A photograph of the main building of Bridgewater State University. The building is a large, two-story structure with a red brick facade and white trim. A prominent feature is a white cupola with a circular window at the top. Several colorful banners hang from the eaves of the building's portico, advertising various academic programs. The banners include: "BRIDGEWATER STATE UNIVERSITY", "COLLEGE OF CONTINUING STUDENTS", "COLLEGE OF EDUCATION & HEALTH SCIENCES", "COLLEGE OF BUSINESS", "BRIDGEWATER STATE UNIVERSITY CLASS OF 2022", "COLLEGE OF SCIENCE & MATHEMATICS", "COLLEGE OF HUMANITIES & SOCIAL SCIENCES", and "COLLEGE OF GRADUATE STUDIES".

BRIDGEWATER STATE UNIVERSITY

Annual Comprehensive Financial Report

2022

ANNUAL
COMPREHENSIVE
FINANCIAL REPORT

2021

Update for the years ended June 30, 2022 and 2021

Prepared by the Office of Fiscal Affairs, Bridgewater State University

BRIDGEWATER STATE UNIVERSITY
BRIDGEWATER, MA



ANNUAL
COMPREHENSIVE FINANCIAL REPORT
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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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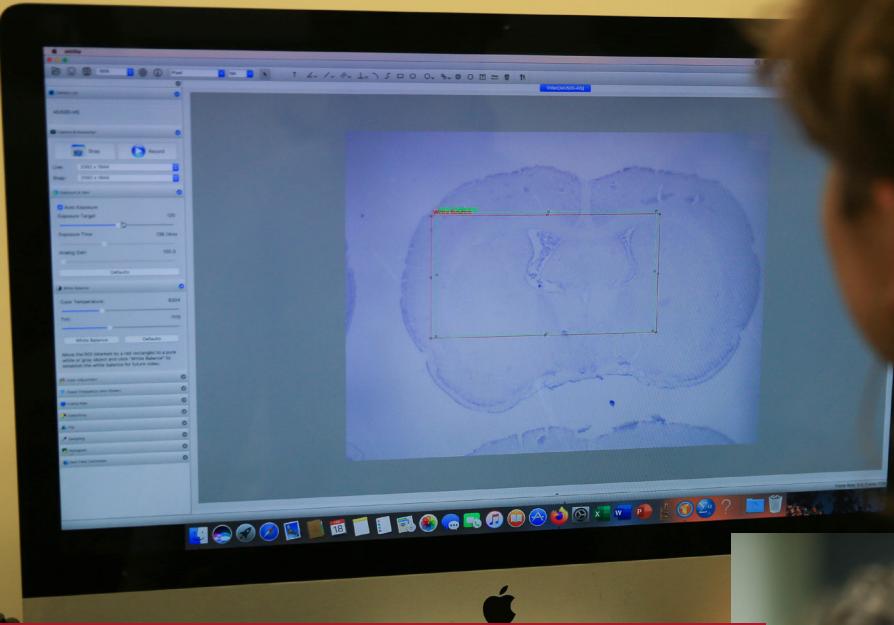
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SHARING RESEARCH

As a Bridgewater State University undergraduate researcher, Cassandra is studying brain tissue from male and female rats to learn how schizophrenia manifests itself in humans. "There's some research that shows females may be underdiagnosed with schizophrenia," said Cassandra, a psychology major. "If we learn more about sex differences and how disorders develop, we can have better treatments and better diagnostic tools."

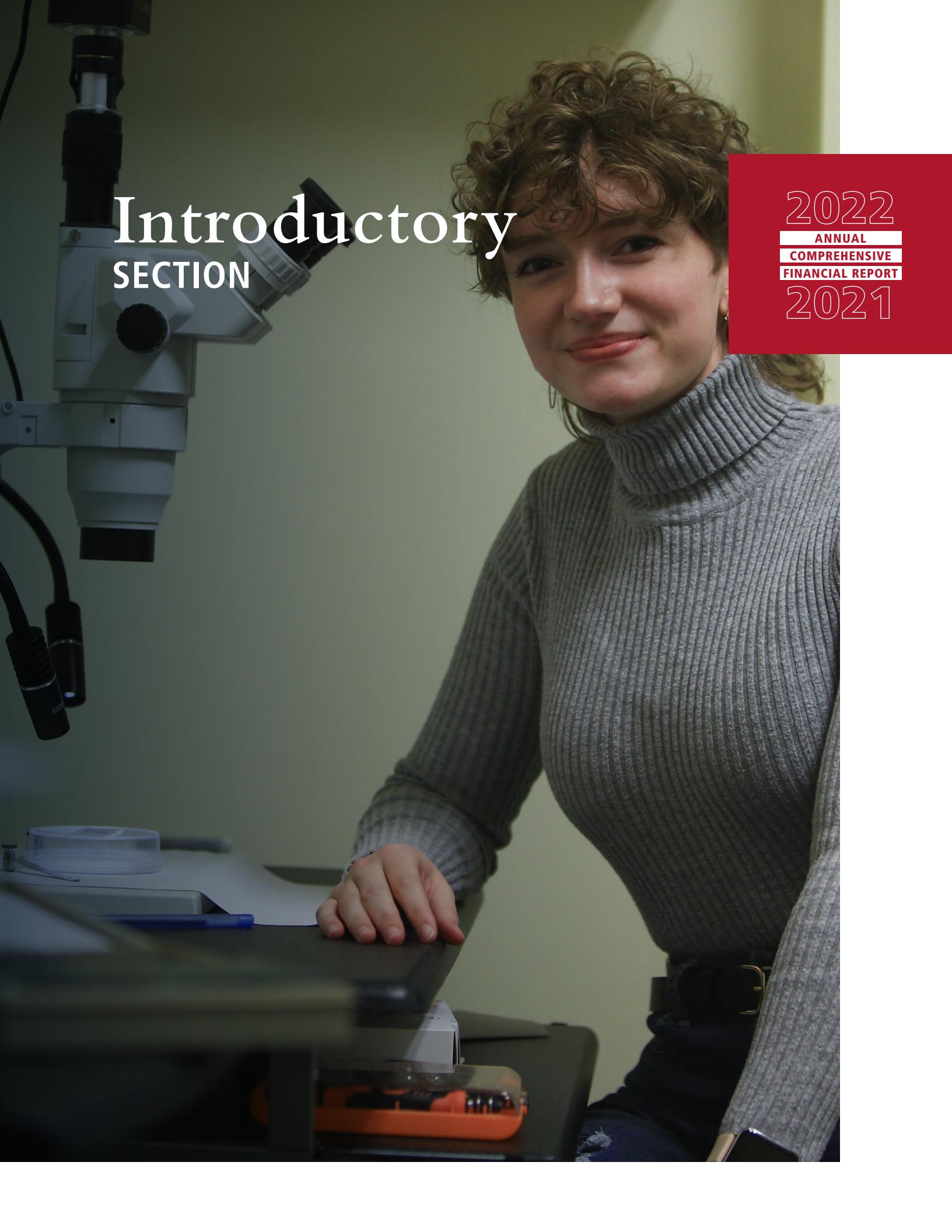
Cassandra is sharing this work at competitive national and regional conferences run by the Sigma Xi scientific research honor society, the Council on Undergraduate Research, and the Northeast Regional Honors Council. "Her eagerness to engage with the scientific community on and off campus is admirable," said her mentor, Dr. Stephanie Penley.

Cassandra credits working in Penley's research lab with solidifying her goals to earn a PhD in developmental or cognitive psychology and become a college professor. "Before I joined this research lab, I didn't really know what I wanted to do. I was nervous about graduating," she said. "Now I'm so excited to graduate because I know what I'm going to do."



Cassandra Hartsgrove, '22,
is on a quest to unravel
the mysteries of the brain
and share her discoveries
with the world.

Cassandra also praises Penley and fellow student researchers Savannah Velez and Emily Lincoln for their support. "This has been the most welcoming, coolest experience in my entire college career," she said.



Introductory SECTION

2022
ANNUAL
COMPREHENSIVE
FINANCIAL REPORT
2021



December 21, 2022

We are pleased to present the Annual Comprehensive Financial Report for Bridgewater State University (BSU) for the fiscal year ended June 30, 2022. The audit report conveys an unmodified opinion of the university's financial statements.

In FY22, BSU successfully implemented the beginning of a return to pre-pandemic levels of in-person classes, residence hall occupancy and reintegration of faculty and staff to campus while simultaneously prioritizing the health and safety of the community. The university continued to exhibit remarkable resiliency in the face of significant health, enrollment and fiscal challenges driven largely by the COVID pandemic, while also keeping its eye on the future by advancing critical strategic priorities.

BSU's financial position is strong and stable; in FY22, the university realized an increase in its net position of \$17 million, largely due to significant infusions of federal Higher Education Emergency Relief Funds (HEERF) and American Rescue Plan Act (ARPA) funds; increases in state appropriations, as a result of better than expected state tax revenues coupled with strong university advocacy for more equitable funding; a substantial rebound in residence hall occupancy from 38% in Fall 2020 to 83% in Fall 2021, and from 35% in Spring 2021 to 78% in Spring 2022 (with concomitant increases in residence hall and dining revenues); and strong budget management across the entire university. The university's primary reserve ratio of 40.16% (minus the effects of GASB 68 pension and GASB 75 OPEB requirements) continues to exceed industry standards.

BSU's effective COVID response created the conditions for bringing back in-person classes, repopulating our residence halls, and creating a feeling of "near normalcy" on campus. COVID vaccination rates reached 96%-plus for students and employees. The university administered 15,907 PCR tests with a cumulative positivity rate of 1.4% - well below Plymouth County and statewide levels. In addition, BSU distributed more than 10,000 free rapid tests, thousands of surgical, KN95 and N95 masks, and administered hundreds of vaccinations.

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.

While these challenges continued to demand our attention, they did not distract us from implementing new strategies to address emerging challenges and leverage new opportunities, including:

1. Enrollment: The university's headcount continued its downward trend, declining 6.7% from 10,651 in Fall 2020 to 9,942 in Fall 2021. To address this concern, the university began implementation of the 20-plus recommendations contained in an action plan developed through its comprehensive strategic enrollment planning process. Fall 2022 witnessed a substantial 200-student increase in first-year undergraduate students, although transfer enrollments continued to suffer largely as a result of sharp decreases in community college enrollments. Residence hall occupancy increased to 92%, far exceeding most of our state university peers. While BSU remains below pre-pandemic enrollment and occupancy levels, there are clear signs that both areas are beginning to stabilize.

In early FY2023, the university reorganized enrollment management to better leverage existing synergies and drive new and innovative enrollment strategies. This year, the university is implementing several new admissions strategies, including expanded merit scholarships targeting low-yielding student groups; intensifying outreach to convert students who inquire and apply; and building the long-term pipeline of students by expanding search campaigns, among other initiatives. BSU saw strong student retention in Fall 2021 and Spring 2022 and is expanding proven retention strategies, including its nationally recognized Student Navigator model and retention scholarships, targeting at-risk students.

2. Alignment with workforce needs: BSU has reoriented its academic program development to meet emerging workforce needs in critical economic sectors. Significantly, BSU is poised to become the statewide leader in cybersecurity education and training. It is awaiting final approval by the state BHE of new bachelor's- and master's-level programs; building the state's most sophisticated cyber range (with \$3.5 million in federal and state funding); and developing one of only four Security Operations Centers in Massachusetts. Also, through a series of initiatives known collectively as BSU Works, the university is also reimagining how it prepares students for the transition from college to work.

3. Investments in deferred maintenance/physical plant: BSU continued to make major investments in deferred maintenance and capital improvements to the campus in FY22. These included major repairs and renovations made to Maxwell Library, Moakley Center and Dana Mohler-Faria Science & Mathematics Center, upgrades to the Swenson Athletic Complex and installation of the Wyatt Sculpture Garden. The state's \$25 million investment in renovating Burnell Hall (expected to be completed in 2026) will benefit 4,000 students in 35 majors, rationalize the use of space across campus and respond to growing demands for educators and health care professionals.

4. Capital Campaign: In FY22, BSU undertook major preparations for the launch of the largest capital campaign in its history in FY23, with the goal of increasing the university's private endowment to \$100 million. Building the endowment will make possible strategic investments in student financial and other supports, BSU Works, and in scaling new programs that drive student educational access and success as well as build on BSU's leadership in diverse areas from cyberbullying to STEM and civics education.

5. Racial Justice and Equity: In FY22, BSU began the implementation of the 72 recommendations in the final report of the Special Presidential Task Force on Racial Justice. These recommendations address elements of policy, practice, and culture that are impeding racial equity at BSU in areas such as curricular and co-curricular development; employee recruitment and retention; education, training and professional development; student supports; policing; and reporting and problem solving. All the while, the university continues to garner national attention and grant funding for its innovative practices in closing achievement gaps and supporting racial equity.

This past year has proven once again that Bridgewater State University is well-prepared to cope with any number of emerging challenges while continuing to focus on the long-term strategic priorities and bold new initiatives that undergird its position as flagship of the Massachusetts State University System.



Frederick W. Clark Jr., Esq.
President

LETTER OF Transmittal

December 21, 2022

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 to you the Annual Comprehensive Financial Report for Bridgewater State University for the year ended June 30, 2022. The audit report appears in the Financial Section and conveys an unmodified opinion on the university's financial statements.

MANAGEMENT RESPONSIBILITY

This Annual Comprehensive Financial Report contains the financial statements for the fiscal year ending June 30, 2022, as well as other useful information for the university's constituents. Management assumes full responsibility for the completeness and reliability of the information contained within this report. We believe that to the best of our knowledge, the data contained herein is presented fairly and accurate in all material respects.

This report was based upon the established internal controls of the university. The university's internal controls ensure that the financial information of the university is reasonable and free of material misstatements. Internal control provides reasonable assurance against fraud and misappropriation. The cost of internal controls implemented should not exceed the anticipated benefits. The internal control plan 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 letter of transmittal should be read in conjunction with the Management's Discussion and Analysis (pages 26-47), which focuses on current activities, accounting changes and currently known facts.

The university's financial statements reflect the reporting standards issued by the Governmental Accounting Standards Board. Further, this Annual Comprehensive Financial Report contains all disclosures necessary for a reader to gain an understanding of the university's financial operations for the fiscal year ending June 30, 2022.

PROFILE OF THE UNIVERSITY

Founded by American public education pioneer Horace Mann in 1840, Bridgewater State University has grown from its first home – a single room in the basement of Bridgewater Town Hall – to become the largest of the nine Massachusetts state universities and the third largest of the 29 public college and university campuses and the tenth largest overall, public or private – in the commonwealth. The 278-acre campus is home to 39 academic, administrative and residential buildings.

With an enrollment of approximately 10,000 students, Bridgewater State University provides opportunity to residents of the region and the commonwealth through a wide range of academic programs and innovative learning experiences inside and outside the classroom. The University's academic programs (54 undergraduate degree programs and 43 graduate degree programs) are housed and administered 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. Despite the transformation of the campus over the past two decades and growth in student population, Bridgewater State University remains committed to small class sizes with a 17:1 student/faculty ratio and average class size of 22 students and extraordinary teaching and mentoring by a world-class faculty with full-time faculty/librarians numbers of 345, representing a net gain of 99 since Fall 2002. Bridgewater serves a student population of which 94 percent of undergraduate and 93 percent of graduate hail from Massachusetts. Nearly 50 percent of Bridgewater undergraduates represent the first generation of their families to attend college.

Bridgewater affords students of all ages and backgrounds access to a variety of opportunities for learning and personal growth such as undergraduate research (which is nationally ranked by the Council on Undergraduate Research), international study, service learning and participation in an array of social justice initiatives. BSU has approximately 3,000 courses in more than 100 areas of study, and is recognized as one of the best universities in the nation for outstanding undergraduate research offerings. Undergraduate researchers have a 100% acceptance rate to graduate and professional schools — often with full funding and at some of the top programs in the country. In 2020, BSU was ranked among Money's Best Colleges. These accomplishments show Bridgewater can match the learning experiences students have at private universities. BSU also offers over 200 study abroad programs in more than 50 different countries. Each year, more than 2,000 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; and 93% of BSU graduates secure jobs or enroll in graduate school within six months to a year after graduation.

Bridgewater's commitment to student success has earned national recognition. BSU was ranked as the second leading university in Massachusetts for advancing the social mobility of students from a wide range of socioeconomic backgrounds and identities. The Chronicle of Higher Education (2021) ranked BSU ninth in the nation among institutions in its mission class for six-year graduation rates for undergraduate Black students and BSU is a leader in racially equitable high-impact practices, as witnessed by its leadership of the Leading for Change Racial Equity and Justice Institute. The university boasts a six-year graduation rate just over 60%, well above the national average for its mission class, and a first to second year retention rate of 77%.

The impressive numbers don't end there. Bridgewater graduate students historically have had among the highest first-time CPA exam pass rates of any university in Massachusetts. The College of Education and Health Sciences has been named an Apple College of Distinction for its innovative use of technology.

All the while, Bridgewater continues as one of the most prolific educators of new PreK-12 teachers in the commonwealth and readies more science and mathematics teachers annually than any institution in Massachusetts.

Like all higher education institutions, BSU faces an array of challenges: coping with the consequences of the COVID-19 pandemic; a decreasing number of high school graduates over time and plummeting numbers of community college students, each portending enrollment difficulties; growing mental health challenges for students and employees; and issues of racial justice and equity. However, Bridgewater State University's proud tradition of providing opportunity to all students, without exception – to learning by doing, to serving the world and the region, to teaching and learning, to discovering career paths, to dedicating making dreams a reality, and to encouraging a spirit of innovation – have created the thriving, dynamic institution we see today and bode well for the institution's ability to stake out a leadership position in addressing the many trials confronting higher education.

Alumni and friends have contributed 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 \$61.2 million as of June 30, 2022.

Vital to the long-term success of the institution is its recognition throughout the state and nation as an educational leader in the use of technology to improve teaching and learning. The first step in that direction took place in 1992, when Bridgewater State University secured a \$10 million federal grant – at the time, the largest federal grant ever awarded to a state university in the United States – to build what has become the John Joseph Moakley Center for Technological Applications. For two consecutive years (2001 and 2002), with the last issue of the magazine in 2002, Yahoo! Internet Life named the university among the "100 Most-Wired Universities and Colleges in America." The university earned the number six spot on Intel Corporation's "Most Unwired College Campuses Survey" in 2005.

Together, these developments have combined to strengthen the university's academic mission and expand its public service role. They were built on a series of initiatives that trace back to 1960, a watershed year in the life of the institution when a full-scale transition from an exclusively teacher-training institution to a comprehensive liberal arts university began. Until that time, the university had been relatively small – approximately 500 students – but enjoyed a national and international reputation for excellence in teacher preparation. The preparation of the next generation of quality teachers remains a top priority for Bridgewater State University, as evidenced by the institution's 50-plus years of continuous accreditation by the National Council for Accreditation of Teacher Education.

While the university's earliest years were times of great challenge, efforts never faltered to continue strengthening the curriculum, and each succeeding generation left Bridgewater State University stronger than the generation that went before. The thriving and dynamic institution we see today is the best evidence of the success of that enduring commitment.

In fiscal year 2011, the start of the 171st academic year, marked the institution's official transition to Bridgewater State University. A renaming ceremony held on the steps of Boyden Hall capped the day, replete with 4,000 guests, a dais full of dignitaries, and a flyover by the university's own aircraft. A special guest was former Massachusetts Governor Deval Patrick, who had signed the bill into law on July 28, officially changing the institution's name to Bridgewater State University. Bridgewater State University is considered to be a part of the State of Massachusetts' primary entity. The funds for Bridgewater State University are included in the Comprehensive Annual Financial Report of the State of Massachusetts. The university is a state-supported, coeducational institution of higher education and is governed by an 11-member board under the chairmanship of Dr. Jean MacCormack, it is a blend of veterans and future leaders forming a uniquely diversified, yet coherent mix dedicated to advancing the mission of public higher education.

July 1, 2015, marked the start of Frederick Clark, Jr., Esq.'s presidency and with the turning of the fiscal calendar came the opening of a new chapter in the history of Bridgewater State University. With a steadfast commitment to offering accessible public

higher education and enhancing student success, Frederick Clark, Jr., Esq. officially became the 12th president in the 175-year history of Bridgewater State University. President Clark's inauguration was held on September 1, 2015, when he was sworn into office by Governor Charlie Baker. A lawyer by profession, and a 1986 graduate of Suffolk University School of Law, Mr. Clark had served for a decade as executive officer of the Massachusetts State Universities' Council of Presidents, where he represented the commonwealth's nine state universities in governmental, legislative and public policy issues. He has been on public higher education governing boards as well, most recently with the Massachusetts Board of Higher Education (2007–2008) and, prior to his career in public higher education, on the university's Board of Trustees and the Bridgewater State University Foundation, Inc.

September 9, 2015, marked the university's official 175th anniversary. Bridgewater State University's history began in 1840 as a pioneering institution of the American Normal School Movement, the Bridgewater Normal School. Since 1840 the university has grown from 28 students being served in a basement of town hall to what it is today. The university commemorated its 175 years of service as an agent of social justice and solidified its focus for a new era. The university remains to be the oldest permanent sited teacher preparation institution in the United States.

MAJOR INITIATIVES AND ACHIEVEMENTS

The university has embarked upon many strategic planning initiatives. Emphasis has been placed on fostering a rigorous and dynamic academic environment marked by intensive student-faculty engagement. We continue to strive to establish regional leadership in preparing students for challenging and emerging careers and graduate study as well as enhancing campus participation in diverse and global society. We believe in strengthening institutional relationships with regional partners. We have a strong focus on developing sufficient resources for an attractive, well-staffed and technologically-updated campus. We hope to achieve this by our continued expansion and modernization of campus facilities to accommodate growth and specialized functions, investment in technology to support campus functions, providing high-level professional opportunities to staff and broadening the university's base of financial resources to support campus initiatives.

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 nested design model allows us to have increased inclusion that was absent prior to this particular plan. The institutional level plan was informed through the involvement of various stakeholders through the use of ninety listening tours, a student micro-climate survey, and an electronic strengths survey of our faculty, librarians, and staff.

The design is also unique in its time horizon. BSU has adopted a highly effective, inclusive and “nested” strategic planning process that helps align priorities, decision-making, and resource allocation at the institutional, divisional and departmental levels. The institution has largely completed implementation of its 2018 Strategic Plan 1.0 and has initiated the process for developing Strategic Plan 2.0, which will be completed in 2023. The Strategic Plan was instrumental in guiding decision-making and resource allocation during the COVID-19 pandemic. The Strategic Plan is reviewed each year as part of a larger movement toward establishing a culture of continuous improvement and data-informed planning and evaluation.

BSU embraces best practices in the evaluation of academic programs with specific attention to educational outcomes and student learning. The university has made major advances in producing equity-oriented data collection and establishing a predictive analytics process that informs equity-oriented retention interventions intended to close educational achievement gaps. The university recently completed a cross divisional, intensive Strategic Enrollment Planning process that developed data-informed situation analyses and numerous strategies and action plans to drive enrollment and increase market share.

