920	10,654	10,654	10,504	10,354	10,154	10,134	9,934	9,260	8,986
Worcester State University	10,786	10,586	10,586	10,162	10,162	9,532	9,202	8,858	8,558	8,158
Massachusetts Maritime Academy	10,776	10,516	10,314	10,018	9,728	8,398	8,006	7,630	7,258	7,190



Source: Massachusetts Department of Higher Education Tuition and Fee Rates Ten Year History

FACULTY AND STAFF STATISTICS - Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Faculty										
Total Full-Time Faculty	330	338	337	361	355	357	362	335	332	328
Percentage Tenured	80%	77%	74%	70%	67%	66%	67%	65%	68%	68%
Faculty by Rank**										
Professor	143	139	137	139	129	124	117	118	117	115
Associate Professor	100	106	107	95	91	94	92	79	84	87
Assistant Professor	62	75	87	97	109	118	111	113	112	108
Instructor	1	1	0	1	1	1	3	3	2	1
By Terminal Degree**										
With Terminal Degree	294	309	319	318	316	337	313	302	302	298
Without Terminal Degree	12	12	12	14	14	10	10	11	13	13
By Gender**										
Male	135	145	148	156	153	150	152	152	147	152
Female	171	176	183	176	177	177	171	161	168	159
By Race/Ethnicity										
Faculty of Color**	61	63	64	63	61	64	55	54	55	53
Students per full-time faculty ratio	17.0:01	16.9:01	17.6:01	18.0:01	19.2:1	19.3:1	18.9:1	19.0:1	18.8:1	19.2:1
Employees										
Total Full-Time Employees	1040	1049	1088	1130	1124	1119	1110	1085	1060	1033
By Category										
Faculty	331	338	337	361	355	357	362	335	332	328
Executive/Admin/Managerial	122	113	120	119	118	113	106	103	98	86
Other Professional	275	266	277	280	278	273	259	257	249	246
Technical/Paraprofessional	2	2	4	5	5	5	6	2	2	3
Secretarial/Clerical	154	160	169	175	176	173	169	176	177	170
Skilled Craft	25	25	24	28	29	33	37	39	39	37
Service Maintenance	131	145	157	162	163	165	171	173	163	163
By Gender										
Male	413	419	431	461	461	460	458	452	439	434
Female	627	630	657	669	663	659	652	633	621	599
By Race/Ethnicity										
Faculty & Staff of Color	149	144	145	145	136	139	135	135	134	129

**Of Tenure track faculty

Source: Bridgewater State University Office of Institutional Research and Assessment