BSU will always be working towards the goals and objectives set out at all levels of the strategic planning process. It also means that we, as an institution and community, will continue to evolve and grow based on the needs of our stakeholders and continued

assessment of our internal and external environmental opportunities and challenges. This plan will be dynamic and inclusive rather than static and will be a “living” document rather than a placeholder.

As part of the student success strategy, the university has an active enrollment management and retention task force with an objective of setting enrollment targets, and creating or modifying existing recruitment strategies, which include “micro interventions” that target specific populations of students who may be at-risk of not successfully completing their degree. The university has expanded high impact practices, including undergraduate research, study abroad and internships, which are proven to contribute to student success, retention and graduation.

Enhancing the university’s student-centered environment is among our highest priorities. At its core, this means that students have the resources and opportunity to achieve their full potential. The university aspires to be a national leader in removing barriers in academic achievement, providing the necessary support to help each and every student grow and succeed, and eliminating any and all achievement gaps among different populations of students.

The university’s growing number of innovative academic programs helps to ensure that Bridgewater State University students are prepared to think critically, communicate effectively and act responsibly within a context of personal and professional ethics. For example, the Academic Achievement Center, and particularly its first-year advising program, is often cited as a model for other institutions to follow. At the same time, the Adrian Tinsley Program for Undergraduate Research represents an unparalleled opportunity for students to work closely with faculty mentors and to present research and creative work at regional and national conferences. The university seeks to build on its nationally ranked undergraduate research program to bolster experiential learning opportunities for students, including expanding the paid internship program, which affords students vital career opportunities, while helping build a talent pipeline for regional employers.

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. The university provides a significant number

of students with an opportunity to present their work at the National Conference on Undergraduate Research, the leading national venue for the presentation of student research.

CUR awarded its 2019 Campus-Wide Award for Undergraduate Research Accomplishments (AURA) to Bridgewater State University on January 24, 2020, at the CUR Executive Board reception during the annual meeting of the Association of American Colleges and Universities in Washington, D.C. Now in its fifth year, the AURA award draws on CUR's Characteristics of Excellence in Undergraduate Research (COEUR) which outlines criteria for exceptional undergraduate research, scholarship, and creative activity programs. The university has been named by the Department of State as one of the top Fulbright-producing institutions; and BSU students have earned prestigious and competitive national fellowships, awards and honors in the past five years, including two Goldwater scholarships, five Fulbright grants and one Truman scholarship finalist. Approximately 40% of students participate in internships and the Martin Richard Institute for Social Justice provides students with social justice, civics education, community engagement and leadership opportunities.

Since 2009, the university has operated the Bridgewater State University flight training center at the 10,000 square-foot single story commercial building located adjacent to the New Bedford Airport. This flight training facility trains roughly 100 aviation students.

The university owns a total of eleven aircraft, eight non-complex single engine and three non-complex, TAA single-engine aircraft, demonstrating the university's ongoing commitment to the aviation program. The flight-training program in New Bedford also sponsors the Aviation Career Education (ACE) Summer Camp. This is a weeklong exploration of air travel featuring instruction from experienced pilots, behind-the-scenes airport tours and real and simulated flights. The ACE Camp is available for junior and senior high school students in Southeastern Massachusetts. In February 2014, the university earned accreditation status from the Aviation Accreditation Board International (AABI.) The AABI accreditation advances quality aviation education worldwide through accreditation and leadership. The accreditation assures students and prospective employers that an educational degree program has met stringent industry standards of

quality and that graduates can perform a broad range of professional responsibilities. In September 2014, the university formed a new venture with JetBlue and Cape Air giving students a more definitive path to the cockpit. The JetBlue University Gateway Program takes the best aviation students and helps with training and mentoring, eventually setting them squarely on the path to fly first for Cape Air and then JetBlue. The university is the seventh institution to be taken aboard. In June 2016, the university signed an agreement with Cape Air that established a post-graduate co-op program for the aviation students. The co-op students, if accepted, will train to become and serve as first officers on Cape Air flights. During 2016, the university unveiled a refurbished flight simulator which mimics a multi-engine plane that can fly into any airport and in any weather. The refurbished simulator is a necessary tool for aviation majors on the multi-engine track.

Through the extensive information technology and distance education resources available at the university, including the John Joseph Moakley Center for Technological Applications, the university made technology an integral component of teaching and learning on campus, and is a regional center for the enhancement of teaching through technology for PreK-12 teachers and university faculty. The university has been named an Apple College of Distinction. Five years ago, the university issued Apple iPads to all full-time faculty and more than 1,600 students in the College of Education and Allied Studies. The impact of technology in the classroom increases student motivation to learn and enriches classroom education. Apple recognized the university's iPad initiative as a distinguished program for demonstrating an innovative and compelling learning environment that engages students and provides tangible evidence of academic accomplishment. 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. The College of Education and Allied Studies has retained its designation as an Apple Distinguished School. The honorific speaks to Bridgewater State University's commitment to staying ahead of the technological curve. The designation is reviewed every two years; BSU is one of only a handful of institutions in the United States admitted into the program.

In June 2015, the university created its 6th college, the College of Continuing Studies. The College of Continuing Studies provides students with the flexibility to mix evening and online courses in pursuit of degrees at the main campus and both satellite locations in Cape Cod and Attleboro. Creating this new college was an integral step to illustrate the university's commitment to continuing education.

On September 26, 2015, the university renamed our 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 renaming ceremony included unveiling the Martin Richard sculpture and was held at Bridgewater's University Park to commemorate Martin's life and his message of peace. Since then, the mission of the Martin Richard Institute for Social Justice has been to build knowledge about social justice, to develop skills for advancing social justice through individual and collective action, and to serve as a catalyst for actualizing Bridgewater State University's commitment to social justice. The Institute now has a new home on campus, the Bridgewater State University Foundation recently purchased a property on the west side of campus that will be the new permanent space for the Martin Richard Institute for Social Justice, opening in December 2022. This important purchase signifies the university's commitment to social justice and racial equity.

In June 2020, President Clark announced the formation of a Special Presidential Task Force on Racial Justice to act on many fronts against racial injustice and in support of equity and inclusion. The Task Force included three appointed chairs, each of whom has been deeply involved in matters of racial justice and equity, and included representation from students, staff, faculty and alumni as well. The university dedicated the entire 2020-2021 academic year to this critical issue, as there was no higher priority on our campus than building a more inclusive and equitable BSU. Through this important initiative, the university has re-committed ourselves to bold action that puts into practice our values of diversity, inclusion and equity for all. This Task Force was charged with conducting a comprehensive review aimed at identifying elements of policy, practice, and culture that may serve to impede our efforts

at fully realizing racial justice and equity at BSU. The Task Force was instructed to listen deeply to what our students of color are saying, leave no stone unturned, honestly evaluate how we can do better, and thoughtfully develop actionable recommendations to make change. The Task Force members were able to conduct their work with complete autonomy and to go wherever the review led them. The results of their work have now been published and the complete Task Force report has been presented to our governing Board of Trustees, the President and campus community. It is important to recognize that the Task Force report builds on an exceptional body of work that the BSU community has undertaken over the past two decades to advance racial equity. The Racial Justice Task Force report represents the next step in our development towards building a more just, equitable and inclusive BSU and making sure all of our students feel a strong sense of belonging. This fiscal year, BSU began the implementation of the 72 recommendations in the final report of the Special Presidential Task Force on Racial Justice. These recommendations address elements of policy, practice, and culture that are impeding racial equity at BSU in areas such as curricular and co-curricular development; employee recruitment and retention; education, training and professional development; student supports; policing; and reporting and problem solving. All the while, the university continues to garner national attention and grant funding for its innovative practices in closing achievement gaps and supporting racial equity.

In December 2015, the university was noted for closing the achievement gap in a report published by the Education Trust. 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 achieved results in improving graduation rates for all undergraduate students while closing the achievement gap experienced by students from a range of under-represented groups utilizing 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.

In 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 supports the university's science and outreach efforts and has doubled the space dedicated to the math and science programs, such as Biological Sciences, Chemical Sciences, Computer Sciences, Earth Sciences, Geography, Math and Physics. The Dana Mohler-Faria Science and Mathematics Center also has a rooftop observatory, botanical garden and a greenhouse.

On April 21, 2016, the university's President announced the Commonwealth Commitment. The Commonwealth Commitment is an innovative college affordability and completion plan to help more students achieve the dream of a college degree. The plan commits every public campus to provide 10 percent rebates at the end of each successfully completed semester to qualifying undergraduate students. A part of the Commonwealth Commitment's goal is to increase cost savings and predictability, tuition and mandatory fees will be frozen for program participants as of the day they enter the program. The Commonwealth Commitment helps students and prospective students complete their education and further enhances pathways between Bridgewater State University and the regional community colleges.

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. Through its College of Education and Health Sciences, the university offers special education degrees at both the bachelor's and master's degree levels and, in the Teacher.org ranking, was rated sixth in the nation. Bridgewater State University, the largest preparer of special education teachers in Massachusetts, public or private, was the only institution from Massachusetts to receive recognition from the 2016 Teacher.org's ranking for Best Colleges for Special Education.

The concept of the Commonwealth Commitment was expanded locally through two initiatives which started in Fall 2017, "MCC2BSU" and "BCC2BSU." These initiatives guarantee dual admission into targeted undergraduate programs at Bridgewater State University to both Massasoit Community College and Bristol Community College students. The initiatives admit students to both institutions simultaneously while securing an affordable pathway between the institutions. The model provides a clear path from community college to the university and bachelor's degree completion in a variety of majors. The students enrolled in these initiatives benefit by receiving collaborative and intensive academic advising with a Bridgewater State University advisor located on the community college campus' and an engagement of peer mentors, faculty members and administrators to ensure their success. The students who meet the guidelines of the Commonwealth Commitment program attend the university at frozen tuition and fees throughout the remaining two years of study.

Under President Clark's leadership 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). Subsequently, 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 organization praised Bridgewater State University for increasing the number of blue light emergency telephones and utilizing the Rave Guardian app. The university has taken several steps in the last few years to increase campus safety. In 2020, Bridgewater became the first higher education institution in Massachusetts, and second nationally to unify all emergency notification systems. This one-button approach alerts the campus community of an emergency more quickly.

Since Summer 2016, Bridgewater State University has hosted an elite group of Africa's brightest emerging public administrators through the Young African Leaders Initiative (YALI) established by President Obama. For the 2019-2020 program Bridgewater State University was the only Massachusetts university partner to host this program. 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. The flagship program was launched in 2010 to support Young African leaders as they spur growth and prosperity, strengthen democratic governance, and enhance peace and security across Africa. Due to the COVID Pandemic, YALI was put on hold in 2020. However, in June 2021 the university will virtually engage 25 of Africa's emerging Public Management leaders for a six-week Leadership Institute, sponsored by the U.S. Department of State. While remaining in their home countries, Fellows will participate in virtual Leadership Institutes, which will include leadership training, networking, mentoring, and professional development. However, in summer 2022 BSU welcomed back the Young African Leaders fellows on campus since the first time since the pandemic.

During the fiscal year ended June 30, 2019, the university implemented new and more effective recruitment strategies, including the shift to the Common Application, development of a new virtual tour, and an enhanced presence on Naviance (a high school college search platform), resulting in BSU achieving its largest incoming class in its history. Implementation of the Common Application resulted in a significant increase in freshman applications received during 2019 compared to prior years, as presented within the Freshman Applied, Accepted and Enrolled for the Last Ten Years within the Statistical Section on page 120 of this report.

Bridgewater State University benefits 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.

In November 2019, CONNECT partnership held its first Legislative Gathering and Awards Dinner at Bridgewater State University. In recognition of their service to

the region and advocacy for public higher education, Senator Michael Rodrigues and Representative David Vieira were named 2019 Distinguished Legislators. More than 60 local legislators, trustees, and guests from CONNECT campuses attended this inaugural event. In addition to the awards, a panel discussion entitled "Celebrating CONNECT Student Successes" featured students who transferred between CONNECT institutions. The students shared their stories, and each emphasized the necessity of affordability and access to higher education, the challenges they have faced along the way, and the value and opportunities they've experienced through public higher education in Southeastern Massachusetts.

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 athletic locker rooms, a satellite athletic training space and mechanical/equipment room and new public restrooms, including a gender-neutral family bathroom is available, and in each locker room there is a dedicated space that is also gender neutral. This great facility replaces a 45-year-old Swenson Field Blockhouse.

Construction of a grant-funded cybersecurity tool that will provide hands-on training for BSU. Called a cyber range, 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. BSU plans to modify a room in the Dana Mohler-Faria Science and Mathematics Center into a 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 \$250,000 state Skills Capital Grant, a Congressionally Directed Spending award of \$2.0 million, BSU match of \$275,000 and a Center of Excellence grant of \$50,000. BSU has also submitted an application for a \$1.2 million Technology and Innovation Ecosystem Grant.

LONG-TERM FINANCIAL PLANNING

Budgetary controls necessitated by the COVID-related enrollment downturn, coupled with unexpected additional state support, resulted in growth in the long-term reserve. The university utilizes a resource planning process for each budget year. This systematic effort allows the institution to more fully align resource designs with strategic priorities; 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 and prioritized strategic 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.

Strategic decisions are made based on the university's above goals.

With the global outbreak of the novel coronavirus (COVID-19) in March 2020, this fiscal year and the last two have been unlike any other years. In Spring 2020, BSU transitioned to remote learning and significantly reduced the resident hall operations. In Fall 2021, the residence halls were re-opened for operations with needed COVID safety protocols while providing rooms for needed isolation. The new operating method resulted in increased occupancy versus fiscal year 2021 and 2020. Our residence halls

occupancy for Fall 2021 semester was 83% compared to 38% in Fall 2020. The occupancy for Spring 2022 semester was 78% compared to 35% in Spring 2021. This compared to our Fall 2019 occupancy of 98% and our Spring 2020 occupancy of 89% prior to the outbreak of pandemic.

With the support 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) the university was able to help mitigate some of its lost revenues and continued to support student emergency grants through these federal funds.

Due to the global pandemic, multiple factors have emerged that may impact future periods. The university has continuously assessed and monitored the health issues resulting from COVID-19. In Fall 2021, the university began repopulating our campus and welcomed back our students, faculty and staff and campus community with in-person learning and increased residence hall occupancy. Enrollment continues to be a challenge for institutions of higher education. BSU's registered credits declined by 8.02% in the Fall 2021 semester compared the prior year. See chart on page 26.

The reduced residence hall occupancy and the resulting Resident Life Trust Fund and Dining Trust Fund revenue decline was partially mitigated by refinancing/refunding of existing debt held by the Massachusetts State College Building Authority College (MSCBA). This action eliminated/reduced payments assessed to the university by MSCBA for this fiscal year 2021. These assessment savings, which will provide some additional relief in fiscal year 2022, will not continue into future years after fiscal year 2022. Accordingly, occupancy in the residence halls is an important factor impacting future periods. The university has typically experienced occupancies of 96% to 100%. Fall 2022 occupancy is approximately 92.4%. Returning to prior occupancy levels will be a significant focus of BSU post-pandemic.

FINANCIAL POLICIES AND ABSTRACTS OF FINANCIAL INFORMATION

The university's focus on programs supporting a student-centered environment are best illustrated by the continuing investments in instruction, student services, academic support, scholarships and auxiliary services while controlling institutional support and the operation and maintenance of the plant.

During 2017, the university filed its intent to liquidate its Federal Perkins Loan program and fully assigned the remaining population of the loans receivable to the U.S. Department of Education. The university provided final disbursement of the government advances refundable balances during fiscal year 2018 and reported a remaining Perkins loan receivable balance of \$0. In July 2018, the university received the official Perkins Program closeout letter from the United States Department of Education.

A series of student billing practices were implemented and completed in 2018. The changes aligned the university's payment and collection processes with industry best practices, including a required student financial responsibility agreement and more timely collection procedures. Implementing the modifications to the student billing practices has resulted in a reduction of approximately \$3.8 million of the student receivable balances comparing the student receivable presented on June 30, 2022 of \$4.44 million as compared to June 30, 2017 of \$8.25 million.

On June 30, 2022 the university's deposits were fully insured and collateralized, with the exception of the amounts held by the Massachusetts Municipal Depository Trust.

The university's unrestricted net position has been adversely impacted by the implementation of GASB 68, Accounting and Financial Reporting for Pensions and GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB). The impacts have been so significant that the university began including ratio analysis in its financial statements Management's Discussion and Analysis presentation summarizing the impact on various ratios including and excluding the impact of the pension and net OPEB standards.

The university's unrestricted net position continued to be impacted by the implementation of GASB 68. 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. Bridgewater State University, as part of the department and enterprise funds of the Commonwealth, was required to record our allocated share of the pension plan's NPL, deferrals, pension expense and make certain footnote and required supplementary information disclosures in our financial statements.

The university's unrestricted net position continued to be impacted by the implementation of GASB 75. 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. Bridgewater State University, as part of the department and enterprise funds of the Commonwealth of Massachusetts, was required to record our allocated share of the net OPEB liability, deferrals, pension expense and make certain footnote and required supplementary information disclosures in our financial statements.

The impact of the change in these obligations results in either a negative or positive impact on unrestricted net position annually. In fiscal year 2022, it resulted in an increase in BSU's net position of approximately \$9.7 million compared to decreases in net position of \$7.8 million and \$12.2 million in fiscal years 2021 and 2020, respectively.

Page 27 of the Management's Discussion and Analysis summarizes the composition of the university's net position deficit and the impact from the implementation of GASB 75 and 68.

OTHER INFORMATION

INDEPENDENT AUDIT

The university is audited annually by O'Connor & Drew, P.C. 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.

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 O'Connor & Drew, P.C. 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

Bridgewater State University is accredited by the Commission of Higher Education (NECHE). The university completed a comprehensive self-study in preparation for a NECHE accreditation team visit and review of the institution, which occurred in October 2022. The university is waiting for the results of the accreditation team visit. Our previous accreditation granted on June 28, 2013, is still in effect pending the results of this review.

- 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 of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bridgewater State University for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the fourteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

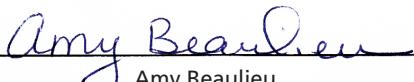
We wish to thank the President and Board of Trustees for their continued commitment to the fiscal management of the university. Likewise, we wish to thank the members of the university community whose cooperation made the annual fiscal close a success.



Douglas Shropshire
Vice President of Finance



Elizabeth Healey
Comptroller



Amy Beaulieu
Associate Vice President of Finance



Morgan Tat
Associate Comptroller



GRANT-FUNDED CYBERSECURITY TOOL TO PROVIDE HANDS-ON TRAINING

BSU will turn a room in the Dana Mohler-Faria Science and Mathematics Center into a state-of-the-art lab with computers and a wall of monitors, offering students and professionals a realistic setting to experience the pressure and complexity of cyber-attacks. Participants will confront simulations, including sophisticated ransomware and malware attacks, based on real cases.



The range complements Bridgewater's growing offerings in the cyber-security field with an estimated 7,400 open 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 cyber range is going to be a really great addition for our students," said Dr. Hannarae Lee, an assistant professor of criminal justice. "Employers want candidates to have actual experience. We're going to fulfill all those requirements for students and employers."

BRIDGEWATER STATE UNIVERSITY BOARD OF TRUSTEES

AUGUST 2022

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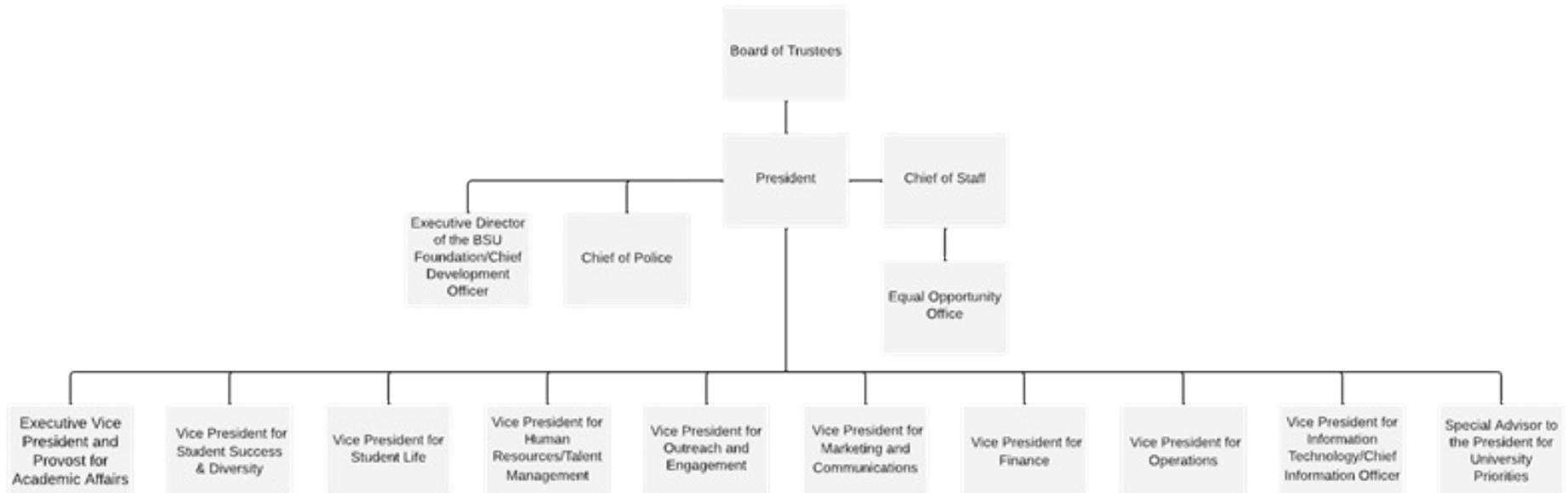
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June 30, 2021

Christopher P. Morill

Executive Director/CEO



'PAWSITIVE' APPROACH

"We are the first police department among the state universities to institute a canine outreach program."

David H. Tillinghast
Bridgewater State University Police Chief

Some people, when they see a police officer, do their best to avoid contact. It's a reaction Bridgewater State Police Captain Ryan Tepper and canine officer Zach hope to change.

"When people interact with police officers, it's often under stressful circumstances, when they are having their worst day," Tepper said. "But police officers aren't bad. We truly are trying to help people and get them on the right path."

To bridge the gap between law enforcement and the BSU community, the university's police department brought Zach, an 18-month black Labrador retriever, onboard.

"We are proud to say that this program is another BSU first," said Police Chief David H. Tillinghast. "We are the first police department among the state universities to institute a canine outreach program."



"I anticipated and hoped that when Zach and I are out, that he would help break down barriers, and he's done just that," Tepper said. "Everywhere we've gone, people love him."

Zach has also been trained to detect explosive material. His nose can sniff out potential danger to help ensure nothing dangerous is on campus. Over the summer Zach and Tepper completed a 12-week explosive detective training class with the Massachusetts State police where the duo received perfect scores.

Tepper encourages BSU students and community members to come up and say hi if they cross paths with Zach, but to make sure and ask first before approaching. "Come on up and pet him, we are always happy to meet new people, never be shy," Tepper said, adding that Zach's presence so far has been overwhelmingly positive.



Financial SECTION

2022
ANNUAL
COMPREHENSIVE
FINANCIAL REPORT
2021



INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Bridgewater State University
Bridgewater, Massachusetts

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, 2022 and 2021, 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, 2022 and 2021, 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 87, Leases*. The adoption of this pronouncement required the university to restate beginning net position. Our opinions are not modified with respect to this matter.

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.

Auditors' 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2022, on our consideration of the university's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the university's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the university's internal control over financial reporting and compliance.

O'Connor and Drew, P.C.

**Certified Public Accountants
Braintree, Massachusetts**

November 8, 2022



Homecoming





JUNIOR NAMED NEWMAN FELLOW



"Having this sense of social justice is what I want in life. Equity and justice are things I have always loved."

Carrie Provost, '23

Carrie Provost, '23, is committed to ending inequalities for Indigenous youth and first-generation college students who will follow in her footsteps. And participating in a national fellowship will help the Bridgewater State University student grow as a leader ready to tackle these challenges.

"Having this sense of social justice is what I want in life," said Carrie, who is majoring in criminal justice and English while minoring in Native American and Indigenous studies. "Equity and justice are things I have always loved."

Carrie, who is from Pine Ridge Indian Reservation in South Dakota, will represent BSU as a Newman Civic fellow for the 2022-2023 academic year. The initiative, run by the nonprofit Campus Compact, connects students across the country and trains them to be changemakers on campus and in the community.

"I love making connections with people," Carrie said. "I think the fellowship will provide that. I feel like it's going to be a really rich and interesting experience for me."

Carrie is a fellow at BSU's Martin Richard Institute for Social Justice, where she plans and leads programming. She also introduces her peers to Indigenous traditions by helping run the Native American Cultural Association.

Carrie praises BSU for deepening her commitment to social justice and helping her advance causes close to her heart. "I feel like it's impacted me in multiple ways," Carrie said of coming to BSU. "I understand if I had stayed on the reservation, I probably wouldn't be where I am today."

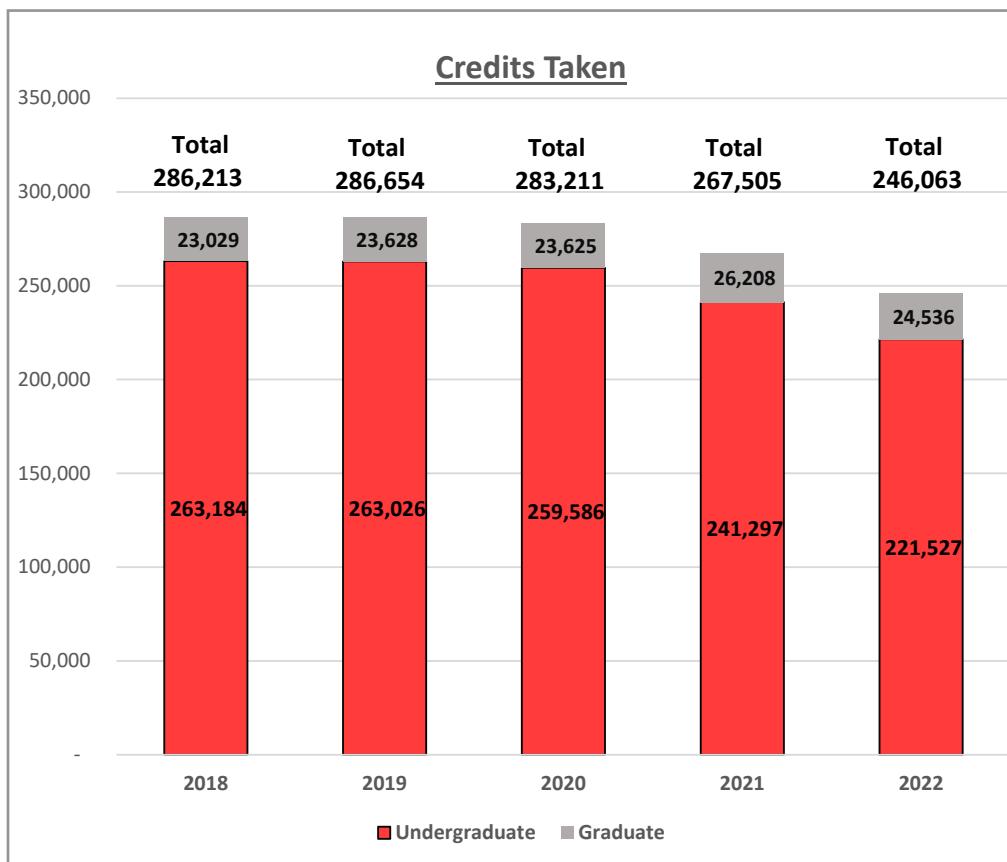
BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

***June 30, 2022 and 2021
(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, 2022. 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 (Louis M. Ricciardi College of Business, College of Education and Health Sciences, College of Humanities and Social Sciences, Bartlett College of Science and Mathematics, College of Continuing Studies and College of Graduate Studies). The university awarded 2,484 degrees last year, a 9.6% increase over the last ten years. The university has instructed over 246,000 credits, an 8.02% decrease over the previous year, due to pandemic impacts on enrollment and a large graduating cohort as demonstrated in the following chart.



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Financial Highlights

The university's financial position, at June 30, 2022 includes assets of \$448.5 million, deferred outflows of resources of \$30 million, liabilities of \$367.5 million and deferred inflows of resources of \$92.8 million. Net position, which represents the residual interest in the university's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and may serve over time as a useful indicator of the university's financial position, remained relatively stable with a slight decrease of \$737 thousand to \$18.2 million as compared to the originally reported net position in fiscal year ending June 30, 2021. The fiscal year 2022 comparative statements show an increase of \$17 million to \$18.2 million from the restated prior year fiscal year ending balance of \$1.2 million due to the impact of the implementation of the new accounting standard GASB 87, *Leases* which was effective this fiscal year and was presented with a multi-year restatement as of July 1, 2019.

The university's component units financial position remained positive at June 30, 2022 with assets of \$61.2 million and liabilities of \$250 thousand. The university's component units recognized a net position decrease of \$4.1 million to \$61 million, a 6.3% decrease in total net assets. This decrease is primarily due to the negative impacts of the financial markets which resulted in a decline in investment values.

Accordingly, the combined financial position of the university and component units reflects assets of \$509.7 million, deferred outflows of resources of \$30 million, liabilities of \$367.8 million, deferred inflows of resources of \$92.8 million and combined net position of \$79.2 million at June 30, 2022.

The university's net position is continuously impacted due to the accounting requirements of GASB 68, *Accounting and Financial Reporting for Pensions* and GASB 75, *Postemployment Benefits Other Than Pensions*. 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 2022, it resulted in an increase in BSU's net position of approximately \$9.7 million compared to decreases in net position of \$7.8 million and \$12.2 million in fiscal years 2021 and 2020, respectively.

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

	2022	2021	2020
	Restated	Restated	
Beginning unrestricted net position	\$ (132,286,964)	\$ (150,719,298)	\$ (132,996,141)
Ending unrestricted net position	<u>(99,094,651)</u>	<u>(132,286,964)</u>	<u>(150,719,298)</u>
Change in unrestricted net position	<u>\$ 33,192,313</u>	<u>\$ 18,432,334</u>	<u>\$ (17,723,157)</u>
Increase (Decrease) in net position related to Pension - GASB 68	4,084,386	(7,140,325)	(6,127,656)
Increase (Decrease) in net position related to net OPEB - GASB 75	<u>5,633,463</u>	<u>(740,979)</u>	<u>(6,135,100)</u>
	9,717,849	(7,881,304)	(12,262,756)
Increase (Decrease) in net position from all other sources	<u>\$ 23,474,464</u>	<u>\$ 26,313,638</u>	<u>\$ (5,460,401)</u>
Change in unrestricted net position	<u>\$ 33,192,313</u>	<u>\$ 18,432,334</u>	<u>\$ (17,723,157)</u>

BRIDGEWATER STATE UNIVERSITY
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Management's Discussion and Analysis

June 30, 2022 and 2021
(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. The Statement of Net Position includes all assets and liabilities. 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
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Management's Discussion and Analysis

June 30, 2022 and 2021
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Overview of the Financial Statements (Continued)

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.

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

With the global outbreak of the novel corona virus (COVID-19) in March 2020, this fiscal year and the last two have been unlike any other years. In Spring 2020, BSU transitioned to remote learning and significantly reduced the resident hall operations. In Fall 2021, the residence halls were re-opened for operations with COVID safety protocols while providing rooms for needed isolation. The new operating method resulted in increased occupancy versus fiscal year 2021. Residence halls occupancy for Fall 2021 semester was 83% compared to 38% in Fall 2020. The occupancy for Spring 2022 semester was 78% compared to 35% in Spring 2021. This compared to our Fall 2019 occupancy of 98% and our Spring 2020 occupancy of 89% prior to the outbreak of pandemic.

The university was awarded Higher Education Emergency Relief Funds ("HEERF") from the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), the Coronavirus Response Supplemental Appropriations Act ("CRRSAA") and the American Rescue Plan Act ("ARPA") which created a relief fund for institutes of higher education. The HEERF and SIP funds awarded are as follows:

	Strengthening					
	Student Aid		Institutional			
	Award	Award	Program	Total		
CARES	\$ 4,416,831	\$ 4,416,831	\$ 438,097	\$ 9,271,759		
CRRSAA	4,416,831	9,957,617	613,515	14,987,963		
ARPA	12,647,966	12,526,847	1,119,506	26,294,319		
Total	<u>\$ 21,481,628</u>	<u>\$ 26,901,295</u>	<u>\$ 2,171,118</u>	<u>\$ 50,554,041</u>		

The university recognized the following as non-operating Federal grants for the years ended June 30, 2022, 2021 and 2020.

	For the Year Ended June 30, 2022					For the Year Ended June 30, 2021				
	Strengthening					Strengthening				
	Student Aid Award	Institutional Award	Institutions Program	Total		Student Aid Award	Institutional Award	Institutions Program	Total	
CARES	\$ -	\$ -	\$ -	\$ -		\$ 3,582,355	\$ 3,582,355	\$ 438,097	\$ 7,602,807	
CRRSAA	973,776	2,195,349	-	3,169,125		\$ 3,443,055	\$ 7,762,268	\$ 613,515	\$ 11,818,838	
ARPA	12,647,966	12,526,847	1,119,506	26,294,319		-	-	-	-	
Total	<u>\$ 13,621,742</u>	<u>\$ 14,722,196</u>	<u>\$ 1,119,506</u>	<u>\$ 29,463,444</u>		<u>\$ 7,025,410</u>	<u>\$ 11,344,623</u>	<u>\$ 1,051,612</u>	<u>\$ 19,421,645</u>	

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Financial Analysis of the University (Continued)

	For the Year Ended June 30, 2020				
	Student Aid		Institutional	Strengthening Institutions	
	Award	Award	Program	Total	
CARES	\$ 834,476	\$ 834,476	\$ -	\$ 1,668,952	
CRRSAA	-	-	-	-	
ARPA	-	-	-	-	
Total	\$ 834,476	\$ 834,476	\$ -	\$ 1,668,952	

With the HEERF grants and cost savings efforts, BSU was able to mitigate most of the pandemic related lost revenue. Over 5,000 students benefited from HEERF financial emergency grants to help with the impacts of the pandemic.

As of July 1, 2019, the university implemented a new accounting standard, GASB 87, *Leases*. This resulted in a restatement of multiple fiscal years. GASB 87 enhances the consistency for leasing activities and establishes requirements for lease accounting 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.

This implementation requires the recognition of all an entity's lease assets and liabilities that exceed 12 months in length. These assets and liabilities must now be recorded as current and non-current liabilities and right-of-use assets on the financial statements. Historically these leases were treated as operating leases and expensed on the Statements of Revenues, Expenses and Changes in Net Position.

The impact from implementation of the lease standard on net position as of June 30, 2021 and June 30, 2020 was a reduction of \$11,845,641 and \$5,908,825, respectively. The prior period adjustment due to the implementation of GASB 87 is highlighted in Note 2.

Bridgewater State University realized an increase of \$17 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 an increase in residence hall occupancy, a 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 were offset by the impact of the GASB87, *Leases* implementation, increased payroll costs and fringe rate for collective bargaining increases and retroactive pay adjustments and increased scholarship support.

Bridgewater State University realized an increase of \$12.8 million to net position in fiscal year 2021. This increase was attributable to 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 reduction due to 20A bond refinancing and an increase in state appropriation and related fringe benefit increase. These increases were offset by a decreases attributable to 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*.

BRIDGEWATER STATE UNIVERSITY
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Management's Discussion and Analysis

***June 30, 2022 and 2021
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Financial Analysis of the University (Continued)

Bridgewater State University realized a decrease of \$18.7 million to net position in fiscal year 2020. This decrease was attributable to 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*, as well as increased depreciation expense. These reductions were offset by capital asset additions, reduction of debt, capital appropriations, as well as effective budget management of operating costs.

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 subject to external restrictions on how they must be used.

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 position 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 position 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>		
	2021	2020		2021	2020
2022	<i>Restated</i>	<i>Restated</i>		<i>Restated</i>	<i>Restated</i>
(27.92%)	(37.84%)	(48.67%)		40.16%	41.09%
					21.26%

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Management's Discussion and Analysis

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Financial Analysis of the University (Continued)

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

	2022	2021	2020
		<i>Restated</i>	<i>Restated</i>
Current assets	\$ 106,611,643	\$ 85,573,292	\$ 64,853,645
Capital assets	341,395,332	359,110,947	359,366,268
Non-current assets	<u>508,737</u>	<u>412,007</u>	<u>348,226</u>
 Total assets	 <u>448,515,712</u>	 <u>445,096,246</u>	 <u>424,568,139</u>
 Deferred outflows of resources	 <u>30,036,088</u>	 <u>48,814,483</u>	 <u>43,997,041</u>
 Current liabilities	 41,684,637	 36,344,563	 49,312,685
Non-current liabilities	<u>325,830,261</u>	<u>403,358,144</u>	<u>393,242,649</u>
 Total liabilities	 <u>367,514,898</u>	 <u>439,702,707</u>	 <u>442,555,334</u>
 Deferred inflows of resources	 <u>92,799,552</u>	 <u>52,987,829</u>	 <u>37,547,175</u>
 Net position:			
Net investment in capital assets	115,718,795	128,550,544	137,593,986
Restricted	1,613,206	4,956,613	1,587,983
Unrestricted	<u>(99,094,651)</u>	<u>(132,286,964)</u>	<u>(150,719,298)</u>
 Total net position	 <u>\$ 18,237,350</u>	 <u>\$ 1,220,193</u>	 <u>\$ (11,537,329)</u>

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Financial Analysis of the University (Continued)

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 due to funds received from 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 the strong collection practices on our student receivables.

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 due to funds received from Higher Education Emergency Relief Funds and budgetary controls. Overall net accounts receivable decreased due to excellent collection practices on our student receivables and relief of \$702 thousand from ARPA grant to support clearing of student balances.

The increase in the current asset category when comparing 2020 to 2019 is mainly due to an increase in cash and cash equivalents of \$5.3 million. This is primarily from funds received from the CARES Act. Overall net accounts receivable increased slightly due to an increase in student account receivables from increased summer enrollment and an increase in grant receivables.

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 shows that the university could cover its current obligations with its most liquid assets. For 2022, combined current assets of \$108.2 million are sufficient to cover combined current liabilities of \$41.9 million, yielding a current ratio of 2.58. For 2021, combined current assets of \$87.6 million were sufficient to cover combined current liabilities of \$36.5 million, which yielded a current ratio of 2.40. For 2020, the combined current assets of \$66.3 million were sufficient to cover combined current liabilities of \$51.1 million, which yielded a current ratio of 1.30.

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, including lease obligations, 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 right of use lease assets.

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Capital Assets (Continued)

As of June 30, 2022, 2021, 2020, net capital assets were \$341.4 million, \$359.1 million, and \$359.4 million, respectively. For the years ended June 30, 2022, 2021, and 2020, depreciation and amortization expense totaled \$24 million, \$23.7 million, and \$22.9 million, respectively. Capital asset additions for the current fiscal year totaled \$6.5 million.

\$1.3 million of the \$6.5 million total capital asset additions during the year ended June 30, 2022, related to Construction in Progress for the following projects:

- Maxwell Library Repairs and Renovations of \$350,670
- Tillinghast Hall and East Campus Commons Server Renovations of \$277,498
- Moakley Roof Replacement of \$154,335
- Hart Hall Air Handler Installation of \$150,088
- Cyber Range Project of \$125,097
- Small and Large Gym Painting of \$87,414
- Other Improvements and Renovations totaling \$134,730

\$3.8 million of the \$6.5 million total capital asset additions related to major purchases, renovations, and projects that were considered completed.

The major items were comprised of the following:

- Swenson Athletic Complex - Field upgrades, Bear Paw Pavilion of \$940,518
- Rondileau Student Union Renovations of \$900,047
- Wyatt Garden – Gifted Artwork, Landscaping and Restoration of \$839,060
- Rondileau Student Union Values Corridor of \$226,692
- Dana Mohler-Faria Science Center Repairs of \$184,290
- Electric Vehicle Charging Station Installation of \$105,099
- Tillinghast Humanities Lounge updates of \$88,515
- Other Improvements and Acquisitions totaling \$516,168

The remaining \$1.4 million of the \$6.5 million total capital asset additions related to right of use lease assets. The university was required to include the right of use assets under the newly adopted GASB 87 standard for both related party right of use (ROU) assets, mainly attributed to the MSCBA residence halls and other MSCBA owned facilities on our campus, and university ROU assets for equipment, space and vehicles.

The major items added in fiscal year ended 2022 were comprised of the following:

- Gillette Stadium space rental for commencement of \$794,493
- HVAC equipment for the Maxwell Library of \$281,688
- 5 Police vehicle leases totaling \$226,813
- 3 Postal equipment leases totaling \$71,793

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Capital Assets (Continued)

\$500 thousand represents projects that began in prior fiscal years that were completed in fiscal year 2022; this dollar amount was reclassified from Construction in Progress to capital assets subject to depreciation. The major items were comprised of the following:

- Swenson Athletic Complex - Field upgrades, Bear Paw Pavilion of \$257,003
- Rondileau Student Union Renovations of \$177,511
- Other Improvements totaling \$86,656

In fiscal year 2021, capital asset additions totaled \$23.5 million. Major renovations and project fixed asset additions during fiscal year 2021, included DCAMM campus-wide electrical infrastructure upgrades of \$4,020,398 and \$7,175,786, completion of the Rondileau Student Union Auditorium of \$2,954,796, and Swenson Athletic Complex – Bear Paw Pavilion improvements of \$1,062,598. The remaining \$10.5 million represents right of use lease assets, including \$10.2 million of related party right of use lease assets, real estate.

In fiscal year 2020, capital asset additions totaled \$226.4 million. \$214.5 million of the \$226.4 million total capital asset additions were right of use lease assets, including \$210.7 million of related party right of use lease assets, real estate. Major renovations and project fixed asset additions during fiscal year 2020, included DCAMM campus-wide electrical infrastructure upgrade of \$6,564,898, completion of the Swenson Athletic Complex, Bear Paw Pavilion of \$883,657, photonics equipment purchases of \$746,808 and Rondileau Student Union improvements of \$706,608.

The university has an active program to address deferred maintenance needs on campus. Addressing deferred maintenance remains a priority within the university's plans.

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

Non-current Liabilities

The university has non-current liability obligations issued for various capital projects. The debt was issued through the Massachusetts State College Building Authority ("MSCBA").

The university had \$7,850,000 of the Capital Asset Program issue, Series J-4 revenue bond issued by MHEFA/Mass Development to construct the Tinsley Center, with a maturity date of January 15, 2023. The bond had a variable interest rate, which was 0.09% and 0.3% at January 20, 2022 and June 30, 2021, respectively. The outstanding balance on the bond was \$0 and \$1,111,407 as of June 30, 2022 and June 30, 2021 respectively. This bond was paid in full in January of 2022.

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)). In July 2020 the Series 2012B and 2019C bonds were partially refunded with Series 2020A bonds. Through its agreements with MSCBA, the

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Non-current Liabilities (Continued)

university will repay this debt in semi-annual installments, starting May 1, 2007 and ending May 1, 2034, at an annual variable coupon averaging 2.09%. At June 30, 2022 and 2021, the debt service reserve was \$0 and \$18,552. At June 30, 2022 and 2021, the balance on the bond was \$419,963 and \$462,409, respectively.

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). 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 5.25%. At June 30, 2022 and 2021, the balance on the bond was \$2,703,750 and \$2,831,026, respectively.

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 – University Park. 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). 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 3.91%. At June 30, 2022 and 2021, the balance on the bond was \$719,214 and \$790,620, 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 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). 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. 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 5.32%. At June 30, 2022 and 2021, the debt service reserve was \$0 and \$16,950. At June 30, 2022 and 2021, the balance on the bond was \$3,585,336 and \$3,781,509, 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 source of financing the project 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. 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 5.24%. At June 30, 2022 and 2021, the debt service reserve was \$0 and \$13,560. At June 30, 2022 and 2021, the balance on the bond was \$2,928,627 and \$3,087,414, respectively.

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Non-current Liabilities (Continued)

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. In order to effectively manage resources, including debt, industry standards set the upper threshold for institutional debt burden at 7%. The debt burden ratio is presented for the primary government and our component units. As of June 30, 2022, 2021, and 2020, the debt burden is 7.0%, 5.2%, and 7.5%, respectively.

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

Lease Obligations

The university leases certain assets under lease arrangements including leases for equipment, space, vehicles, and various energy improvements that were implemented throughout the campus in 2006. The improvements were considered to be a lease because the energy improvements were a tax-exempt lease purchase. The university also leases certain assets under related party capital lease arrangements including Massachusetts State College Building Authority (MSCBA) real estate and Bridgewater State University Alumni/Foundation real estate. Net of debt service reserve releases and Build America Bonds Subsidies (BABS), the payments for related party leases cost the university \$7,798,436, \$4,614,896, and \$15,830,594 in principal and interest for the fiscal years ended June 30, 2022, 2021, and 2020 respectively. The payments for other leases cost the university \$2,072,818, \$1,522,707, and \$1,438,795 in principal and interest for the fiscal years ended June 30, 2022, 2021, and 2020 respectively.

During fiscal year 2018, the university entered into a 10-year operating lease agreement with Bridgewater State University Foundation for 5,389 usable square feet of space at 26 Summer Street, Bridgewater, Massachusetts. The premises are used for the university's Institutional Advancement administrative offices. The payments cost the university \$60,000 for the fiscal years ended June 30, 2021 and 2020. The Bridgewater State University Foundation paid off the mortgage on the property at 26 Summer Street and is no longer charging the University to lease the space. As of July 1, 2021, the university did not have any related party Alumni/Foundation real estate leases.

For more detailed information relating related party and other lease activity refer to Note 14 accompanying the basic financial statements.