SCHEDULE OF CAPITAL ASSET INFORMATION

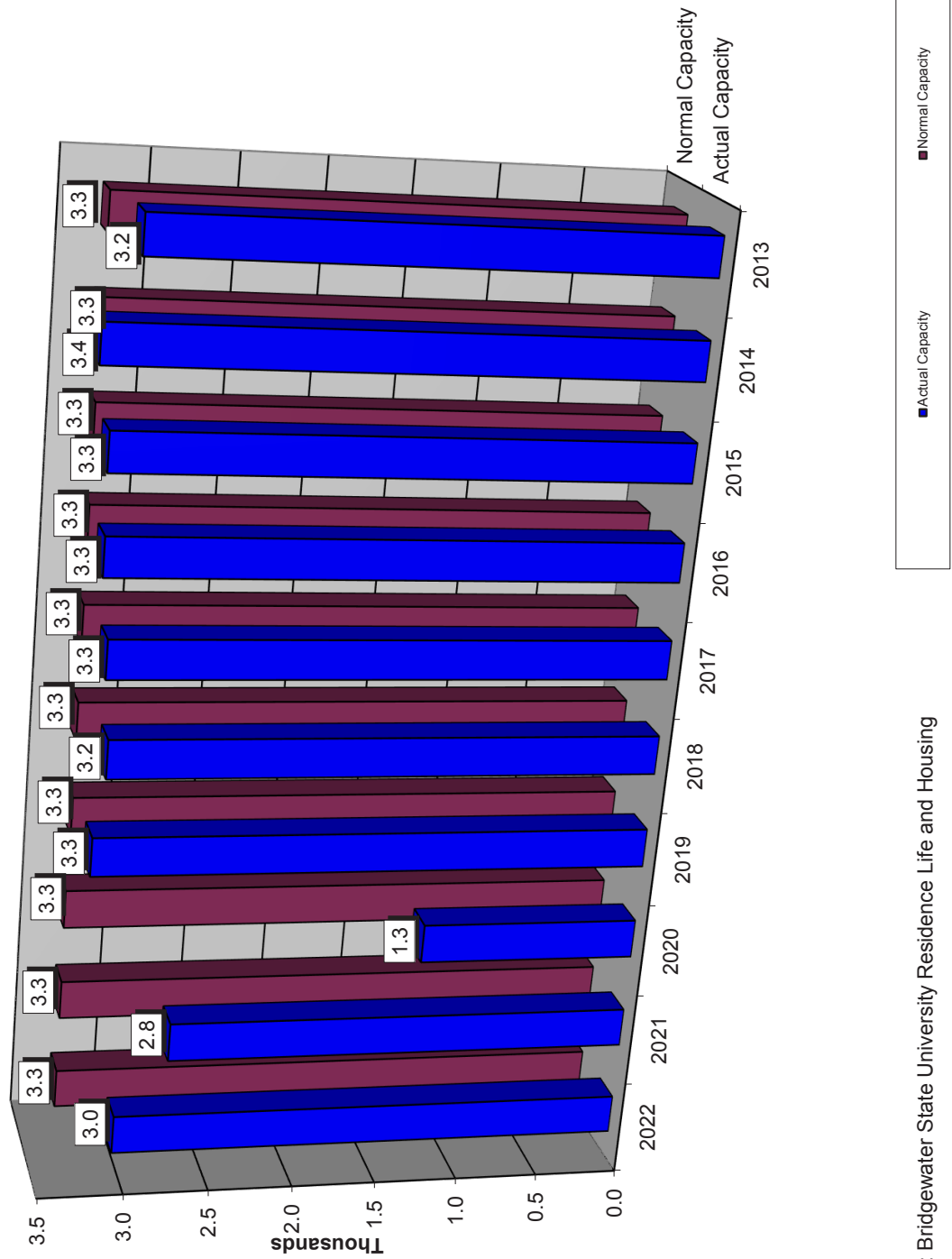
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Academic buildings:										
Net Assignable square feet (in thousands)	403	403	403	403	403	403	403	403	403	301
Administrative, support and auxiliary buildings:										
Net Assignable square feet (in thousands)	470	470	466	467	467	467	463	463	463	450
Library:										
Net Assignable square feet (in thousands)	120	120	120	120	120	120	120	120	120	120
Student Housing:										
Residence halls	10	10	10	10	10	10	10	10	10	10
Apartments	1	1	1	1	1	1	1	1	1	1
Units design occupancy	3,298	3,298	3,304	3,294	3,294	3,295	3,295	3,295	3,295	3,281
Units actual occupancy	3,049	2,754	1,296	3,271	3,215	3,251	3,300	3,309	3,384	3,191
Percent occupancy	92%	84%	39%	99%	98%	99%	100%	100%	103%	97%
Dining facilities:										
Locations	4	4	4	4	4	4	4	4	4	4
Average daily customers	3,644	3,018	3,101	5,138	6,685	6,251	4,426	4,602	4,694	4,657
Parking facilities:										
Parking spaces available	4,653	4,630	4,630	4,630	4,630	4,621	4,621	4,656	4,656	4,604
Parking permits issued to students	4,709	4,580	2,829	6,670	6,325	6,724	6,881	6,722	6,622	6,601
Parking permits issued to faculty/staff*	1,640	909	-	1,583	-	1,725	-	1,707	-	1,622

* Faculty/staff parking permits are periodically reissued.

Sources:

- Student Housing
- Parking Facilities
- Dining Facilities
- Building Square Footage
- Bridgewater State University Residence Life and Housing
- Bridgewater State University Administrative Support Services
- Bridgewater State University Administrative Support Services
- Bridgewater State University Office of Institutional Research and Assessment