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

Management's Discussion and Analysis

June 30, 2022 and 2021
(Unaudited)

Financial Analysis of the University

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

	2022	2021	2020
		<i>Restated</i>	<i>Restated</i>
Operating revenues:			
Tuition and fees	\$ 104,993,317	\$ 110,514,093	\$ 116,055,084
Student financial aid (contra revenue)	(31,809,718)	(27,135,063)	(26,239,591)
Operating grants	25,455,875	25,320,236	25,193,325
Auxiliary enterprises	34,940,605	15,422,689	32,309,029
Other operating revenue	<u>433,496</u>	<u>60,517</u>	<u>320,740</u>
Total operating revenues	<u>134,013,575</u>	<u>124,182,472</u>	<u>147,638,587</u>
Operating expenses:			
Instruction	74,689,976	75,333,725	82,834,673
Public service	1,160,957	1,414,288	2,420,144
Academic support	23,391,078	24,550,945	25,988,206
Student services	24,457,304	22,171,271	23,978,138
Institutional support	22,374,424	23,243,979	24,959,230
Operation and maintenance of plant	14,441,994	14,384,013	16,255,816
Scholarships and fellowships	18,517,462	15,285,158	10,243,910
Depreciation and amortization	23,965,906	23,703,244	22,932,317
Auxiliary enterprises	<u>22,011,750</u>	<u>14,549,475</u>	<u>20,021,307</u>
Total operating expenses	<u>225,010,851</u>	<u>214,636,098</u>	<u>229,633,741</u>
Net operating loss	<u>\$ (90,997,276)</u>	<u>\$ (90,453,626)</u>	<u>\$ (81,995,154)</u>

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

Management's Discussion and Analysis

June 30, 2022 and 2021
(Unaudited)

Financial Analysis of the University (Continued)

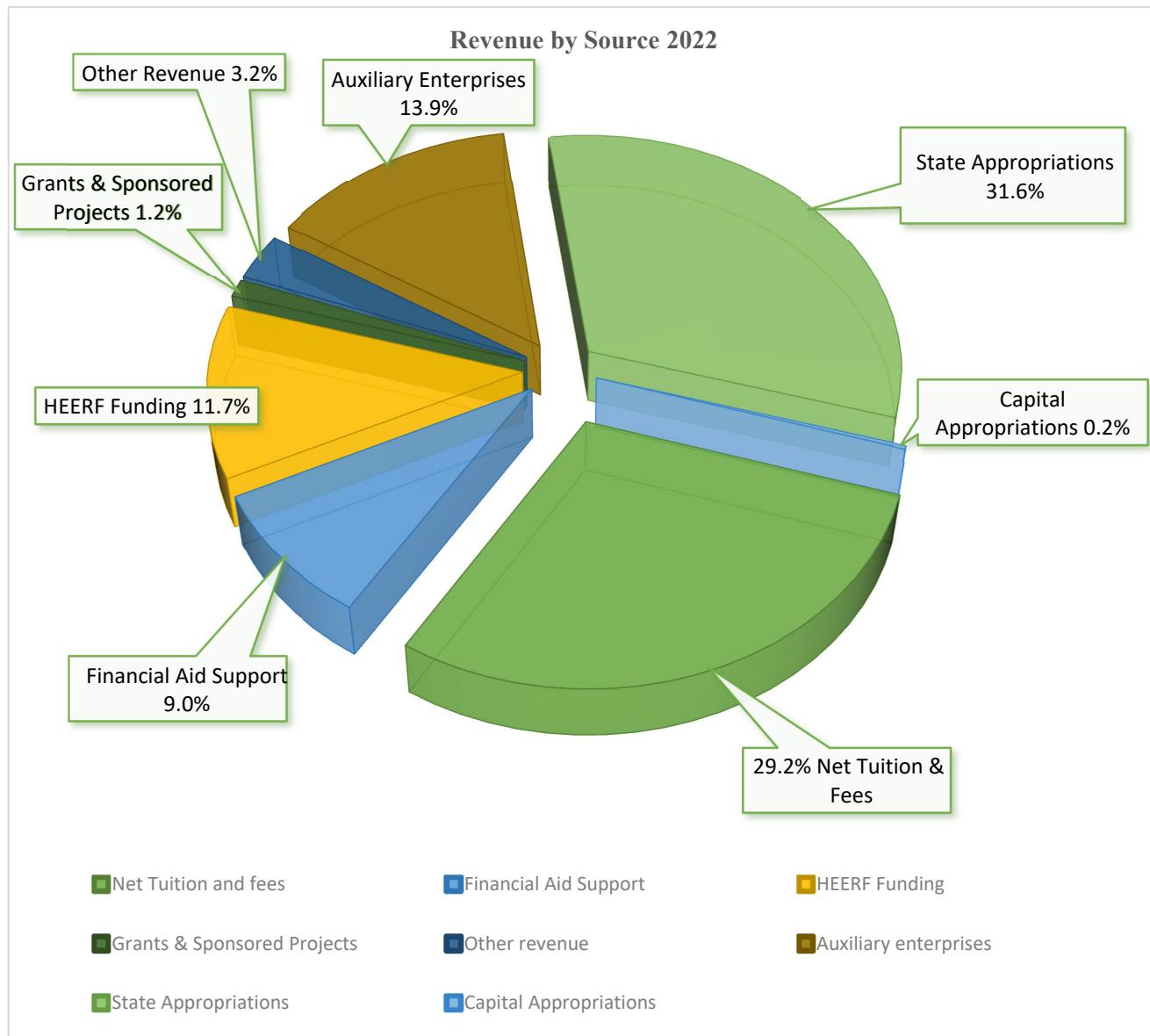
	2022	2021	2020
		<i>Restated</i>	<i>Restated</i>
Non-operating revenues (expenses):			
State appropriations, net	\$ 79,219,174	\$ 70,562,036	\$ 67,350,219
Gifts	2,354,390	2,116,858	1,902,763
HEERF funds	29,463,444	19,421,645	1,668,952
Investment income	74,082	17,923	236,611
Interest expense	(8,943,866)	(9,020,848)	(10,796,727)
Other non-operating revenues (expenses)	<u>5,244,740</u>	<u>4,342,126</u>	<u>1,721,524</u>
Net non-operating revenues (expenses)	<u>107,411,964</u>	<u>87,439,740</u>	<u>62,083,342</u>
Net income (loss) before capital appropriations	<u>16,414,688</u>	<u>(3,013,886)</u>	<u>(19,911,812)</u>
Capital appropriations	<u>602,469</u>	<u>15,771,408</u>	<u>1,218,147</u>
Total increase (decrease) in net position	<u>17,017,157</u>	<u>12,757,522</u>	<u>(18,693,665)</u>
Net position, beginning of year	<u>1,220,193</u>	<u>(11,537,329)</u>	<u>7,156,336</u>
Net position, end of year	<u>\$ 18,237,350</u>	<u>\$ 1,220,193</u>	<u>\$ (11,537,329)</u>

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

Management's Discussion and Analysis

***June 30, 2022 and 2021
(Unaudited)***

Financial Analysis of the University (Continued)



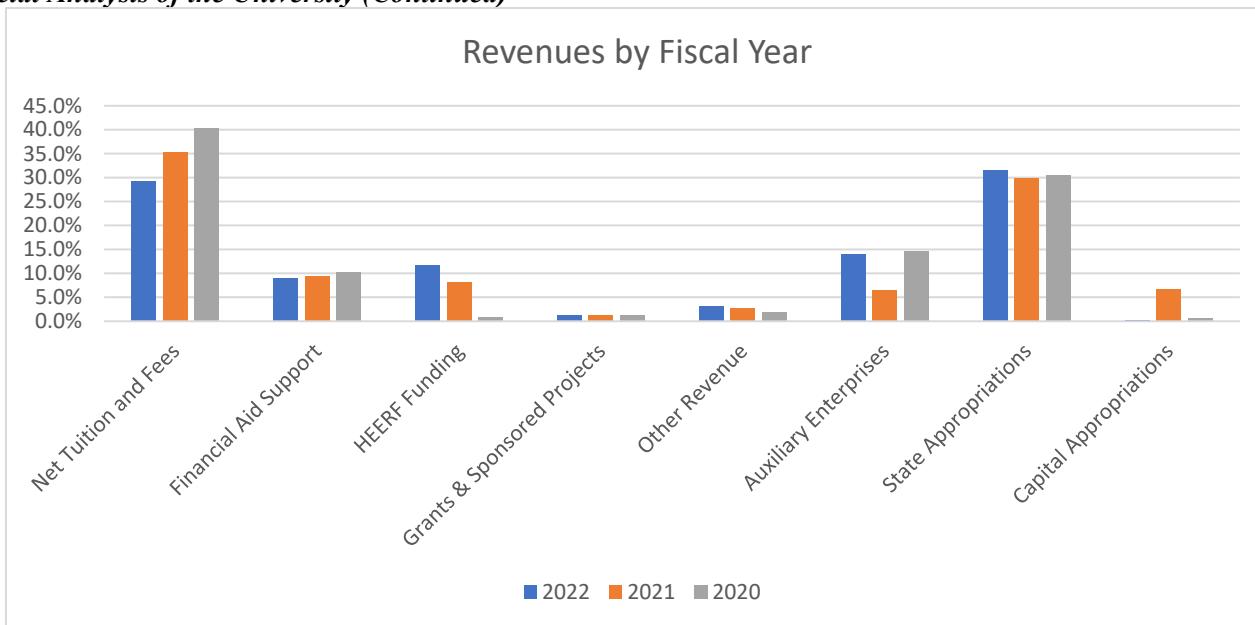
Approximately 29.2% of the revenues are derived from tuition and fees, 31.6% are from state appropriations, 9.0% of revenues are derived from financial aid student support, 11.7% of non-operating federal HEERF funding recognized, 0.2% are from capital appropriations, 13.9% are fees and other auxiliary revenues, 3.2% is other revenue which is comprised of gifts, investment income and other non-operating revenue and 1.2% is grants and sponsored projects. See Note 21 for further detail on state and capital appropriations.

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

Management's Discussion and Analysis

***June 30, 2022 and 2021
(Unaudited)***

Financial Analysis of the University (Continued)



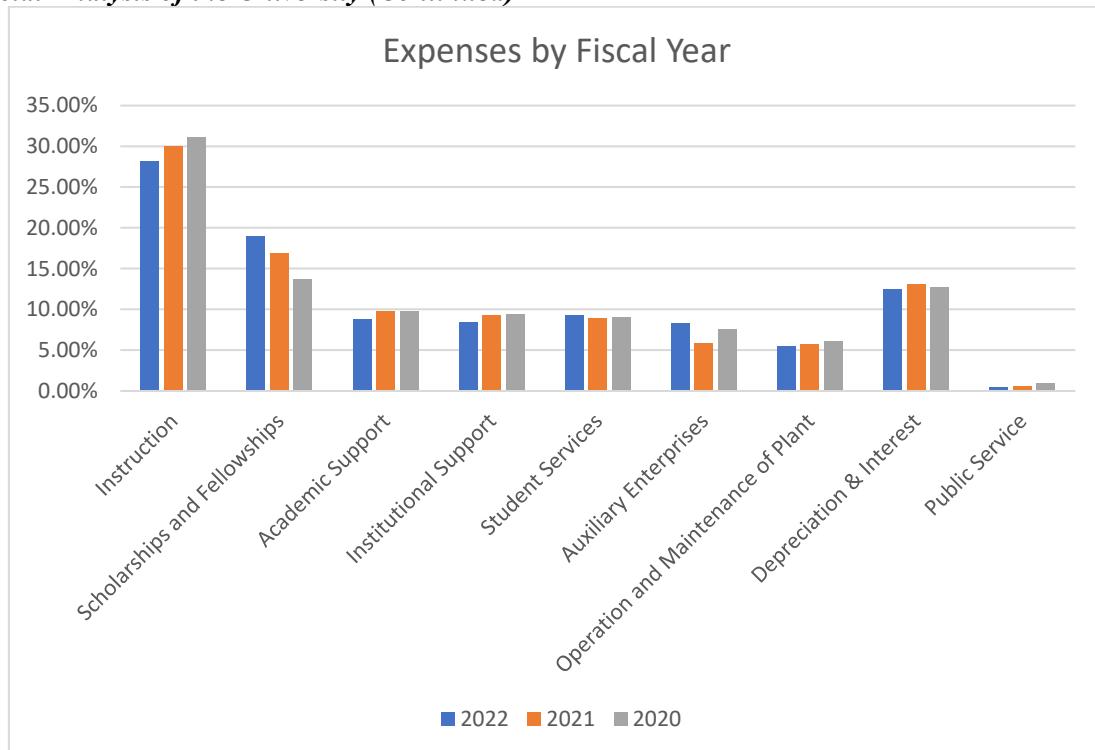
The charts above and below display our revenues and expenses over the last three fiscal years. While Net Tuition and Fees have decreased due to lower enrollment, our financial aid support has remained relatively constant. HEERF funding has been utilized over the past three fiscal years but has now been fully recognized. Auxiliary Revenue has recovered to close to pre-pandemic levels. State appropriations have increased as well. Capital appropriations had a significant jump in FY21 due to a DCAMM funded energy upgrade. Other revenue has increased due to continued support from the Foundation and impacts of the GASB87 implementation.

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

Management's Discussion and Analysis

***June 30, 2022 and 2021
(Uunaudited)***

Financial Analysis of the University (Continued)



Expenses for student support continue to remain a focus of the university. The percentage of expenses supporting scholarships/fellowships have increased by 37.9% for student support when comparing 2020 to 2022. The graph demonstrates auxiliary expenses increasing by 51.3% from 2021 to 2022 due to the increases in residence hall occupancy. Instruction, Academic Support and Institutional Support have decreased proportionally due to the impact of GASB 68 and 75 and the proportional increase in scholarships and fellowships. The university's expense mix illustrates a focus on programs supporting student success.

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. Therefore, 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:

	2022	2021	2020
Gross Commonwealth appropriations	\$ 58,512,737	\$ 52,106,936	\$ 50,175,136
Plus: Fringe benefits***	<u>20,717,250</u>	<u>18,464,155</u>	<u>17,232,591</u>
	<u>79,229,987</u>	<u>70,571,091</u>	<u>67,407,727</u>
Less: Tuition remitted	<u>(10,813)</u>	<u>(9,055)</u>	<u>(57,508)</u>
Net Commonwealth support	\$ 79,219,174	\$ 70,562,036	\$ 67,350,219

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

Management's Discussion and Analysis

June 30, 2022 and 2021
(Unaudited)

State Appropriations (Continued)

*** 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 Commonwealth for the fringe benefit cost of the employees paid from funding sources other than Commonwealth appropriations.

Grant and Contract Revenue

The university received \$54,919,319, \$44,741,881, and \$25,193,325 in grant and contract revenues for the fiscal years ended June 30, 2022, 2021, and 2020, respectively. Below represents the primary grants and contracts received for the following fiscal years ended June 30:

	<i>2022</i>	<i>2021 Restated</i>	<i>2020 Restated</i>
Operating Grants:			
Federal			
Pell grant	\$ 12,679,825	\$ 14,322,014	\$ 15,379,861
Federal work study	422,783	234,172	316,985
Federal SEOG	389,374	389,374	360,084
Teach grant	57,997	48,229	69,284
BABS revenue	309,487	309,487	344,755
State			
Mass grants	4,924,412	3,981,972	3,059,753
Tuition grants	2,040,658	1,996,042	1,937,558
Other	<u>4,631,339</u>	<u>4,038,946</u>	<u>3,725,045</u>
Total Operating Grants	<u>25,455,875</u>	<u>25,320,236</u>	<u>25,193,325</u>
Non-operating Federal Grants:			
HEERF Institutional Support	14,722,196	11,344,623	834,476
HEERF Student Emergency Funds	13,621,742	7,025,410	834,476
HEERF Strengthening Institutions Program	<u>1,119,506</u>	<u>1,051,612</u>	-
Total Non-operating Federal Grants	<u>29,463,444</u>	<u>19,421,645</u>	<u>1,668,952</u>
Total Grants	<u><u>\$ 54,919,319</u></u>	<u><u>\$ 44,741,881</u></u>	<u><u>\$ 25,193,325</u></u>

Enrollment

Enrollment at the university has decreased this past academic year. The university's enrollment head-count for Fall 2021 was 9,942, which is a 6.7% decrease from Fall 2020 enrollment head-count of 10,651.

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

Management's Discussion and Analysis

June 30, 2022 and 2021
(Unaudited)

Tuition and Fees

The university strives to provide students with the opportunity to obtain a quality education. Tuition and fees have remained constant in fiscal year 2022 and 2021, respectively. Tuition and fee rates for three fiscal years ended June 30 are reflected in the schedule below:

		Tuition		Total		Total	
		Resident	Non-Resident	Resident Tuition & Fees	Average Room & Board	Resident Average Cost	
<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	
<u>2020</u>							
Undergraduate	\$ 910	\$ 7,050	\$ 9,822	\$ 10,368	\$ 13,204	\$ 23,572	
Graduate	1,676	1,676	9,722	11,398	13,204	24,602	

Factors Impacting Future Periods

The university has begun transitioning from the impacts of the COVID-19 pandemic. COVID continued to impact our incoming class in Fall 2021. This small incoming class, which was similar in size to the Fall 2020 incoming class, coupled with a large graduating class after the Spring 2022 semester, resulted in an overall enrollment decline of 8%. Enrollment stabilized from registration in the Fall 2022 semester with a small overall decline of 2% versus Fall 2021 and included the second largest incoming class of first-time full-time students in the University's history. Resident hall occupancy also recovered to 92% in Fall 2022 versus 83% in Fall 2021. The typical occupancy rate history has ranged from 95-100%. Freshman historically have made up the majority of resident students and we have a higher percentage of these students continuing as resident students. Accordingly, as the size of incoming classes return to typical levels, occupancy rates are expected to return to typical levels.

BSU achieved strong student retention in Fall 2021 and Spring 2022, which helped mitigate the decline in new students. Regional community colleges continue to experience enrollment challenges. The economic challenges resulting from the pandemic also appear to be impacting potential students' decision making to attend BSU. BSU will continue to focus efforts on both recruiting and retention to maintain a predictable student revenue stream. The recovery of our student revenues is anticipated to continue with the implementation of the strategic enrollment plan. The plan includes evaluation of all our prospective student communication, improvement to our academic websites, investment in search engine optimization and focus on developing online degree programs for both traditional students and targeting adult learners (an underserved population in the Commonwealth of Massachusetts). The development of online programs is also contemplated for the College of Graduate Studies.

BRIDGEWATER STATE UNIVERSITY
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Management's Discussion and Analysis

June 30, 2022 and 2021
(Unaudited)

Factors Impacting Future Periods (Continued)

The university also reorganized enrollment resources to successfully execute the strategic enrollment plan. The overall responsibility for enrollment management is now vested in the modified division of Enrollment, Marketing and Communications. The Financial Aid Department has been added to the Finance division. A revised division entitled Student Life will provide renewed focus on occupancy and programming to effectively orient new students providing opportunity 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 our prospective student applications, acceptances and enrollments, a new merit based financial award system will be implemented for the next enrollment cycle. It is anticipated that this award system will tap into known demand resulting in additional enrollments and net tuition and fee revenues. Investments have been made in our Academic Advising function to guide students as they proceed on their academic quest. A significant two-year private grant was received in July, 2022 for approximately \$1.4 million to support additional Student Navigators. These positions provide wrap around services to students identified through data assessment to be of at higher risk of not retaining and persisting. This grant also provides retention grants for unique student financial issues. Funding was also made available for a new student support system for use by all personnel connected to the student experience. This system works as an early warning system to identify students in need of additional services or support.

The federal and state resources available for student financial aid continue to increase. The maximum federal Pell grant for student with demonstrated need increased from \$6,495 in fiscal year 2022 to \$6,845 in fiscal year 2023 a 5.4% increase. Overall state funding for all public higher education for student financial aid in fiscal year 2023 increased by \$44.7 million from \$130.5 million to \$175.2 million which will assist more students to attend the university. It is anticipated that the implementation of the strategic enrollment plan plus these student related investments and initiatives will allow for post-COVID improvement in student related revenue.

The university continues the interdivisional weekly COVID-19 safety meetings for reporting on and implementing safe protocols. Student safety and the safety of our faculty, staff and community remains at the forefront. The University has continued COVID related health and safety protocols including:

- Student, faculty and staff vaccination requirements.
- Easily available free rapid tests, masks and hand sanitizer.
- Classroom mask requirements at the discretion of faculty.
- Limited isolation spaces for resident students.

It is believed these protocols will continue to mitigate negative financial impacts and allow continuing in-person, on campus operations.

BSU benefited from better-than-expected state appropriation based on higher-than-expected state revenues which translated into a higher appropriation for the university. Future state revenues will continue to have a significant impact on our appropriation. BSU will continue to advocate for an appropriation commensurate with our enrollment, unique program offerings and community educational impact.

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

Management's Discussion and Analysis

June 30, 2022 and 2021
(Unaudited)

Factors Impacting Future Periods (Continued)

The universities component units are in the final stages of initiating a fundraising campaign to increase our endowment to \$100 million to continue to address the urgent needs of the university. The organizational stage of the fundraising campaign has been completed and the campaign is poised to be initiated. The gifts and contribution revenues from our component units increased from \$2.6 million to \$7.2 million from fiscal year 2021 to 2022. This increase in run rate is a good indicator for the future of the campaign.

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 our efforts at fully realizing racial justice and equity at BSU. In the 16 months since, more than 70 volunteer members of the extended BSU family - representing students, faculty, employees, alumni, and community partners - worked tirelessly to heed the challenge. Dozens more contributed everything from illuminating personal insights to rich expertise in research and scholarship. 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 to oversee this important initiative. The action items from the task force report are currently being executed and reported upon to maintain the focus on this important initiative.

Construction of a grant-funded cybersecurity tool that will provide hands-on training for BSU, called a cyber range, 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. BSU plans to modify a room in the Dana Mohler-Faria Science and Mathematics Center into a 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 \$250,000 State Skills Capital Grant, a Congressionally Directed Spending award of \$2.0 million, BSU match of \$275,000 and a Center of Excellence grant of \$50,000. BSU has also submitted application for a \$1.2 million Technology and Innovation Ecosystem Grant.

Additionally in late June 2021, Massachusetts Governor Charlie Baker' administration chose BSU to be the location for the announcement of his FY22 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 that the state is investing \$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. The total project cost was estimated to be \$39 million. This estimate is being reassessed given inflation and the tight labor market. 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 December, 2026. 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.

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

Management's Discussion and Analysis

June 30, 2022 and 2021
(Unaudited)

Factors Impacting Future Periods (Continued)

BSU received \$261,000 for a 367 KWh solar canopy in the Swenson Lot that is estimated to generate 400,000 KWh of clean electricity. The result will be \$850,000 in savings over 20 years through reduced electricity costs as part of a power purchase agreement with a third-party solar developer. This project will initiate in 2023 and complete in the 2024 fiscal year. There is a similar arrangement for a canopy constructed at Tower lot, anticipated to be active late in the 2023 fiscal year. BSU continues to install rooftop solar arrays across campus; Weygand Hall and Miles and DiNardo Hall are estimated to be operational in March of 2023. BSU is evaluating all of these arrangements from a GASB 87, lease perspective. BSU also plans to upgrade electric vehicle charging stations utilizing grant funding in FY23 as well.

Negotiations on the next collective bargaining agreement will begin later in fiscal year 2023. The financial parameters are unknown at this time. Once the parameters are determined they are submitted for approval by the Commissioner of the Massachusetts Department of Higher Education.

The university approved a slight increase in mandatory tuition and fees for the 2022-2023 academic year of 2.9%. This is the first increase in 3 years. It was necessitated by the impact of the retroactive collective bargaining pay increases totaling 6.5% through fiscal year 2023. In February 2022, an increase in residence hall rates for the 2022-2023 academic year was approved by the Massachusetts Board of Higher Education as proposed by BSU and endorsed by the MSCBA. The average increase was 2% and targeted the newer, in demand residence halls.

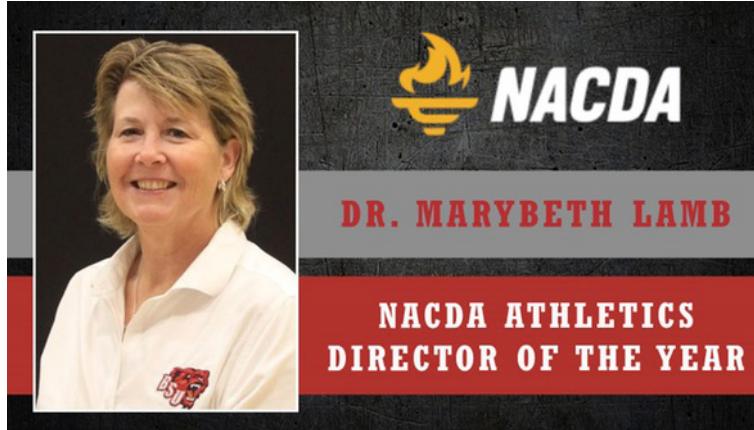
Costs at residence halls for 2022-2023, which reflect the MSCBA value-pricing, increased an average of 2%, as follows: Great Hill Apartments, \$10,070 from \$9,800; Miles-DiNardo Hall, \$9,100 from \$8,920; Pope and Scott Halls, \$8,160 from \$8,554; Shea-Durgin Hall, \$8,160 from \$8,554; Woodward Hall, \$8,140 from \$8,100; Stonehouse Hall, \$9,970 from \$9,750 for singles; \$8,960 from \$8,780 for doubles; Crimson, \$10,480 from \$9,970 for singles; \$9,360 from \$8,860 for doubles; Weygand, \$10,480 from \$10,220 for singles; \$9,360 from \$9,130 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 for 2022-2023 are as follows: Platinum \$2,475; Gold \$2,166; Silver \$2,108; Bronze \$238 (for commuters and students in the 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.

Tops IN HER FIELD



Out of 28 honorees, associate vice president for Athletics and Wellness, Mary Beth Lamb, was selected as the recipient of the 2021-2022 National Association of Collegiate Directors Cushman and Wakefield Athletics Director of the Year Award. This award highlights the efforts of athletics directors at all levels for their commitment and positive contributions to student-athletes, campuses, and their surrounding communities.

During her decade long-tenure at Bridgewater State University, Lamb has guided the BSU athletic program that supports over 500 student-athletes and 22 varsity sports as well as a variety of spot club and intramural/recreational activities. She has also expanded the club sports program to include women's ice hockey, gymnastics, golf, and men's rugby.

"Bridgewater is a special place
where our job is to
help develop students."

Mary Beth Lamb
Associate Vice President for Athletics and Wellness

For Lamb, creating connections and watching students grow has been the most fulfilling work, as she states, "Bridgewater is a special place where our job is to help develop students."



SOMETHING TO CHEER ABOUT



The BSU cheerleading team recently earned the 2022 NCAA Division III All-Girl National Title.

The Bears traveled to Florida to compete against the best in the country. Their winning 97.37 points in the Intermediate All-Girls Division III competition marked the highest score for a BSU cheerleading team at the national championships.

BRIDGEWATER STATE UNIVERSITY
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Statements of Net Position

June 30, 2022 and 2021

Assets and Deferred Outflows of Resources

	Primary Government		Component Units	
	(Restated)		2022 Combined	2021 Combined
	2022 University	2021 University		
Assets				
Current assets:				
Cash and equivalents	\$ 87,402,843	\$ 65,019,460	\$ 1,115,579	\$ 1,535,296
Deposits held by State Treasurer	10,037,214	7,558,659	-	-
Cash held by State Treasurer	2,398,739	1,558,824	-	-
Restricted cash and equivalents	829,470	1,591,360	-	-
Contributions receivable, net	-	-	362,038	415,836
Accounts receivable, net	4,497,798	8,832,107	5,523	16,712
Current portion of lease receivable	45,102	16,919		
Prepaid expenses and other assets	1,400,477	995,963	66,063	25,085
Total current assets	<u>106,611,643</u>	<u>85,573,292</u>	<u>1,549,203</u>	<u>1,992,929</u>
Non-current assets:				
Investments	-	-	54,166,612	60,167,438
Contributions receivable, net	-	-	1,067,706	323,724
Debt service reserve fund	-	118,131	-	-
Properties held for resale	-	-	1,100,000	1,100,000
Lease receivable	508,737	293,876	-	-
Capital assets, net	341,395,332	359,110,947	3,360,064	1,688,616
Total non-current assets	<u>341,904,069</u>	<u>359,522,954</u>	<u>59,694,382</u>	<u>63,279,778</u>
Total assets	<u>448,515,712</u>	<u>445,096,246</u>	<u>61,243,585</u>	<u>65,272,707</u>
Deferred outflows of resources				
Deferred outflows of resources related to pension	11,684,767	20,287,945	-	-
Deferred outflows of resources related to OPEB	17,915,877	28,047,550	-	-
Deferred outflows of resources related to MSCBA bond refunding	435,444	478,988	-	-
Total deferred outflows of resources	<u>30,036,088</u>	<u>48,814,483</u>	<u>-</u>	<u>-</u>

BRIDGEWATER STATE UNIVERSITY
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Statements of Net Position (Continued)

June 30, 2022 and 2021

Liabilities, Deferred Inflows of Resources and Net Position

	Primary Government		Component Units	
	(Restated)		2022 University	2021 University
	2022	2021		
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	6,442,452	6,266,604	248,923	155,264
Accrued payroll	9,089,782	9,048,832	-	-
Accrued worker's compensation	192,289	184,402	-	-
Accrued compensated absences	8,625,809	8,144,854	-	-
State funds payable	3,733	569,972	-	-
Unearned revenues	7,144,202	6,589,055	960	-
Other current liabilities	-	-	210	-
Current portion of related party lease obligations	7,664,151	3,103,146	-	-
Current portion of lease obligations	1,722,015	1,353,409	-	-
Current portion of bonds payable	800,204	1,084,289	-	-
Total current liabilities	41,684,637	36,344,563	250,093	155,264
Non-current liabilities:				
Accrued worker's compensation	1,402,784	1,330,197	-	-
Accrued compensated absences	4,248,533	4,011,644	-	-
Related party lease obligation	201,710,546	209,569,594	-	-
Lease obligation	3,572,891	4,407,264	-	-
Bonds payable	9,556,686	10,980,096	-	-
Net pension liability	38,224,852	75,678,655	-	-
Net OPEB liability	67,113,969	97,380,694	-	-
Total non-current liabilities	325,830,261	403,358,144	-	-
Total liabilities	367,514,898	439,702,707	250,093	155,264
Deferred inflows of resources				
Deferred inflows of resources related to MSCBA refunding	214,380	111,258	-	-
Service concession arrangement	295,486	97,984	-	-
Deferred inflows of resources related to pension	28,690,314	3,924,076	-	-
Deferred inflows of resources related to OPEB	63,023,749	48,522,160	-	-
Deferred Inflows from leases	575,623	332,351	-	-
Total deferred inflows of resources	92,799,552	52,987,829	-	-
Net position				
Net investment in capital assets	115,718,795	128,550,544	3,360,064	1,688,616
Restricted:				
Nonexpendable, scholarships and fellowships	23,000	23,000	27,200,423	22,558,740
Expendable, scholarships and grants	1,590,206	4,933,613	11,460,194	15,541,016
Unrestricted	(99,094,651)	(132,286,964)	18,972,811	25,329,071
Total net position	\$ 18,237,350	\$ 1,220,193	\$ 60,993,492	\$ 65,117,443

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, 2022 and 2021

	<i>Primary Government</i>		<i>Component Units</i>	
	<i>(Restated)</i>		<i>2022 Combined</i>	<i>2021 Combined</i>
	<i>2022 University</i>	<i>2021 University</i>		
Operating revenues:				
Tuition and fees	\$ 104,993,317	\$ 110,514,093	\$ -	\$ -
Less: scholarships and fellowships	<u>(31,809,718)</u>	<u>(27,135,063)</u>	<u>-</u>	<u>-</u>
Net tuition and fees	73,183,599	83,379,030	-	-
Gifts and contributions	-	-	7,203,416	2,568,866
Federal, state and private grants and contracts	25,455,875	25,320,236	-	-
Auxiliary enterprises	34,940,605	15,422,689	-	-
Other operating revenues	<u>433,496</u>	<u>60,517</u>	<u>2,969,385</u>	<u>2,472,704</u>
Total operating revenues	134,013,575	124,182,472	10,172,801	5,041,570
Operating expenses:				
Educational and general:				
Instruction	74,689,976	75,333,725	-	-
Gifts and contributions	-	-	3,590,472	2,428,254
Public service	1,160,957	1,414,288	-	-
Academic support	23,391,078	24,550,945	-	-
Student services	24,457,304	22,171,271	-	-
Institutional support	22,374,424	23,243,979	2,643,583	2,430,115
Operation and maintenance of plant	14,441,994	14,384,013	-	-
Scholarships and fellowships	18,517,462	15,285,158	-	-
Depreciation and amortization	23,965,906	23,703,244	60,187	59,894
Auxiliary enterprises	<u>22,011,750</u>	<u>14,549,475</u>	<u>-</u>	<u>-</u>
Total operating expenses	225,010,851	214,636,098	6,294,242	4,918,263
Net operating income (loss)	(90,997,276)	(90,453,626)	3,878,559	123,307
Non-operating revenues (expenses):				
State appropriations, net	79,219,174	70,562,036	-	-
Gifts	2,354,390	2,116,858	-	-
HEERF Act funds	29,463,444	19,421,645	-	-
Investment income	74,082	17,923	(8,002,510)	14,277,358
Interest expense	(8,943,866)	(9,020,848)	-	-
Impairment Loss	-	-	-	(2,260,000)
Other non-operating revenues (expenses)	<u>5,244,740</u>	<u>4,342,126</u>	<u>-</u>	<u>(1,323,539)</u>
Net non-operating revenues (expenses)	107,411,964	87,439,740	(8,002,510)	10,693,819
Increase (decrease) in net position before capital appropriations	16,414,688	(3,013,886)	(4,123,951)	10,817,126
Capital appropriations	<u>602,469</u>	<u>15,771,408</u>	<u>-</u>	<u>-</u>
Total increase (decrease) in net position	\$ 17,017,157	\$ 12,757,522	\$ (4,123,951)	\$ 10,817,126
Net position, at beginning of year	1,220,193	(11,537,329)	65,117,443	54,300,317
Net position, at end of year	\$ 18,237,350	\$ 1,220,193	\$ 60,993,492	\$ 65,117,443

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, 2022 and 2021

	<i>Primary Government</i>	
	2022 <i>University</i>	(Restated) 2021 <i>University</i>
Cash flows from operating activities:		
Tuition and fees	\$ 72,329,077	\$ 85,268,990
Grants and contracts	30,693,044	17,664,257
Payments to employees	(142,137,013)	(97,201,276)
Payments to suppliers and vendors	(6,768,718)	(36,484,798)
Payments to students	(18,517,462)	(15,285,158)
Auxiliary enterprises charges	(22,011,750)	(14,549,475)
Auxiliary enterprises	34,940,605	15,422,689
Other operating revenues	(187,683)	2,070,381
Other non-operating revenues	<u>5,244,740</u>	<u>4,342,126</u>
 Net cash used in operating activities	 <u>(46,415,160)</u>	 <u>(38,752,264)</u>
Cash flows from non-capital financing activities:		
State appropriations	58,501,924	52,097,881
HEERF Act funds	29,463,444	19,421,645
Gifts	<u>2,551,892</u>	<u>1,634,193</u>
 Net cash provided by non-capital financing activities	 <u>90,517,260</u>	 <u>73,153,719</u>
Cash flows from capital financing activities:		
Capital appropriation	1,164,218	10,083,039
Purchase of capital assets	(4,875,505)	(14,393,226)
Principal paid on leases	(5,138,596)	(1,483,048)
Payments of capital debt	(1,707,495)	(316,057)
Change in debt service reserve, bond refunding and lease receivable	265,025	(137,632)
Interest paid on capital debt and leases	<u>(8,943,866)</u>	<u>(8,706,785)</u>
 Net cash used in capital financing activities	 <u>(19,236,219)</u>	 <u>(14,953,709)</u>
Cash flows from investing activity:		
Interest on investments	<u>74,082</u>	<u>17,923</u>
 Net cash provided by investing activity	 <u>74,082</u>	 <u>17,923</u>
Net increase in cash and equivalents	24,939,963	19,465,669
Cash and equivalents, beginning of year	<u>75,728,303</u>	<u>56,262,634</u>
Cash and equivalents, end of year	<u>\$ 100,668,266</u>	<u>\$ 75,728,303</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, 2022 and 2021

	<i>Primary Government</i>	
	<i>(Restated)</i>	
	<i>2022</i> <i>University</i>	<i>2021</i> <i>University</i>
Reconciliation of net operating loss to net cash used in operating activities:		
Net operating loss	\$ (90,997,276)	\$ (90,453,626)
Adjustments to reconcile net operating loss to net cash used in operating activities:		
Depreciation and amortization	23,965,906	23,703,244
Bad debts (recovery)	197,680	(1,032,379)
Fringe benefits provided by Commonwealth	20,717,250	18,464,155
Other non-operating revenues	5,244,740	4,342,126
Amortization of deferred inflows of lease receivable	-	19,939
Deferred outflows for pension	8,603,178	(4,646,015)
Deferred inflows from pension	24,766,238	(2,981,283)
Deferred outflows for net other-post employment benefit obligation	10,131,673	307,562
Deferred inflows for net other-post employment benefit obligation	14,501,589	17,880,344
Changes in assets and liabilities:		
Accounts receivable, net	4,136,629	(45,409)
Prepaid expenses and other assets	(404,514)	(158,355)
Accounts payable and accrued expenses	(390,391)	1,640,017
Accrued payroll and benefits	839,268	108,887
Unearned revenues	(6,602)	(3,222,168)
Net pension liability	(37,453,803)	14,767,623
Net OPEB liability	<u>(30,266,725)</u>	<u>(17,446,926)</u>
Net cash used in operating activities	<u>\$ (46,415,160)</u>	<u>\$ (38,752,264)</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	\$ 87,402,843	\$ 65,019,460
Deposits held by State Treasurer	10,037,214	7,558,659
Cash held by State Treasurer	2,398,739	1,558,824
Restricted cash and equivalents	<u>829,470</u>	<u>1,591,360</u>
	<u>\$ 100,668,266</u>	<u>\$ 75,728,303</u>

The following summarizes the non-cash transactions for the years ended June 30:

Fringe benefits provided by the state	\$ 20,717,250	\$ 18,464,155
Acquisition of capital assets through capital appropriations	1,164,218	10,083,039
Acquisition of donated artwork	806,030	351,000
Capital grants - amortization of deferred inflows of resources - service concession arrangements	295,486	97,984
MSCBA refunding	(221,064)	(367,730)
Acquisition of capital assets through leases	1,374,786	10,524,622

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, 2022 and 2021

<u>Assets and Deferred Outflows of Resources</u>						
	2022			2021		
	Foundation	Alumni Association	Combined	Foundation	Alumni Association	Combined
Assets						
Current assets:						
Cash and equivalents	\$ 1,039,831	\$ 75,748	\$ 1,115,579	\$ 1,431,896	\$ 103,400	\$ 1,535,296
Deposits held by State Treasurer	-	-	-	-	-	-
Cash held by State Treasurer	-	-	-	-	-	-
Restricted cash and equivalents	-	-	-	-	-	-
Contributions receivable, net	362,038	-	362,038	415,836	-	415,836
Accounts receivable, net	-	5,523	5,523	10,681	6,031	16,712
Current portion of lease receivable	-	-	-	-	-	-
Prepaid expenses and other assets	65,853	210	66,063	25,085	-	25,085
Total current assets	1,467,722	81,481	1,549,203	1,883,498	109,431	1,992,929
Non-current assets:						
Investments	48,260,407	5,906,205	54,166,612	53,374,043	6,793,395	60,167,438
Contributions receivable, net	1,067,706	-	1,067,706	323,724	-	323,724
Debt service reserve fund	-	-	-	-	-	-
Properties held for resale	1,100,000	-	1,100,000	1,100,000	-	1,100,000
Lease receivable	-	-	-	-	-	-
Capital assets, net	3,360,064	-	3,360,064	1,688,616	-	1,688,616
Total non-current assets	53,788,177	5,906,205	59,694,382	56,486,383	6,793,395	63,279,778
Total assets	55,255,899	5,987,686	61,243,585	58,369,881	6,902,826	65,272,707
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	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-

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, 2022 and 2021

Liabilities, Deferred Inflows of Resources and Net Position

	2022			2021		
	Foundation	Alumni Association	Combined	Foundation	Alumni Association	Combined
Liabilities						
Current liabilities:						
Accounts payable and accrued expenses	238,683	10,240	248,923	135,553	19,711	155,264
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	-	-	-	-	-	-
Total current liabilities	238,893	11,200	250,093	135,553	19,711	155,264
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	238,893	11,200	250,093	135,553	19,711	155,264
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	3,360,064	-	3,360,064	1,688,616	-	1,688,616
Restricted:						
Nonexpendable: scholarships and fellowships	25,892,778	1,307,645	27,200,423	21,284,145	1,274,595	22,558,740
Expendable: scholarships and grants	9,637,390	1,822,804	11,460,194	13,238,924	2,302,092	15,541,016
Unrestricted	16,126,774	2,846,037	18,972,811	22,022,643	3,306,428	25,329,071
Total net position	\$ 55,017,006	\$ 5,976,486	\$ 60,993,492	\$ 58,234,328	\$ 6,883,115	\$ 65,117,443

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

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, 2022 and 2021

	2022			2021		
	<i>Foundation</i>	<i>Alumni Association</i>	<i>Combined</i>	<i>Foundation</i>	<i>Alumni Association</i>	<i>Combined</i>
Operating revenues:						
Tuition and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: scholarships and fellowships	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net tuition and fees	7,050,585	152,831	7,203,416	2,465,471	103,395	2,568,866
Gifts and contributions						
Federal, state and private grants and contracts	-	-	-	-	-	-
Auxiliary enterprises	-	-	-	-	-	-
Other operating revenues	<u>2,088,021</u>	<u>881,364</u>	<u>2,969,385</u>	<u>1,607,740</u>	<u>864,964</u>	<u>2,472,704</u>
Total operating revenues	9,138,606	1,034,195	10,172,801	4,073,211	968,359	5,041,570
Operating expenses:						
Educational and general:						
Instruction	-	-	-	-	-	-
Gifts and contributions	<u>3,483,132</u>	<u>107,340</u>	<u>3,590,472</u>	<u>2,372,636</u>	<u>55,618</u>	<u>2,428,254</u>
Public service	-	-	-	-	-	-
Academic support	-	-	-	-	-	-
Student services	-	-	-	-	-	-
Institutional support	<u>1,697,239</u>	<u>946,344</u>	<u>2,643,583</u>	<u>1,542,092</u>	<u>888,023</u>	<u>2,430,115</u>
Operation and maintenance of plant	-	-	-	-	-	-
Scholarships and fellowships	-	-	-	-	-	-
Depreciation and amortization	<u>60,187</u>	<u>-</u>	<u>60,187</u>	<u>59,894</u>	<u>-</u>	<u>59,894</u>
Auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	5,240,558	1,053,684	6,294,242	3,974,622	943,641	4,918,263
Net operating income	3,898,048	(19,489)	3,878,559	98,589	24,718	123,307
Non-operating revenues (expenses):						
State appropriations, net	-	-	-	-	-	-
Gifts	-	-	-	-	-	-
HEERF Act funds						
Investment income, net	<u>(7,115,370)</u>	<u>(887,140)</u>	<u>(8,002,510)</u>	<u>12,637,798</u>	<u>1,639,560</u>	<u>14,277,358</u>
Interest expense	-	-	-	-	-	-
Impairment Loss	-	-	-	<u>(2,260,000)</u>	-	<u>(2,260,000)</u>
Other non-operating expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,323,539)</u>	<u>-</u>	<u>(1,323,539)</u>
Net non-operating revenues (expenses)	(7,115,370)	(887,140)	(8,002,510)	9,054,259	1,639,560	10,693,819
Increase in net position before capital appropriations	(3,217,322)	(906,629)	(4,123,951)	9,152,848	1,664,278	10,817,126
Capital appropriations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total increase (decrease) in net position	\$ (3,217,322)	\$ (906,629)	\$ (4,123,951)	\$ 9,152,848	\$ 1,664,278	\$ 10,817,126
Net position, at beginning of year	58,234,328	6,883,115	65,117,443	49,081,480	5,218,837	54,300,317
Net position, at end of year	\$ 55,017,006	\$ 5,976,486	\$ 60,993,492	\$ 58,234,328	\$ 6,883,115	\$ 65,117,443

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



“Alma Mater” GETS NEW LYRICS

BSU’s Spirit Committee launched an Alma Mater Lyrics Contest after deciding the existing lyrics, penned in 1904, did not capture the institution’s modern status as the flagship of the state universities. Students, faculty, librarians, staff, administrators and alumni were invited to participate.

A subcommittee of students, faculty, staff and alumni, with guidance from Steven Karidoyanes, music director of the Plymouth Philharmonic Orchestra, conducted a blind review of the submissions and made a recommendation to President Clark.

Ultimately, the lyrics submitted by Juliana Horton, budget manager in the Office of the Provost, were selected.

“The words Ms. Horton penned capture beautifully and powerfully the values and spirit of Bridgewater State University and evoke a timeless quality that speaks to our glorious past, strong present and bright future,” the president said.



Our love of community guides us in purpose and thought,
well aware, the courage to lead and inspire,
the hallmark of ev’ry Bear.

Refrain:

Alma Mater! Alma Mater! Rising to what lies before.
Alma Mater, keep Bridgewater close to heart forever more!

Wherever the road takes us onward, a time will arise,
now and then, with ever a sense of belonging,
we’ll come home to you – again.

Repeat Refrain

For legions of those you have tended,
your history vital and strong, for then and today
and tomorrow, we join in our loyal song.

Repeat Refrain

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

Notes to Financial Statements (Continued)

June 30, 2022 and 2021

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.