**Bridgewater State University
Fall Residence Hall Occupancy
For The Last Academic Ten Years**



Source: Bridgewater State University Residence Life and Housing

Labor Force Estimates by Workforce Area

	Labor Force	Employed	Unemployed	Unemployment Rate %
Massachusetts	3,748,748	3,641,246	107,502	2.9%
Berkshire County	60,708	58,967	1,741	2.9%
Boston	396,028	384,415	11,613	2.9%
Bristol County	194,938	188,565	6,373	3.3%
Brockton	134,661	130,055	4,606	3.4%
Cape & Islands	141,940	138,440	3,500	2.5%
Central MA	314,716	305,407	9,309	3.0%
Franklin/Hampshire	134,580	131,109	3,471	2.6%
Greater Lowell	158,274	153,660	4,614	2.9%
Greater New Bedford	115,083	110,981	4,102	3.6%
Hampden County	218,081	210,011	8,070	3.7%
Lower Merrimack Valley	187,690	181,740	5,950	3.2%
Metro North	485,459	473,478	11,981	2.5%
Metro South/West	530,716	517,276	13,440	2.5%
North Central	135,662	131,612	4,050	3.0%
North Shore	233,482	227,008	6,474	2.8%
South Shore	306,730	298,522	8,208	2.7%

Source: Massachusetts Department of Workforce Development, Statewide Report on Labor Force and Unemployment rate, August 2023. Data is not seasonally adjusted.

Labor Force Estimates by City and Town

Geographic Area	Labor Force	Employed	Unemployed	Unemployment Rate
Brockton	134,661	130,055	4,606	3.4%
Abington	9,499	9,227	272	2.9%
Avon	2,756	2,650	106	3.8%
Bridgewater	15,063	14,544	519	3.4%
Brockton	47,598	45,644	1,954	4.1%
East Bridgewater	8,776	8,512	264	3.0%
Easton	14,450	14,027	423	2.9%
Hanson	6,438	6,268	170	2.6%
Stoughton	16,763	16,249	514	3.1%
West Bridgewater	3,936	3,826	110	2.8%
Whitman	9,382	9,108	274	2.9%

Source: Massachusetts Department of Workforce Development Area, Labor Force and Unemployment Rate, August 2023. Data is not seasonally adjusted.

DEMOGRAPHIC STATISTICS

State of Massachusetts - Last Ten Calendar Years

Year	Population as of June 30 *	Total Personal Income **	Per Capita Income	Average Annual Unemployment Rate
2021	6,894	\$ 575,188	\$ 82,475	7.6%
2020	6,895	550,584	77,021	5.9%
2019	6,886	511,334	72,202	3.2%
2018	6,864	483,433	69,517	6.7%
2017	6,827	450,962	66,625	3.9%
2016	6,797	442,500	64,295	4.4%
2015	6,765	415,636	62,376	5.2%
2014	6,715	396,206	58,924	6.3%
2013	6,664	381,271	56,682	6.7%
2012	6,614	363,944	56,669	6.9%

* Amounts in thousands

**Amounts in millions

Source: Commonwealth of Massachusetts Annual Comprehensive Financial Report

LARGEST EMPLOYERS FOR THE COMMONWEALTH OF MASSACHUSETTS

**Largest Private Sector Employers
Commonwealth of Massachusetts
Latest Completed Calendar Year and Ten Years Prior
(Listed Alphabetically)**

2022	2013
<p>Bay State Medical Center, Inc. Beth Israel Deaconess Medical Center Boston Medical Center Corporation Boston University Brigham & Women's Hospital Dana-Farber Cancer Institute DeMoulas Supermarkets, Inc. General Hospital Corporation Harvard University Massachusetts Institute of Technology Northeastern University Reytheon Company Shaw's Supermarkets, Inc. State Street Bank and Trust Company The Children's Hospital Corporation The Stop & Shop Supermarkets Company The TJX Companies, Inc. Tufts University</p>	<p>Bay State Medical Center, Inc. Beth Israel Deaconess Medical Center Boston Medical Center Corporation Boston University Brigham and Women's Hospital, Inc. DeMoulas Supermarkets, Inc. EMC Corporation General Hospital Corporation Harvard University Massachusetts Institute of Technology Partners Healthcare Systems, Inc. Raytheon Company S & S Credit Company, Inc. (Stop & Shop) Shaw's Supermarkets, Inc. Southcoast Hospitals Group State Street Bank and Trust Company The Children's Hospital Corporation THE TJX Companies, Inc</p>

Source: Commonwealth of Massachusetts Annual Comprehensive Financial Report

Note: According to the 2021 Commonwealth of Massachusetts Annual Comprehensive Financial Report - March 2020 survey, the following companies are all large Massachusetts employers, however they are headquartered outside of Massachusetts: Amazon.Com Services, Inc., CVS Pharmacy, Inc, Home Depot U.S.A., Target Corp, United Parcel Service, Inc., Wal-Mart Associates, Inc., and Whole Foods Market Group, Inc. Verizon New England is a subsidiary of Verizon Communications, headquartered in New York. The information is based on employers registered for unemployment insurance. The list may not include those employers who do business in Massachusetts under multiple legal corporations and those who register each store, facility or franchisee as a separate employer.