Operations

On March 11, 2020, the World Health Organization declared the global outbreak of the novel coronavirus (COVID-19) as a pandemic. On March 23, 2020, the university transitioned students to a distance learning environment for the completion of the 2020 spring semester, and the 2020 summer semester was taught online. The university processed student adjustments totaling \$9,328,555 before June 30, 2020 to students for a pro-rata share of the housing, meal plan fees, and parking fees charged for the period from when the university transitioned students to a distance learning environment to the completion of the 2020 spring semester. The university remained fully online for the Fall 2020 and Spring 2021 semesters. During the year ended June 30, 2021, COVID-19 had a significant effect on the University’s operations in response to government requirements and observing safety measures. As a result, the University’s maximum housing’s capacity decreased by approximately 63% for the 2020-2021 academic year. Beginning with the Fall 2021 semester, BSU welcomed back all students for in-person classes made possible due to the university’s high vaccination rates and collective determination, hard work, and unshakable commitment to BSU students, faculty, staff, and campus community. The university’s housing capacity essentially returned to pre-COVID levels for the 2021-2022 academic year with 10 rooms set aside for safety requirements.

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

Notes to Financial Statements (Continued)

June 30, 2022 and 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Operations (Continued)

In response to the pandemic, the Federal government provided to the University the Higher Education Emergency Relief Funds (“HEERF”) and funds for the Strengthening Institution Program (“SIP”) under the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSAA”), and American Rescue Plan Act (“ARPA”). The HEERF consisted of the student aid award and the institutional award. Each Act requires a minimum amount to be spent on student aid.

The student aid award is required to be distributed to students as emergency grants. The institutional award and the SIP can be used to cover any costs associated with several eligible categories such as reimbursement of lost revenue. Unless an extension is approved by the Department of Education, the student aid award and the institutional award must be drawn by May 17, 2022, while the SIP funding must be drawn by August 2, 2022. As of June 30, 2022 all the HEERF and SIP funds have been drawn.

The College has been awarded the following HEERF and SIP funds as of June 30, 2022:

	Strengthening			
	Student Aid	Institutional	Institution	
	Award	Award	Program	Total
CARES	\$ 4,416,831	\$ 4,416,831	\$ 438,097	\$ 9,271,759
CRRSAA	4,416,831	9,957,617	613,515	14,987,963
ARPA	12,647,966	12,526,847	1,119,506	26,294,319
Total	<u>\$ 21,481,628</u>	<u>\$ 26,901,295</u>	<u>\$ 2,171,118</u>	<u>\$ 50,554,041</u>

The University has recognized the following as non-operating Federal grants for the years ended June 30, 2022 and 2021.

	For the Year Ended June 30, 2022				For the Year Ended June 30, 2021			
	Strengthening				Strengthening			
	Student Aid	Institutional	Institutions	Total	Student Aid	Institutional	Institutions	Total
	Award	Award	Program	Total	Award	Award	Program	Total
CARES	\$ -	\$ -	\$ -	\$ -	CARES	\$ 3,582,355	\$ 3,582,355	\$ 438,097 \$ 7,602,807
CRRSAA	973,776	2,195,349	-	3,169,125	CRRSAA	3,443,055	7,762,268	613,515 11,818,838
ARPA	12,647,966	12,526,847	1,119,506	26,294,319	ARPA	-	-	-
Total	<u>\$ 13,621,742</u>	<u>\$ 14,722,196</u>	<u>\$ 1,119,506</u>	<u>\$ 29,463,444</u>	Total	<u>\$ 7,025,410</u>	<u>\$ 11,344,623</u>	<u>\$ 1,051,612 \$ 19,421,645</u>

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Operations (Continued)

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (“CARES” Act) became law. As part of the law, the CARES Act created the Higher Education Emergency Relief Fund (“HEERF”). The university was awarded \$8,833,662 of which 50% (or half) is required to be distributed to students affected by the COVID-19 crisis as emergency grants and the other half is required by the university to cover costs associated with changes in operations due to the COVID-19 crisis. According to the terms of HEERF, an institution can only utilize grant funds associated with changes in operations due to the COVID-19 crisis up to the amount provided to students as emergency grants.

As of fiscal year 2021 the CARES Funds have been fully expended. The university expended \$0 and \$3,582,355 as of June 30, 2022 and 2021 respectively for CARES emergency grants to students and recognized \$0 and \$3,582,355 as of June 30, 2022 and 2021, respectively in matching revenue, which was supported by reimbursement for provided student refunds for housing, meal plan and parking charges recorded in non-operating federal grants.

The university was also awarded HEERF Strengthening Institutions Program CARES funds in the amount of \$438,097 in fiscal 2021. These funds were fully expended in fiscal 2021 by providing reimbursements to students for housing, meal plan and parking charges for the Spring 2020 semester.

The University was awarded \$14,374,448 of the Higher Education Emergency Relief Fund II (“HEERF II”), authorized by the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (“CRRSAA”). The student emergency portion of this grant is \$4,416,831 and the institutional portion is \$9,957,617. The university proactively allocated \$583,169 of the institutional award to the student emergency portion bringing the total student emergency CRRSAA grant award to \$5,000,000. The CRRSAA student emergency portion has been fully disbursed to students totaling \$973,776 and \$3,443,055 in June 30, 2022 and 2021 respectively. The institutional CRRSAA portion has also been fully drawn down as of June 30, 2022. The institution recognized revenue of \$2,195,349 in fiscal year 2022. As of June 30, 2021, \$7,762,268 of the institutional portion was recognized as revenue of which \$3,490,762 was drawn down in fiscal year 2021 and the remaining \$4,600,212 remained a federal grant receivable as of June 30, 2021. The university is only allowed to recognize revenue in the institutional portion at the proportional rate the student emergency portion is disbursed. The revenue has been recorded in non-operating HEERF Funds.

The university was also awarded HEERF Strengthening Institutions Program CRRSAA funds in the amount of \$613,515 in fiscal 2021. These funds have been fully expended in fiscal 2021. These funds were also fully expended as reimbursement for providing reimbursements to students for housing, meal plan and parking charges for the Spring 2020 semester.

The University was awarded \$25,174,813 of the Higher Education Emergency Relief Fund III (“HEERF III”), authorized by the American Rescue Plan Act (“ARPA”). The student emergency portion of this grant is \$12,647,966 and the institutional portion is \$12,526,847. As of June 30, 2022 the ARPA student emergency portion has been fully disbursed to students totaling \$12,647,966. As of June 30, 2022 the ARPA institutional portion was also fully drawn to support lost revenue. As of June 30, 2021 zero of the student emergency portion was disbursed to students and \$702,966 of the institutional portion was drawn down to support lost revenue by clearing outstanding student account balances. The entire amount of the institutional portion disbursed of \$702,966 was deferred to fiscal year 2022 as none of the student emergency portion has been disbursed. In fiscal year 2022, the entire amount of the ARPA institutional portion has been drawn.

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

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. 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 inflows of resources attributable to acquisition, construction, and improvement of those assets.

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

Restricted - expendable: Net position whose use is subject to externally imposed conditions 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.

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Position (Continued)

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.

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.

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

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. 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. 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. Leased assets are amortized over the shorter of the lease term or useful life of the underlying asset. 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.

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
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

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, 2022 and 2021. The accrued sick leave balance represents 20% of amounts earned by those employees with ten or more years of state service at June 30, 2022 and 2021. 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
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

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 liabilities.

New Government Accounting Pronouncements

GASB Statement 91, *Conduit Debt Obligations* is effective for reporting periods beginning after December 15, 2021. The objective of this Statement is to improve the consistency of reporting conduit debt. This Statement requires government entities that issue conduit debt, but are not the obligor, not to recognize the liability unless it is more likely than not that the government issuer will service the debt. The university is in the process of evaluating this Statement and does not currently expect a material impact.

GASB Statement 92 – *Omnibus 2020* is effective for reporting periods beginning after June 15, 2021. The objective of this Statement is to improve comparability in financial reporting for leases, pensions, OPEB, and asset retirement obligations. Management has not completed its review of the requirements of this Standard and its applicability.

GASB Statement 93 – *Replacement of Interbank Offered Rates* is effective for reporting periods beginning after June 15, 2021. The objective of this statement is to provide government entities relief with replacing or amending financial instruments for the purpose of replacing LIBOR, which is expected to cease to exist in December 2021. Before the implementation of this standard, hedge accounting terminates if material terms are amended. Management has not completed its review of the requirements of this Standard and its applicability.

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

New Government Accounting Pronouncements (Continued)

GASB Statement 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* is effective for reporting periods beginning after June 15, 2022. The objective of this Statement is to provide 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. Management has not completed its review of the requirements of this Standard and its applicability.

GASB Statement 96 – *Subscription-Based Information Technology Arrangements (SBITA)* is effective for reporting periods beginning after June 15, 2022. The objective of this Statement is to provide 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 would be recognized for SBITAs. Management has not completed its review of the requirements of this Standard and its applicability.

GASB Statement 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457, Deferred Compensation Plans* is effective for reporting periods beginning after June 15, 2021. The objective of this Statement is to provide financial reporting consistency in which the potential component unit does not have a governing board and the primary government performs the duties that a governing board would perform. In the absences of a governing board of the potential component unit, the situation should be treated the same as the primary government appointing a majority of the potential component unit's governing board. Management has not completed its review of the requirements of this Standard and its applicability.

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, 2021.

Subsequent Event

For purposes of determining the effects on these financial statements, Management has evaluated events subsequent to June 30, 2022 and through November 8, 2022, the date which the financial statements were available to be issued and determined that there were no additional unrecognized or undisclosed matters requiring recognition or disclosure to the accompanying financial statements.

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

Note 2 – Implementation of Newly Effective Accounting Standard

GASB 87 Implementation

As of July 1, 2019, the university implemented GASB 87, Leases. GASB 87 enhances the consistency for leasing activities and establishes requirements for lease accounting 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, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The impact to net position as of June 30, 2021 and 2020 was \$11,845,641 and \$5,908,825, respectively.

The prior period adjustment due to the implementation of GASB 87 as of and for the year ended June 30, 2021 and 2020 is as follows:

	<u>Previously Reported</u>	<u>FY20 Adjustment</u>	<u>FY21 Adjustment</u>	<u>Restated</u>
As of June 30, 2020:				
Capital asset, net	\$ 157,846,728	201,519,540	-	\$ 359,366,268
Accounts payable and accrued expenses	\$ 3,237,698	1,618,626	-	\$ 4,856,324
Lease liability	\$ 3,582,100	205,809,739	-	\$ 209,391,839
Net position	\$ (5,628,504)	(5,908,825)	-	\$ (11,537,329)
As of June 30, 2021:				
Accounts receivable, net	\$ 8,830,491	-	1,616	\$ 8,832,107
Lease receivable	\$ -	-	310,795	\$ 310,795
Capital asset, net	\$ 159,599,621	-	199,511,326	\$ 359,110,947
Accounts payable and accrued expenses	\$ 4,333,914	-	1,932,690	\$ 6,266,604
Lease liability	\$ 3,120,251	-	215,313,162	\$ 218,433,413
Deferred inflows from leases	\$ -	-	332,351	\$ 332,351
Net position	\$ 18,974,659	(5,908,825)	(11,845,641)	\$ 1,220,193
Year Ended June 30, 2021:				
Federal, state and private grants and contracts	\$ 25,010,749	-	309,487	\$ 25,320,236
Operating Expenses:				
Instruction	\$ 75,420,095	-	(86,370)	\$ 75,333,725
Academic support	\$ 24,622,970	-	(72,025)	\$ 24,550,945
Student services	\$ 22,198,270	-	(26,999)	\$ 22,171,271
Institutional support	\$ 23,576,576	-	(332,597)	\$ 23,243,979
Operation and maintenance of plant	\$ 14,678,632	-	(294,619)	\$ 14,384,013
Auxiliary enterprises	\$ 19,189,841	-	(4,640,366)	\$ 14,549,475
Depreciation and amortization	\$ 11,170,409	-	12,532,835	\$ 23,703,244
Interest expense	\$ 507,181	-	8,513,667	\$ 9,020,848
Other non-operating revenues	\$ 903,728	-	3,438,398	\$ 4,342,126

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

Note 3 - Cash and Equivalents

Custodial credit risk is risk associated with the failure of a depository financial institution. At June 30, 2022 and 2021, 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, 2022 and 2021, the carrying amount of the university's deposits, net of deposits and disbursements in transit, was \$88,232,313 and \$66,610,820 respectively. Of the carrying amount, \$20,057,122 and \$3,882 were held by MMDT at June 30, 2022 and 2021, respectively. The university kept most funds in the university bank accounts in 2022 and transferred some funds to the MMDT as interest rates increased from .10% to .32% in 2022.

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 \$2,398,739 and \$1,558,824 at June 30, 2022 and 2021, 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:

	2022	2021
Construction	\$ 797,936	\$ 735,313
Debt service funds	6,640	831,165
Other	24,894	24,882
	<hr/> \$ 829,470	<hr/> \$ 1,591,360

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

Note 6 - Investments - Component Units

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

	2022	2021
Equity mutual funds	\$ 39,261,495	\$ 43,643,365
Mutual funds	64,669	124,110
Corporate equity securities	50,922	82,927
Real asset mutual funds	1,437,447	1,534,116
Fixed income bond mutual funds	<u>13,352,079</u>	<u>14,782,920</u>
 Total investments	 <u>\$ 54,166,612</u>	 <u>\$ 60,167,438</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, 2022.

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
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

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, 2022 and 2021.

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:

	2022	2021
		<i>(Restated)</i>
Students	\$ 4,441,317	\$ 4,098,255
HEERF federal grants	-	4,600,212
Grants	926,634	1,576,224
Other	<u>933,532</u>	<u>163,421</u>
	6,301,483	10,438,112
Less: allowance for doubtful accounts	<u>(1,803,685)</u>	<u>(1,606,005)</u>
Net accounts receivable	<u>\$ 4,497,798</u>	<u>\$ 8,832,107</u>

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

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.

Contributions receivable are as follows as of June 30:

	2022	2021
Amounts due in:		
Less than one year	\$ 362,038	\$ 415,836
One to five years	<u>1,074,500</u>	<u>328,449</u>
	1,436,538	744,285
Less: unamortized discounts	(5,094)	(3,025)
Less: allowance for uncollectible accounts	<u>(1,700)</u>	<u>(1,700)</u>
	1,429,744	739,560
Less: current portion	<u>362,038</u>	<u>415,836</u>
Non-current contributions receivable	\$ 1,067,706	\$ 323,724

Note 10 - Lease Receivable

The university leases certain cables within the university owned fiber optic cable system to Taunton Municipal Lighting Plant. The terms below include a 5-year renewal period that calls for an adjustment to the lease payment based on the Consumer Price Index.

The university also 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.

<u>Lease</u>	<u>Date</u>	<u>Term (Months)</u>	2022		2021	
			<u>Receivable</u>	<u>Inflow</u>	<u>Receivable</u>	<u>Inflow</u>
Verizon - Rooftop						
Space for cell tower	11/1/2020	60	\$ 293,876	\$ 309,163	\$ 310,795	\$ 332,351
Taunton Municipal						
Lighting Plant - Fiber						
Optic Cables	9/1/2021	120	\$ 259,963	\$ 266,460	\$ -	\$ -

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

Note 11 - Capital Assets

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>Reductions</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	919,768	-	11,300	21,176,784
Library materials	5	637,988	31,689	-	-	669,677
Total depreciated		<u>303,552,799</u>	<u>2,947,830</u>	<u>-</u>	<u>436,644</u>	<u>306,937,273</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
Total amortized		<u>224,985,754</u>	<u>1,374,787</u>	<u>(204,718)</u>	<u>-</u>	<u>226,155,823</u>
Total capital assets		<u>533,698,003</u>	<u>6,455,009</u>	<u>(204,718)</u>	<u>-</u>	<u>539,948,294</u>
Less accumulated depreciation:						
Buildings, including improvements		134,463,487	9,003,792	-	-	143,467,279
Furnishings and equipment		14,357,073	2,035,274	-	-	16,392,347
Library materials		292,073	66,967	-	-	359,040
Total accumulated depreciation		<u>149,112,633</u>	<u>11,106,033</u>	<u>-</u>	<u>-</u>	<u>160,218,666</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
Total accumulated amortization		<u>25,474,423</u>	<u>12,859,873</u>	<u>-</u>	<u>-</u>	<u>38,334,296</u>
Capital assets, net		\$ 359,110,947	\$ (17,510,897)	\$ (204,718)	\$ -	\$ 341,395,332

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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

Note 11 - Capital Assets (Continued)

Capital asset activity for the year ended June 30, 2021 is as follows:

	<i>Estimated Lives (in Years)</i>	<i>(Restated) Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Reclassifications</i>	<i>(Restated) Ending Balance</i>
Capital assets not depreciated:						
Land		\$ 2,971,396	\$ -	\$ -	\$ -	\$ 2,971,396
Artwork		889,265	463,875	-	116,775	1,469,915
Construction in progress		<u>10,221,279</u>	<u>696,674</u>	-	<u>(10,199,814)</u>	<u>718,139</u>
Total not depreciated		<u>14,081,940</u>	<u>1,160,549</u>	-	<u>(10,083,039)</u>	<u>5,159,450</u>
Capital assets depreciated:						
Buildings, including improvements	11-40	262,595,318	10,221,794	-	9,851,983	282,669,095
Furnishings and equipment	3-10	18,596,464	1,515,869	(97,673)	231,056	20,245,716
Library materials	5	<u>594,063</u>	<u>43,925</u>	-	-	<u>637,988</u>
Total depreciated		<u>281,785,845</u>	<u>11,781,588</u>	<u>(97,673)</u>	<u>10,083,039</u>	<u>303,552,799</u>
ROU Capital assets being amortized:						
Related parties ROU asset, real estate	4-22	210,662,945	10,181,677	-	-	220,844,622
Equipment	2-4	1,511,815	117,129	-	-	1,628,944
Space	3-13	1,238,480	82,297	-	-	1,320,777
Vehicle	3-5	<u>1,047,893</u>	<u>143,518</u>	-	-	<u>1,191,411</u>
Total amortized		<u>214,461,133</u>	<u>10,524,621</u>	-	-	<u>224,985,754</u>
Total capital assets		<u>510,328,918</u>	<u>23,466,758</u>	<u>(97,673)</u>	-	<u>533,698,003</u>
Less accumulated depreciation:						
Buildings, including improvements		125,468,124	8,995,363	-	-	134,463,487
Furnishings and equipment		12,324,662	2,110,549	(78,138)	-	14,357,073
Library materials		<u>228,273</u>	<u>63,800</u>	-	-	<u>292,073</u>
Total accumulated depreciation		<u>138,021,059</u>	<u>11,169,712</u>	<u>(78,138)</u>	-	<u>149,112,633</u>
Less accumulated amortization:						
Related parties ROU asset, real estate		12,178,113	11,685,991	-	-	23,864,104
Equipment		388,094	410,960	-	-	799,054
Space		129,183	155,866	-	-	285,049
Vehicle		<u>246,201</u>	<u>280,015</u>	-	-	<u>526,216</u>
Total accumulated amortization		<u>12,941,591</u>	<u>12,532,832</u>	-	-	<u>25,474,423</u>
Capital assets, net		\$ 359,366,268	\$ (235,786)	\$ (19,535)	\$ -	\$ 359,110,947

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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

Note 12 - Unearned Revenues

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

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

	2022	2021
Tuition and fees	\$ 5,377,400	\$ 5,520,301
Unearned capital appropriations	612,215	50,466
HEERF federal grants	-	702,966
Grants	824,863	134,530
Other	<u>329,724</u>	<u>180,792</u>
Total unearned revenues	\$ 7,144,202	\$ 6,589,055

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.

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. At June 30, 2022 and 2021, deferred inflows of resources related to this arrangement totaled \$295,486 and \$97,984, respectively. In fiscal year 2022, the university's food service vendor funded renovations to dining facilities on campus (East Campus Commons and Tillinghast Hall). The total cost of these renovations was \$277,498. This contribution is being amortized at a rate of \$55,499 per year through fiscal year 2026. The university reports this capital project as construction in progress until completion. In fiscal year 2021, the university's food service vendor contributed a food truck. The cost of the food truck was \$183,720, of which the university paid the initial deposit of \$60,000 with the remaining amount contributed by the vendor of \$122,480. The contribution is being amortized at a rate of \$24,496 per year through fiscal year 2025. The university reports the carrying value of the capital asset related to the service concession arrangement at approximately \$110,232 and \$146,976 for fiscal year end June 30, 2022 and 2021, respectively.

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

Note 14 – Non-current Liabilities

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

	<i>(Restated)</i>	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Total Balance</i>	<i>Less Current Portion</i>	<i>Ending Balance</i>
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	<u>5,760,673</u>	<u>1,374,786</u>	<u>1,840,553</u>	<u>5,294,906</u>	<u>1,722,015</u>	<u>3,572,891</u>	
	<u>230,497,798</u>	<u>2,134,086</u>	<u>7,605,391</u>	<u>225,026,493</u>	<u>10,186,370</u>	<u>214,840,123</u>	
Other non-current liabilities:							
Accrued worker's 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	<u>97,380,694</u>	<u>-</u>	<u>30,266,725</u>	<u>67,113,969</u>	<u>-</u>	<u>67,113,969</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	\$ 417,228,244	\$ 3,999,852	\$ 76,393,367	\$ 344,834,729	\$ 19,004,468	\$ 325,830,261	

Non-current liabilities of the university at June 30, 2021 consist of:

	<i>(Restated)</i>	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Total Balance</i>	<i>Less Current Portion</i>	<i>(Restated) Ending Balance</i>
Leases and bonds payable:							
Bonds payable	\$ 12,380,442	\$ 792,358	\$ 1,108,415	\$ 12,064,385	\$ 1,084,289	\$ 10,980,096	
Related party lease obligations	202,713,133	11,229,811	1,270,204	212,672,740	3,103,146	209,569,594	
Lease obligations	<u>6,678,706</u>	<u>342,946</u>	<u>1,260,979</u>	<u>5,760,673</u>	<u>1,353,409</u>	<u>4,407,264</u>	
	<u>221,772,281</u>	<u>12,365,115</u>	<u>3,639,598</u>	<u>230,497,798</u>	<u>5,540,844</u>	<u>224,956,954</u>	
Other non-current liabilities:							
Accrued worker's compensation	1,239,063	362,764	87,228	1,514,599	184,402	1,330,197	
Accrued compensated absences	11,400,473	872,645	116,620	12,156,498	8,144,854	4,011,644	
Net pension liability	60,911,032	14,767,623	-	75,678,655	-	75,678,655	
Net OPEB liability	<u>114,827,620</u>	<u>-</u>	<u>17,446,926</u>	<u>97,380,694</u>	<u>-</u>	<u>97,380,694</u>	
Total other non-current liabilities	<u>188,378,188</u>	<u>16,003,032</u>	<u>17,650,774</u>	<u>186,730,446</u>	<u>8,329,256</u>	<u>178,401,190</u>	
Total non-current liabilities	\$ 410,150,469	\$ 28,368,147	\$ 21,290,372	\$ 417,228,244	\$ 13,870,100	\$ 403,358,144	

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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

Note 14 – Non-current Liabilities (Continued)

Bonds Payable

	<i>2022</i>	<i>2021</i>
Tinsley Center		
Bonds through MHEFA at variable interest between .19% and .09%, original maturity 1/15/2023. Paid in full January 2022	\$ -	\$ 1,111,407
Parking lot		
Bonds through MSCBA at average interest of 2.09%, maturing 5/1/2034	419,963	462,409
Athletic field		
Bonds through MSCBA at average interest of 5.25%, maturing 5/1/2034	2,703,750	2,831,026
University Park		
Bonds through MSCBA at average interest of 3.91%, maturing 2/21/2032	719,214	790,620
Campus Center		
Bonds through MSCBA at average interest of 5.32%, maturing 5/1/2041	3,585,336	3,781,509
Welcome Center		
Bonds through MSCBA at average interest of 5.24%, maturing 5/1/2041	2,928,627	3,087,414
	\$ 10,356,890	\$ 12,064,385

In January 2022, the university paid the outstanding MHEFA bond balance of \$1,117,407. 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 2.09% to 5.25%. At June 30, 2022 and 2021 the outstanding amounts related to all MSCBA bond series was \$10,356,890 and \$10,952,978 and is included in the project related bond payable amounts described below.

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

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 2.09%. At June 30, 2022 and 2021, the debt service reserve was \$0 and \$18,552. At June 30, 2022 and 2021, the balance on the bond was \$419,963 and \$462,409, 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 5.25%. At June 30, 2022 and 2021, the balance on the bond was \$2,703,750 and \$2,831,026, 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 3.91%. At June 30, 2022 and 2021, the balance on the bond was \$719,214 and \$790,620, 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 5.32%. At June 30, 2022 and 2021, the debt service reserve was \$0 and \$16,950. At June 30, 2022 and 2021, the balance on the bond was \$3,585,336 and \$3,781,509, respectively.

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

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 5.24%. At June 30, 2022 and 2021, the debt service reserve was \$0 and \$13,560. At June 30, 2022 and 2021, the balance on the bond was \$2,928,627 and \$3,087,414, respectively, including reserves and premiums.

Certain of these bonds rely on revenue streams such as student fees as their source of repayment. Certain of these bonds also require the maintenance of debt service reserve funds as included in restricted cash and equivalents.

Interest expense on bonds payable for the years ended June 30, 2022 and 2021 was \$333,034 and \$321,418, respectively.

Maturities of the bonds payable subsequent to June 30, 2022 are as follows:

<i>Fiscal Years Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2023	\$ 800,204	\$ 476,728	\$ 1,276,932
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 - 2032	4,210,241	759,992	4,970,233
2033 - 2037	1,020,660	141,277	1,161,937
2038 - 2041	<u>605,333</u>	<u>74,383</u>	<u>679,716</u>
	<u>\$ 10,356,890</u>	<u>\$ 2,820,584</u>	<u>\$ 13,177,474</u>

Lease Obligations and Related Party Lease Obligations

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.

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

Note 14 – Non-current Liabilities (Continued)

Lease Obligations and Related Party Lease Obligations (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, 2022 and 2021, debt service payments and operating costs paid by the University were \$11,070,678 and \$6,034,998 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 \$3.9 million and \$3.4 million in fiscal years ended June 30, 2022 and 2021, 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.

Group	Type	Commencement		Term	Annual Payment	Interest Rate
		Date	In Months			
Related Party	Real Estate	7/1/2019	52 - 268	\$4,554,896 - \$15,770,598	2.14% - 26.68%	
Unrelated	Space	7/1/2019 - 7/1/2021	34 - 156	\$2,000 - \$89,847	0.78% - 1.25%	
Unrelated	Equipment	7/1/2019 - 5/1/2021	18 - 49	\$10,275 - \$259,389	0.78% - 3.05%	
Unrelated	Vehicles	7/1/2019 - 5/1/2021	36 - 60	\$259,147 - \$342,448	0.78% - 3.05%	

Group	Type	6/30/2022		6/30/2021		FY22 Additional Outflows	FY21 Additional Outflows
		Lease Liability	Lease Liability	Lease Liability	Outflows		
Related Party	Real Estate	\$209,374,697	\$212,672,740	\$ 2,376,040	\$ 1,296,318		
Unrelated	Space	\$1,985 - \$774,898	\$3,954 - \$841,315	\$ 1,024,374	\$ 54,907		
Unrelated	Equipment	\$38,792 - \$258,546	\$34,090 - \$492,429	\$ 13,383	\$ 6,125		
Unrelated	Vehicles	\$576,068	\$677,794	\$ -	\$ -		

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

Note 14 – Non-current Liabilities (Continued)

Lease Obligations and Related Party Lease Obligations (Continued)

The following schedule summarizes future minimum payments under non-cancellable leases subsequent to June 30, 2022:

Fiscal Years Ending June 30,	Related Party		Lease Obligations		Total
	Principal	Interest	Principal	Interest	
2023	\$ 7,664,151	\$ 8,226,576	\$ 1,722,015	\$ 184,304	\$ 17,797,046
2024	8,125,370	7,876,154	1,217,357	131,816	17,350,697
2025	8,533,772	7,493,485	740,858	91,884	16,859,999
2026	8,977,692	7,059,152	735,774	55,847	16,828,465
2027	9,560,372	6,577,334	439,783	23,046	16,600,535
2028 - 2032	54,193,070	24,528,207	439,119	35,597	79,195,993
2033 - 2037	63,308,267	14,846,192	-	-	78,154,459
2038 - 2041	<u>49,012,003</u>	<u>4,009,068</u>	<u>-</u>	<u>-</u>	<u>53,021,071</u>
	\$ 209,374,697	\$ 80,616,168	\$ 5,294,906	\$ 522,494	\$ 295,808,265

Interest expense on related party lease obligations for the years ended June 30, 2022 and 2021 was \$8,381,572 and \$8,435,764, respectively. Interest expense on unrelated lease obligations for the years ended June 30, 2022 and 2021 was \$229,259 and \$263,665, respectively.

Note 15 - Pension Plan

Plan Description

Substantially all of the university's non-student, full-time employees are covered by and must participate in the Massachusetts State Employees' Retirement System ("MSERS"), a cost-sharing multiple-employer defined benefit pension plan. MSERS is administered by the Massachusetts State Retirement Board, which is a public employee retirement system ("PERS"). Under the 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, disability, and death benefits to plan members and beneficiaries.

The Massachusetts State Employees' Retirement System does not issue separately audited financial statements for the plan. The financial position and results of operations of the plan are incorporated into the Commonwealth's financial statements, a copy of which may be obtained from the Office of the State Comptroller, Commonwealth of Massachusetts, One Ashburton Place, Room 901, Boston, MA 02108.

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

Note 15 - Pension Plan (Continued)

Benefit Provisions

MSERS provides retirement, disability, survivor and death benefits to plan 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 on the basis of 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, group creditable service and group classification. The authority for establishing and amending these provisions rests with the Massachusetts Legislature, Chapter 32A of the General Laws of the Commonwealth of Massachusetts.

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 prior to age 60.

Contributions

The MSERS’ 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 MSERS 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 MSERS 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 to 1983	7% of regular compensation
1984 to June 30, 1996	8% of regular compensation
July 1, 1996 to present	9% of regular compensation except for State Police which is 12% of regular compensation
1979 to present	An additional 2% of regular compensation in excess of \$30,000

The university is not required to contribute from its appropriation allocation or other university funds to MSERS for employees compensated from state appropriations. For university employees covered by MSERS but compensated from a trust fund or other source, the university is required to contribute an amount determined as a percentage of compensation in accordance with a fringe benefit rate determined by the Commonwealth. The rate was 16.11%, 14.66% and 14.08% of annual covered payroll for the fiscal years ended June 30, 2022, 2021 and 2020, respectively. The university contributed \$4,540,705, \$4,357,036 and \$4,766,502 for the fiscal years ended June 30, 2022, 2021 and 2020, respectively, equal to 100% of the required contributions for the year. Annual covered payroll was approximately 78%, 77% and 78% of total related payroll for fiscal years ended 2022, 2021 and 2020, respectively.

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

Note 15 - Pension Plan (Continued)

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

At June 30, 2022 and 2021, the university reported a net pension liability of \$38,224,852 and \$75,678,655, respectively, for its proportionate share of the net pension liability related to its participation in MSERS. The fiscal year ended June 30, 2022 net pension liability 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. The fiscal year ended June 30, 2021 net pension liability was measured as of June 30, 2020, 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, 2019 rolled forward to June 30, 2021. The university's proportion of the net pension liability was based on its share of the Commonwealth's collective pension amounts allocated on the basis of actual fringe benefit charges assessed to the university for the fiscal years 2022 and 2021. The university's proportionate share was based on actual employer contributions to the MSERS for fiscal years 2022 and 2021, relative to total contributions of all participating employers for those fiscal years. At June 30, 2022 and 2021, the university's proportion was .366% and .441%, respectively. For the years ended June 30, 2022 and 2021, the university recognized pension expense (income) of (\$4,084,386) and \$7,140,325, respectively.

At June 30, 2022 and 2021, the university reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources Related to Pension	2022	2021
Contributions subsequent to the measurement date	\$ 4,540,705	\$ 4,357,036
Change in plan actuarial assumptions	2,605,941	4,290,868
Difference between expected and actual experience	1,318,987	2,407,984
Net difference between projected and actual investment		
earnings on plan investments	-	4,160,088
Change in proportion due to internal allocation	3,203,852	5,014,816
Change in proportion from Commonwealth	15,282	57,153
Total deferred outflows of resources related to pension	\$ 11,684,767	\$ 20,287,945

Deferred Inflows of Resources Related to Pension	2022	2021
Net differences between projected and actual investment		
earnings on plan investments	\$ 14,986,359	\$ -
Difference between expected and actual experience	2,767,450	489,697
Change in proportion due to internal allocation	10,815,735	3,249,921
Change in proportion from Commonwealth	120,770	184,458
Total deferred inflows of resources related to pension	\$ 28,690,314	\$ 3,924,076

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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

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 \$4,540,705 and \$4,357,036 reported as deferred outflows of resources related to pensions resulting from the university contributions in fiscal years 2022 and 2021, 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 a decrease in pension expense as follows:

***Fiscal Years
Ending June 30,***

2023	\$ (4,487,347)
2024	(4,381,059)
2025	(5,269,123)
2026	(6,870,306)
2027	<u>(538,417)</u>
Total	\$ <u>(21,546,252)</u>

Actuarial Assumptions

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

	<u>2022</u>	<u>2021</u>
Measurement date	June 30, 2021	June 30, 2020
Inflation on the first \$13,000 of allowance	3.00%	3.00%
Salary increases	4.00% to 9.00%	4.00% to 9.00%
Investment rate of return	7.00%	7.15%
Interest rate credited to annuity saving fund	3.50%	3.50%

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

Note 15 - Pension Plan (Continued)

Actuarial Assumptions (Continued)

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

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

For measurement dates June 30, 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 RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2016, set forward 1 year.

The 2022 pension liability for the June 30, 2021, measurement date was determined by an actuarial valuation as of January 1, 2021 and rolled forward to June 30, 2021. The 2021 pension liability for the June 30, 2020, measurement date was determined by an actuarial valuation as of January 1, 2019 and rolled forward to June 30, 2020.

Investment assets of MSERS 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 assets allocation as of June 30, are summarized in the following table:

<i>Asset Class</i>	<i>Target Allocation</i>		<i>Long-term Expected Rate of Return</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
Global equity	39.00%	39.00%	4.80%	4.80%
Core fixed income	15.00%	15.00%	0.30%	0.70%
Private equity	13.00%	13.00%	7.80%	8.20%
Real estate	10.00%	10.00%	2.90%	3.50%
Value added fixed income	8.00%	8.00%	3.70%	4.20%
Portfolio completion strategies	11.00%	11.00%	3.90%	3.20%
Timber/Natural resources	4.00%	4.00%	4.30%	4.10%
	<i>100.00%</i>	<i>100.00%</i>		

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

Note 15 - Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 7.15% for the fiscal years ended June 30, 2022 and 2021, respectively. 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 contribution rates and the member rates. Based on those assumptions, the pension plan's 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 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	\$ 34,224,852	\$ 21,553,043
<i>Reporting Year Ended June 30 2021</i>	<i>1% Decrease to 6.25%</i>	<i>Current Discount Rate 7.25%</i>	<i>1% Increase to 8.25%</i>
	\$ 99,711,309	\$ 75,678,655	\$ 55,925,691

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.

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

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

Plan Description (Continued)

Management of the SRBT is vested with the Trustees, which consists of 7 members including the Secretary of Administration and Finance (or their designee), the Executive Director of the GIC (or their designee), the Executive Director of the Public Employee Retirement Administration Commission (PERAC) (or their designee), the State Treasurer (or their designee), the Comptroller (or a designee), 1 person appointed by the Governor, and 1 person appointed by the State Treasurer. These members elect 1 person to serve as chair of the board.

The SRBT does not issue stand-alone audited financial statements 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 the Massachusetts General Law. The Commonwealth recognizes its share of the costs on an actuarial basis. As of June 30, 2022 and 2021, and as of the valuation date (January 1, 2021 and 2020), participants contributed 10% to 20% of premium costs, depending on the date of hire and whether the participant meets active, retired, or survivor status. 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 7.65%, 7.70% and 7.29% of annual covered payroll for the fiscal year ended June 30, 2022, 2021 and 2020, respectively. The university contributed \$2,156,436, \$2,287,931 and \$2,469,166 for the fiscal years ended June 30, 2022, 2021 and 2020, respectively, equal to 100% of the required contribution for the year.

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

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, 2022 and 2021, the university reported a liability of \$67,113,969 and \$97,380,694, 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, 2021 and 2020, respectively, the measurement date, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021 and 2020, respectively, rolled forward to June 30, 2021 and 2020. 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 year 2021. The university's proportionate share was based on the actual employer contributions to the SRBT for fiscal year 2021 relative to total contributions of all participating employers for the fiscal year. At June 30, 2022 and 2021, the university's proportion was .419% and .471%, respectively.

For the year ended June 30, 2022 and 2021, the university recognized OPEB (income) expense of (\$5,633,463) and \$740,979, respectively. 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:	2022	2021
Contributions subsequent to the measurement date	\$ 2,156,436	\$ 2,287,931
Changes in proportion from Commonwealth	75,247	147,583
Difference between expected and actual experience	1,713,213	2,687,518
Net difference between projected and actual investment earnings on OPEB investments	-	281,564
Change in plan actuarial assumptions	5,636,482	8,019,464
Changes in proportion due to internal allocation	<u>8,334,499</u>	<u>14,623,490</u>
Total deferred outflows of resources related to OPEB	<u>\$ 17,915,877</u>	<u>\$ 28,047,550</u>

Deferred Inflows of Resources Related to OPEB:	2022	2021
Changes in proportion from Commonwealth	\$ 291,497	\$ 330,720
Differences between expected and actual experience	11,814,198	2,403,686
Net difference between projected and actual investment earnings on OPEB investments	815,584	-
Changes in proportion due to internal allocation	36,900,136	36,376,246
Change in plan actuarial assumptions	<u>13,202,334</u>	<u>9,411,508</u>
Total deferred inflows of resources related to OPEB	<u>\$ 63,023,749</u>	<u>\$ 48,522,160</u>

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

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 contribution of \$2,156,436 and \$2,287,931 reported as deferred outflows of resources related to OPEB resulting from university contributions in fiscal year 2022 and 2021, 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 a decrease in OPEB expense as follows:

<u>Fiscal Years</u> <u>Ending June 30,</u>	
2023	\$ (11,745,971)
2024	(10,370,801)
2025	(10,285,618)
2026	(9,962,428)
2027	<u>(4,899,490)</u>
	<u><u>\$ (47,264,308)</u></u>

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement date	June 30, 2021	June 30, 2020
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	7.15%, 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 2021_b. Medicare and non-medicare benefits range from 4.04% to 7.30%	Developed based on the most recent published GAO-Getzen trend rate model, version 2020_b. Medicare and non-medicare benefits range from 4.04% to 6.70%

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 for measurement date June 30, 2021.

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

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-2016 from the central year, with females set forward one year for measurement date June 30, 2020.

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.
- 35% of employees currently opting out of active employee health coverage are assumed to elect to enroll in retiree coverage for measurement date June 30, 2020.
- 80% of current and future contingent eligible participants will elect health care benefits at age 55, or current age if later for measurement date June 30, 2020
- Actives, upon retirement, take coverage, and are assumed to have the following coverage:

	Retirement Age		Retirement Age	
	2022		2021	
	Under 65	Age 65+	Under 65	Age 65+
Indemnity	28.0%	96.0%	28.0%	96.0%
POS/PPC	60.0%	0.0%	60.0%	0.0%
HMO	12.0%	4.0%	12.0%	4.0%

The actuarial assumptions used in the January 1, 2021 and 2019 valuation rolled forward to June 30, 2021 and 2020 were based on the results of an actuarial experience study for the periods ranging July 1, 2019 and 2018 through December 31, 2020 and 2019, 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 Pension Reserves Investment Trust ("PRIT") Fund. Consequently, information about SRBT's target asset allocation and long-term expected real rate of return as of June 30, 2022 and 2021, are the same as discussed in the net pension liability footnote.

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

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

Discount Rate

The discount rates used to measure the total OPEB liability was 2.77% and 2.28% for the years ended June 30, 2022 and 2021, respectively. These rates were based on a blend of the Bond Buyer Index rates of 2.16% and 2.21%, respectively, as of the measurement dates June 30, 2021 and 2020, and the expected rates 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 2028 and 2029 for the fiscal years ended June 30, 2022 and 2021, respectively. Therefore, the long-term expected rate of return on OPEB plan investments of 7.00% and 7.15% per annum, respectively, was not applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2022 and 2021.

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

The following tables present 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:

<u>Reporting Year Ended June 30,</u>	1.00% Decrease 1.77%	Discount Rate 2.77%	1.00% Increase 3.77%
2022	\$ 79,730,869	\$ 67,113,969	\$ 56,951,308
<hr/>			
<u>Reporting Year Ended June 30,</u>	1.00% Decrease 1.28%	Discount Rate 2.28%	1.00% Increase 3.28%
2021	\$ 117,024,386	\$ 97,380,694	\$ 81,859,789

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

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
2022	\$ 54,952,541	\$ 67,113,969	\$ 82,964,394

Reporting Year Ended June 30,	1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Increase
2021	\$ 79,095,674	\$ 97,380,694	\$ 121,673,948

Note 17 - Restricted Net Position

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

	2022	2021
Restricted - nonexpendable:		
Scholarships and fellowships	\$ <u>23,000</u>	\$ <u>23,000</u>
Restricted - expendable:		
Grants	\$ <u>1,590,206</u>	\$ <u>4,933,613</u>

The university's restricted-expendable net position consists of funds whose income is mainly used for scholarships, grants and other academic purposes. 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. The increase in restricted – expendable grants is due to the timing of revenue recognition with the HEERF funds.

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

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 is currently ongoing and there could be further issues, litigation, or other matters that raise issue relative to these concerns. The impact of these matters, if any, cannot presently be determined.

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.

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:

	2022	2021
		<i>(Restated)</i>
Compensation and benefits	\$ 153,975,682	\$ 144,238,578
Supplies and services	28,551,801	31,409,118
Depreciation and amortization	23,965,906	23,703,244
Scholarships and fellowships	<u>18,517,462</u>	<u>15,285,158</u>
	 <u>\$ 225,010,851</u>	 <u>\$ 214,636,098</u>

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

Note 20 - Interest Expense

Interest expense for the years ended June 30, 2022 and 2021, is comprised of the following:

	2022	2021
		<i>(Restated)</i>
Interest on lease obligations, related party	\$ 8,381,572	\$ 8,435,764
Interest on lease obligations, unrelated	255,357	263,666
Interest on bonds payable	<u>306,937</u>	<u>321,418</u>
 Total interest expense	 \$ 8,943,866	 \$ 9,020,848

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, 2022 and 2021. 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:

	2022	2021
Direct unrestricted appropriations	\$ 58,512,737	\$ 52,106,936
Add: Fringe benefits for benefited employees on the state payroll	20,717,250	18,464,155
Less: Day school tuition remitted to the state and included in tuition and fee revenue	<u>(10,813)</u>	<u>(9,055)</u>
 Total unrestricted appropriations	 79,219,174	 70,562,036
Capital appropriations	<u>602,469</u>	<u>15,771,408</u>
 Total appropriations	 \$ 79,821,643	 \$ 86,333,444

BRIDGEWATER STATE UNIVERSITY
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Notes to Financial Statements (Continued)

June 30, 2022 and 2021

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, 2021 and 2020 were as follows (see State appropriations under Note 20).

	2022	2021
Commonwealth's retirement system contributions	\$ 9,517,989	\$ 7,983,539
Employer's share of health care premium	<u>11,199,261</u>	<u>10,480,616</u>
Fringe benefits provided by the Commonwealth	<u>\$ 20,717,250</u>	<u>\$ 18,464,155</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, 2022 and June 30, 2021, 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. 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).

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

Notes to Financial Statements (Continued)

June 30, 2022 and 2021

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

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 \$44,827,604 and \$46,423,810 for student loans through the U.S. Department of Education Federal Direct Lending Program for the years ended June 30, 2022 and 2021, respectively. The university also distributed private alternative loans of \$12,424,473 and \$10,503,631 through the Massachusetts Educational Financing Authority and Elm Resources for the years ended June 30, 2022 and 2021, respectively. The university distributed \$0 and \$210,500 through the Massachusetts No Interest Loan Program for the years ended June 30, 2022 and 2021, 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, 2022 and 2021 were \$10,271,559 and \$5,512,367, respectively.

KATERYNA LOTOTSKA

TEACHING UKRAINIAN REFUGEES

When Russia attacked her native Ukraine, Kateryna Lototska, '22, considered dropping out of her Bridgewater State University classes. She was more concerned for the safety of friends and family back home, as well as her country's future, than she was her coursework.

But Kateryna finished the semester – and her degree in Spanish – thanks to the caring Bridgewater State University community. Global Languages professors showed compassion while helping her cope with the tragedy unfolding in her homeland. "They have been amazing," said Kateryna, who minored in Asian Studies and took Japanese language classes. "I felt supported."

"I felt more welcomed here."

Kateryna Lototska, '22

Initially considering a different university that didn't feel like home to her, Kateryna ultimately embraced BSU, where she felt valued as an individual. "The support I found is completely different," she said. "I felt more welcomed here."



That continued during the Russian invasion as BSU flew the Ukrainian flag prominently on Boyden Hall – a gesture Kateryna said was "huge" for her.

After crossing the commencement stage, Kateryna plans to visit Ukraine to see the effects of war. Once back in the U.S., she aims to seek a government job to make her mark on the world.

"What's happening in Ukraine is going to reshape the whole world landscape," she said. "This is the 21st century in the middle of Europe. There's no way this should have happened. Change has got to be made."