Brockton Area
Top 20 Employers

<u>Company</u>	<u>City</u>	<u># of Employees</u>
Bridgewater State University	BRIDGEWATER	1,000-4,999
Brockton Area Multi-Svc Inc	SOUTH EASTON	1,000-4,999
Brockton VA Hospital Med Ctr	BROCKTON	1,000-4,999
Good Samaritan Medical Ctr	BROCKTON	1,000-4,999
Massasoit of NC Inc	BROCKTON	1,000-4,999
Bridgewater Raynham Sch Dist	BRIDGEWATER	500-999
Bridgewater State Hospital	BRIDGEWATER	500-999
Bridgewater-Raynham Regl Sch	BRIDGEWATER	500-999
Brockton High School	BROCKTON	500-999
New England Sinai Hospital	STOUGHTON	500-999
Shaw's Supermarkets Inc	WEST BRIDGEWATER	500-999
Stonehill College	NORTH EASTON	500-999
Brockton School District	BROCKTON	250-499
Brockton YMCA	BROCKTON	250-499
Campanelli Stadium	BROCKTON	250-499
Corrections Department	BRIDGEWATER	250-499
Design Communications Ltd	AVON	250-499
Eversource Gas of Massachusetts	BROCKTON	250-499
IKEA	STOUGHTON	250-499
JP Noonan Transportation Inc	WEST BRIDGEWATER	250-499

This list is ordered by size range then alphabetically within the size range.

Source: Massachusetts Department of Workforce Development; Division of CareerServices, Economic Analysis Office

ACADMEMIC SUBJECT AREAS AND DEGREES OFFERED - FALL 2022

UNDERGRADUATE	GRADUATE
Accounting and Finance	Accounting and Finance
Anthropology	Art
Art and Art History	Athletic Training
Aviation Science	Biology
Biological Sciences	Business
Chemical Sciences	Communication Sciences and Disorders
Childhood Studies	Computer Science
Communication Studies	Counseling
Communication Sciences and Disorders	Criminal Justice
Computer Science	Early Childhood Education
Criminal Justice	Educational Leadership
Dance	Elementary Education
Early Childhood Education	English
Economics	Health Studies
Elementary Education	History
English	Mathematics
Exercise Physiology	Music
Geography	Physical Sciences
Geological Sciences	Physics
Global Languages and Literatures	Political Science
Health Science	Psychology
Health Studies	Reading
History	Secondary Education and Professional Programs
Management & Marketing	Social Work
Mathematics	Special Education
Music	Teaching English to Speakers of Other Languages
Philosophy	
Physical Education	
Physics	
Political Science	
Psychology	
Secondary Education	
Social Work	
Sociology	
Special Education	
Theater	
BA - Bachelor of Arts	
BS - Bachelor of Science	
BSE - Bachelor of Science in Education	
CAGS - Certificate of Advanced Graduate Study	
EdS - Education Specialist	
MA - Master of Arts	
MAT - Master of Arts in Teaching	
MEd - Master of Education	
MPA - Master of Public Administration	
MS - Master of Science	
MSA - Master of Science in Accountancy	
MSW - Master of Social Work	

Source: Bridgewater State University Office of Institutional Research and Assessment

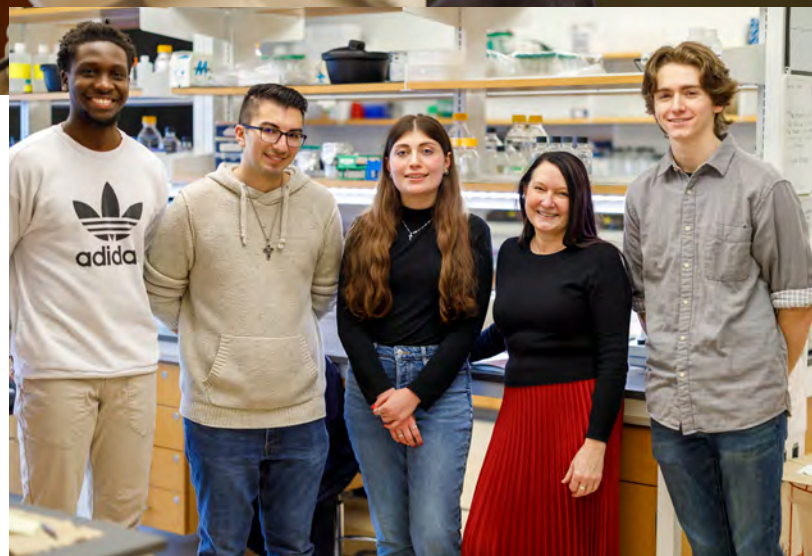


TICK TALK

Students worked with Dr. Jenna Mendell to collect ticks and analyze their DNA to determine if the parasites could pass Lyme disease and other illnesses to humans. The group shared their findings with public health officials.

Their research came as the CDC reported that tick bites posed a significant and growing public health threat. Nearly 500,000 Americans are diagnosed and treated for tickborne diseases every year, and cases are increasing in number and expanding geographically as a result of changes in land use and climate.

In addition to the public health importance of their work, Dr. Mendell seeks to spark students' scientific curiosity by including freshmen in her lab. She stated, "Providing these opportunities to freshmen is incredibly valuable. They already feel a part of a community."



Supplemental INFORMATION

2023

ANNUAL
COMPREHENSIVE
FINANCIAL REPORT

2022



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Bridgewater State University:

We have audited, in accordance with 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, the financial statements of the business-type activities of Bridgewater State University (the "university"), and its discretely presented major component units, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the university's basic financial statements and have issued our report thereon dated November 1, 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 may exist that have not been 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.

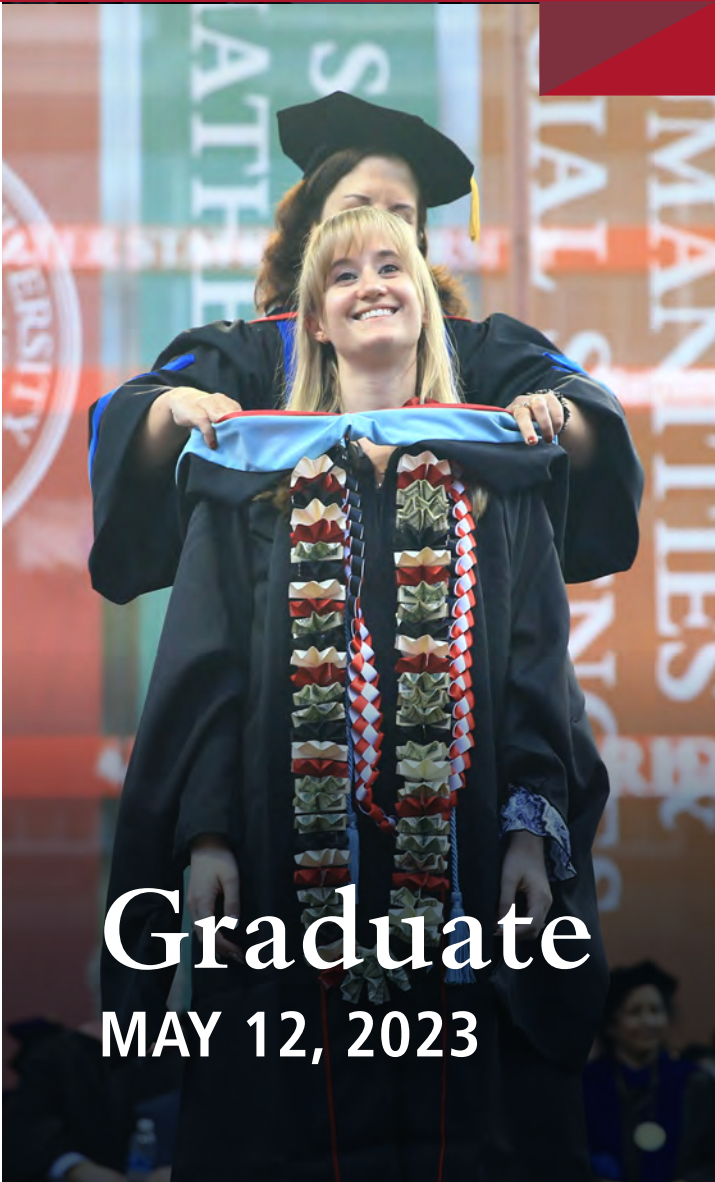
November 1, 2023

Withum Smith + Brown, PC



COMMENCEMENT

GILLETTE STADIUM
FOXBOROUGH, MA



Graduate
MAY 12, 2023





Undergraduate

MAY 13, 2023