REQUIRED

Supplementary Information

2022
ANNUAL
COMPREHENSIVE
FINANCIAL REPORT
2021



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	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Valuation date	January 1, 2021	January 1, 2019	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015
University's proportion of the collective net pension liability	0.366%	0.441%	0.416%	0.454%	0.425%	0.398%	0.457%
University's proportionate share of the collective net pension liability	\$ 38,224,852	\$ 75,678,655	\$ 60,911,032	\$ 60,039,220	\$ 54,506,501	\$ 54,936,179	\$ 52,075,634
University's covered payroll	62,578,762	65,177,175	65,853,418	59,884,685	63,303,324	62,138,172	54,976,688
University's proportionate share of the net pension liability as a percentage of its covered payroll	61.08%	116.11%	92.49%	100.26%	86.10%	88.41%	94.72%
Plan fiduciary net position as a percentage of the total pension liability	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,

	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 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>\$ (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>
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
Contributions as a percentage of covered payroll	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 of 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 of 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

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

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, 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
(an Agency of the Commonwealth of Massachusetts)

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

State Retirees' Benefit Trust

Year ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Valuation date	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016
University's proportion of the collective net OPEB liability	0.419%	0.471%	0.628%	0.707%	0.600%	0.516%
University's proportionate share of the collective net OPEB liability	\$ 67,113,969	\$ 97,380,694	\$ 97,380,694	\$ 131,377,242	\$ 106,015,398	\$ 97,744,075
University's covered payroll	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	107.25%	149.41%	147.87%	219.38%	167.47%	157.30%
Plan fiduciary net position as a percentage of the total OPEB liability	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,

	2022	2021	2020	2019	2018	2017
Statutorily required contribution	\$ 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>(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	\$ 65,023,495	\$ 62,578,762	\$ 65,177,175	\$ 65,853,418	\$ 59,884,685	\$ 63,303,324
Contributions as a percentage of covered payroll	7.65%	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, 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 original 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 3.92% (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%



GREAT HILL APARTMENTS



CRIMSON HALL



WOODWARD HALL



TMLP
FIBER OPTIC CONNECTION



PARKING GARAGE

New GASB 87, LEASE STANDARD

The impact of this standard created a new lease liability at commencement of the leases of \$210,662,944 for related party leases and \$5,515,919 of non-related party leases.



FLIGHT TRAINING
OPERATIONS CENTER



As of July 1, 2019, the university implemented a new accounting standard, GASB 87, Leases.

GASB 87, Leases enhances the consistency for leasing activities and establishes requirements for lease accounting 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.

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 including our residence halls, parking garage and a dining complex. Additionally, the university is in a lessor position for cell tower and fiber optic cable connections.



BLOOMBERG TERMINALS



WEYGAND HALL



UNIVERSITY VEHICLES



DiNARDO HALL



LEGACY STABLE

SCIENTIFIC VOYAGER



Nearly 160 years ago, a storm exposed the timbers of a shipwreck buried in the mud on Cape Cod. But the intrigue surrounding this vessel had only just begun.

In recent years, Dr. Calvin Mires, a maritime archaeologist who teaches in Bridgewater State University's Department of Anthropology, sought evidence to confirm the long-held belief that it is a ship that ran aground in 1626. That would make the 40-foot vessel, named Sparrow-Hawk after the storm that unearthed it, the oldest known surviving wreck in the original 13 colonies.

"The challenge was there had never been any archeological studies to determine if the ship is from 1626 or is some other sailing vessel," Mires said, noting there are thousands of wrecks off Cape Cod. "So, we needed to figure out how to start scientifically determining if it was from 1626 or thereabouts."

Mires worked with a team that included Dr. Donna Curtin of Plymouth's Pilgrim Hall Museum, maritime expert Fred Hocker, and timber specialist Aoife Daly in the search for evidence. The first clue came when Dr. Hocker recognized a timber from the ship's bilge pump. He had also seen that part on the Swedish warship Vasa, which sank in 1628.



Their research indicated timbers used to make the Sparrow-Hawk were from English trees cut in the late 16th century or early 17th century, providing evidence that Sparrow-Hawk could be the 1626 wreck. The surviving timbers are housed at Pilgrim Hall Museum, which plans to create an exhibit with the wood and 3D imagery to better tell this relatively unknown part of American history.

"You have historic significance right there," Mires said of the ship's potential age. "It perhaps brought some of the first Irish immigrants to the colonies."

Statistical SECTION

2022
ANNUAL
COMPREHENSIVE
FINANCIAL REPORT
2021





DIG THIS CLASS



Students taking a course with Dr. Michael Zimmerman enhanced their archaeological skills in a Kingston neighborhood while uncovering about 300 artifacts. Modern houses line the street today, but the area was home to a Native American seasonal hunting camp before the arrival of Europeans. Isaac Allerton,

a Pilgrim who came to North America on the Mayflower, also lived there.

Archaeologists studied the site in the 1970s after home construction unearthed 17th century artifacts. BSU faculty and students worked there in July and August under a permit from the Massachusetts Historical Commission. Faculty also engaged with descendant communities including the Mashpee Wampanoag Tribal Historic Preservation Office, said Zimmerman, an assistant professor of anthropology.

Working in the field and a lab on campus, students excavated, recorded, cleaned, and studied artifacts such as stone tools from the hunting camp used for scraping hides and splitting open bones. They also found fragments of 17th century pipes and ceramics from shortly after the arrival of Europeans.

Dr. Zimmerman's class enjoyed the thrill of discovery and the unraveling of a real-life mystery. The ability to learn about "... the kinds of things that are beneath my own feet here in New England" was a truly unique experience.

TABLE OF Contents

■ FINANCIAL TRENDS 113-118

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 119

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 120-130

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 131-136

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

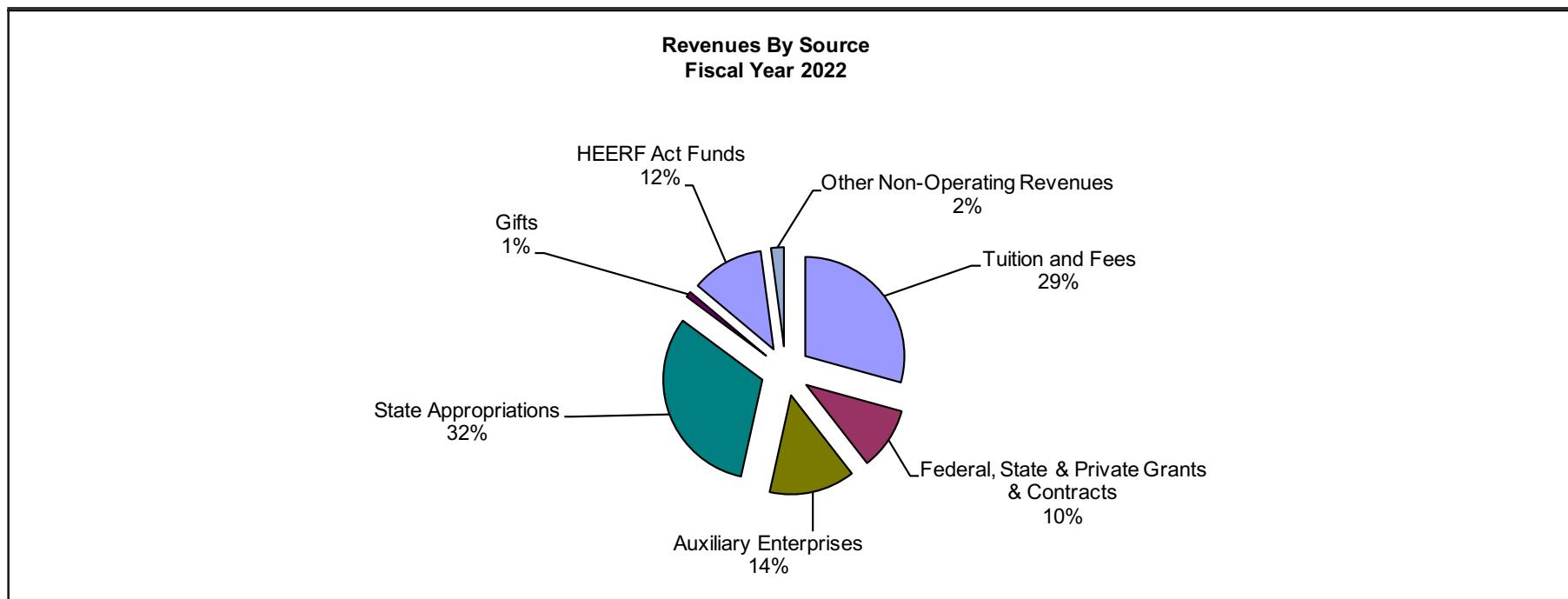
For the Year Ended June 30,

	2022	2021 (Restated)	2020 (Restated)	2019 (Restated)	2018	2017	2016	2015	2014	2013
Revenues										
Operating Revenues:										
Tuition and Fees (net of scholarships and fellowships)	\$ 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	\$ 75,584,928
Federal, state and private grants and contracts	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	17,822,377
Auxiliary enterprises	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	21,771,366
Other Operating Revenue	433,496	60,517	320,740	665,907	1,568,141	1,863,742	2,201,100	1,073,329	1,078,624	583,889
Total Operating Revenues	\$ 134,013,575	\$ 124,182,472	\$ 147,638,587	\$ 141,161,093	\$ 145,996,611	\$ 139,116,524	\$ 131,954,324	\$ 124,341,017	\$ 120,389,949	\$ 115,762,560
Non Operating Revenues										
State appropriations, net	\$ 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	\$ 43,784,687
Gifts	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	902,554
HEERF Act funds	29,463,444	19,421,645	1,668,952	-	-	-	-	-	-	-
Investment income	74,082	17,923	236,611	216,454	80,447	47,290	54,704	24,946	1,483	10,801
Other non-operating revenues	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	3,885,460
Total Non Operating Revenues	\$ 116,355,830	\$ 96,460,588	\$ 72,880,069	\$ 68,191,331	\$ 62,062,294	\$ 61,768,188	\$ 58,446,920	\$ 55,202,450	\$ 52,888,520	\$ 48,583,502
Total Revenues	\$ 250,369,405	\$ 220,643,060	\$ 220,518,656	\$ 209,352,424	\$ 208,058,905	\$ 200,884,712	\$ 190,401,244	\$ 179,543,467	\$ 173,278,469	\$ 164,346,062

	For the Year Ended June 30, (percent of total revenue)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Operating Revenues:										
Tuition and Fees (net of scholarships and fellowships)	29%	38%	41%	43%	46%	45%	44%	42%	43%	46%
Federal, state and private grants and contracts	10%	11%	11%	11%	10%	10%	10%	11%	11%	11%
Auxiliary enterprises	14%	7%	15%	13%	13%	13%	14%	15%	14%	13%
Other Operating Revenue	0%	0%	0%	0%	1%	1%	1%	1%	1%	0%
Total Operating Revenues	54%	56%	67%	67%	70%	69%	69%	69%	69%	70%
Non Operating Revenues										
State appropriations, net	32%	32%	31%	31%	28%	29%	29%	29%	29%	27%
Gifts	1%	1%	0%	1%	1%	1%	1%	1%	1%	1%
HEERF Act funds	12%	9%	1%	0%	0%	0%	0%	0%	0%	0%
Investment income	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other non-operating revenues	2%	2%	1%	1%	1%	1%	1%	1%	1%	2%
Total Non Operating Revenues	46%	44%	33%	33%	30%	31%	31%	31%	31%	30%
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

Detailed data breakdown of expenses by use on page 113.

SCHEDULE OF EXPENSES BY USE

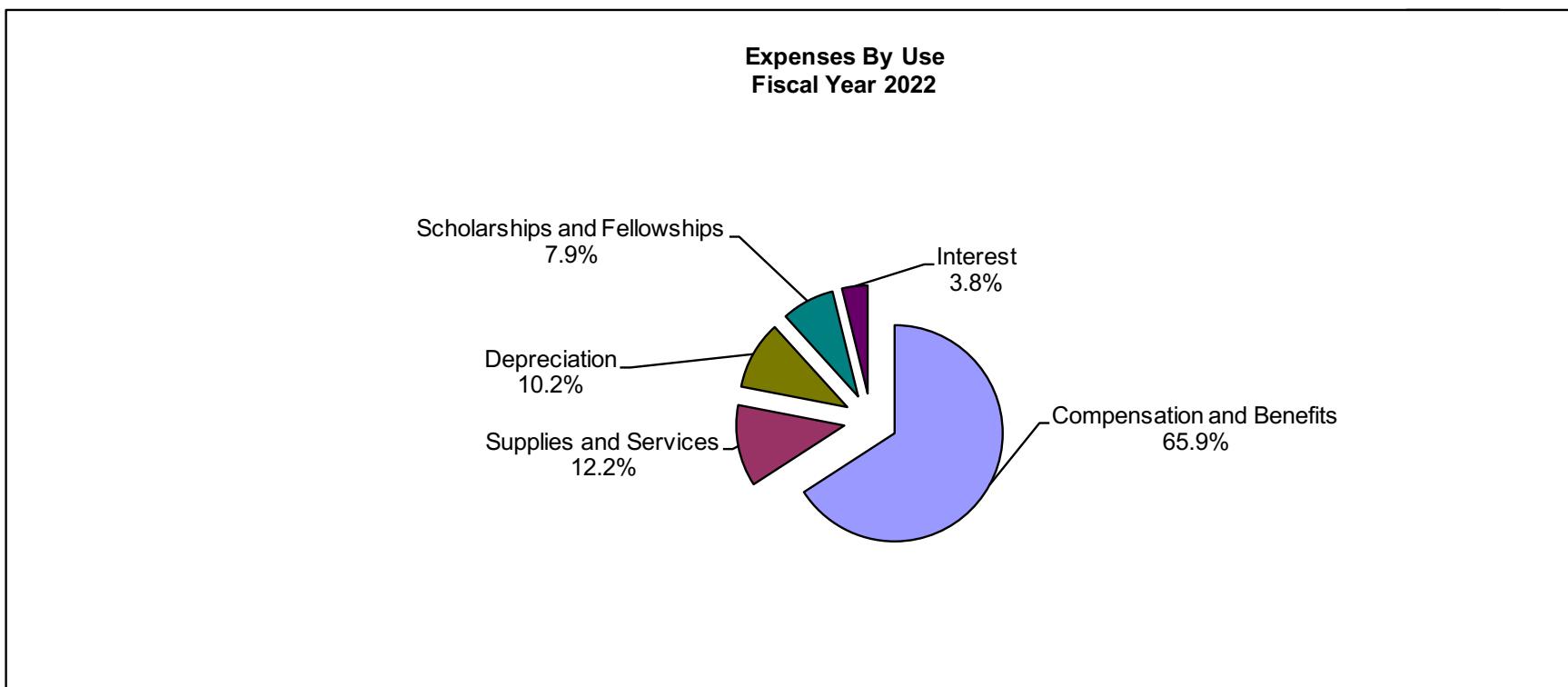
For the Year Ended June 30,

Expenses:	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
		(Restated)	(Restated)	(Restated)						
Operating Expenses:										
Compensation and benefits	\$ 153,975,682	\$ 144,238,578	\$ 153,165,918	\$ 155,289,447	\$ 144,031,337	\$ 135,259,364	\$ 127,430,767	\$ 116,177,960	\$ 108,697,916	\$ 100,412,505
Supplies and services	28,551,801	31,409,118	43,291,596	49,592,966	47,283,834	48,850,073	50,916,103	51,203,453	48,026,031	46,900,069
Depreciation and amortization	23,965,906	23,703,244	22,932,317	10,235,666	10,126,813	10,125,133	11,991,495	11,699,185	6,073,134	5,598,456
Scholarships and fellowships	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	7,275,990
Total Operating Expenses	\$ 225,010,851	\$ 214,636,098	\$ 229,633,741	\$ 224,315,176	\$ 218,921,012	\$ 207,812,824	\$ 200,829,867	\$ 188,965,611	\$ 171,739,164	\$ 160,187,020
Non Operating Expenses:										
Interest expense	\$ 8,943,866	\$ 9,020,848	\$ 10,796,727	\$ 620,695	\$ 721,117	\$ 760,027	\$ 760,885	\$ 2,568,943	\$ 844,091	\$ 703,238
Total Non Operating Expenses	\$ 8,943,866	\$ 9,020,848	\$ 10,796,727	\$ 620,695	\$ 721,117	\$ 760,027	\$ 760,885	\$ 2,568,943	\$ 844,091	\$ 703,238
Total Expenses	\$ 233,954,717	\$ 223,656,946	\$ 240,430,468	\$ 224,935,871	\$ 219,642,129	\$ 208,572,851	\$ 201,590,752	\$ 191,534,554	\$ 172,583,255	\$ 160,890,258

	For the Year Ended June 30, (percent of total expense)									
Expenses:	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating Expenses:										
Compensation and benefits	65.9%	64.6%	63.8%	69.1%	65.7%	64.8%	63.2%	60.7%	63.0%	62.4%
Supplies and services	12.2%	14.0%	18.0%	22.0%	21.5%	23.4%	25.3%	26.7%	27.8%	29.2%
Depreciation	10.2%	10.6%	9.5%	4.6%	4.6%	4.9%	5.9%	6.1%	3.5%	3.5%
Scholarships and fellowships	7.9%	6.8%	4.2%	4.0%	7.9%	6.5%	5.2%	5.2%	5.2%	4.5%
Total Operating Expenses	96.2%	96.0%	95.5%	99.7%	99.7%	99.6%	99.6%	98.7%	99.5%	99.6%
Non Operating Expenses:										
Interest expense	3.8%	4.0%	4.5%	0.3%	0.3%	0.4%	0.4%	1.3%	0.5%	0.4%
Total Non Operating Expenses	3.8%	4.0%	4.5%	0.3%	0.3%	0.4%	0.4%	1.3%	0.5%	0.4%
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

Detailed data breakdown of expenses by use on page 115.

SCHEDULE OF EXPENSES BY FUNCTION

For the Year Ended June 30,

Expenses:	2022	2021 (Restated)	2020 (Restated)	2019 (Restated)	2018	2017	2016	2015	2014	2013
Instruction	\$ 74,689,976	\$ 75,333,725	\$ 82,834,673	\$ 80,252,755	\$ 74,638,309	\$ 70,057,550	\$ 64,991,488	\$ 61,139,211	\$ 58,453,791	\$ 53,182,575
Public service	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	2,262,099
Academic support	23,391,078	24,550,945	25,988,206	27,901,251	26,422,937	25,512,065	23,796,119	22,674,733	20,693,405	18,434,047
Student services	24,457,304	22,171,271	23,978,138	25,408,170	23,887,255	23,094,520	21,593,072	22,360,467	21,561,475	19,760,852
Institutional support	22,374,424	23,243,979	24,959,230	24,026,458	20,783,716	19,641,046	20,993,149	17,036,747	16,887,940	17,272,031
Operation and maintenance of plant	14,441,994	14,384,013	16,255,816	19,597,190	17,877,940	16,697,626	16,479,057	18,203,719	13,955,958	16,429,130
Scholarships and fellowships	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	7,275,990
Depreciation and amortization	23,965,906	23,703,244	22,932,317	10,235,666	10,126,813	10,125,133	11,991,495	11,699,185	6,073,134	5,598,456
Auxiliary enterprises, net of scholarship allowances	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	19,971,840
Total Expenses	\$ 225,010,851	\$ 214,636,098	\$ 229,633,741	\$ 224,315,176	\$ 218,921,012	\$ 207,812,824	\$ 200,829,867	\$ 188,965,611	\$ 171,739,164	\$ 160,187,020

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

Expenses:	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Instruction	34%	36%	37%	36%	34%	34%	32%	32%	33%	34%
Public service	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Academic support	10%	11%	11%	12%	12%	12%	12%	12%	12%	12%
Student services	11%	10%	10%	11%	11%	11%	11%	12%	13%	12%
Institutional support	10%	11%	11%	11%	10%	9%	11%	9%	10%	11%
Operation and maintenance of plant	6%	7%	7%	9%	8%	8%	8%	10%	8%	10%
Scholarships and fellowships	8%	7%	4%	4%	8%	7%	6%	5%	5%	5%
Depreciation and amortization	11%	11%	10%	5%	5%	5%	6%	6%	4%	3%
Auxiliary enterprises, net of scholarship allowances	10%	7%	9%	11%	11%	13%	13%	13%	14%	12%
Total Expenses	100%									

Source: Bridgewater State University Annual Financial Statements

SCHEDULE OF NET POSITION AND CHANGES IN NET POSITION

For the Year Ended June 30,

	<u>2022</u>	<u>2021</u> <u>(Restated)</u>	<u>2020</u> <u>(Restated)</u>	<u>2019</u> <u>(Restated)</u>	<u>2018</u>	<u>2017</u> <u>(Restated)</u>	<u>2016</u>	<u>2015</u>	<u>2014</u> <u>(Restated)</u>	<u>2013</u>
Total revenues (from schedule of revenues by source)	\$ 250,369,405	\$ 220,643,060	\$ 220,518,656	\$ 209,352,424	\$ 208,058,905	\$ 200,884,712	\$ 190,401,244	\$ 179,543,467	\$ 173,278,469	\$ 164,346,062
Total expenses (from schedule of expenses by use)	(233,954,717)	(223,656,946)	(240,430,468)	(224,935,871)	(219,642,129)	(208,572,851)	(201,590,752)	(191,534,554)	(172,583,255)	(160,890,258)
Income before other revenues	16,414,688	(3,013,886)	(19,911,812)	(15,583,447)	(11,583,224)	(7,688,139)	(11,189,508)	(11,991,087)	695,214	3,455,804
Capital appropriations	602,469	15,771,408	1,218,147	644,614	605,394	914,758	1,419,509	90,229,323	532,100	1,250,000
Total Increase (Decrease) in Net Position	17,017,157	12,757,522	(18,693,665)	(14,938,833)	(10,977,830)	(6,773,381)	(9,769,999)	78,238,236	1,227,314	4,705,804
Net position, beginning, as restated	1,220,193	(11,537,329)	7,156,336	22,095,169	33,072,999	39,846,380	144,691,666	66,453,430	65,226,116	85,454,175
Net position, ending	\$ 18,237,350	\$ 1,220,193	\$ (11,537,329)	\$ 7,156,336	\$ 22,095,169	\$ 33,072,999	\$ 134,921,667	\$ 144,691,666	\$ 66,453,430	\$ 90,159,979
Net investment in capital assets	\$ 115,718,795	\$ 128,550,544	\$ 137,593,986	\$ 138,307,417	\$ 140,978,938	\$ 145,245,750	\$ 149,642,168	\$ 157,187,572	\$ 78,067,452	\$ 77,805,764
Restricted:										
Nonexpendable	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Expendable	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	1,061,195
Unrestricted	(99,094,651)	(132,286,964)	(150,719,298)	(132,393,718)	(119,946,644)	(113,407,222)	(15,875,865)	(13,659,347)	(12,767,782)	11,270,020
Total Net Position	\$ 18,237,350	\$ 1,220,193	\$ (11,537,329)	\$ 7,156,336	\$ 22,095,169	\$ 33,072,999	\$ 134,921,667	\$ 144,691,666	\$ 66,453,430	\$ 90,159,979

Source: Bridgewater State University Annual Financial Statements

SCHEDULE OF RATIOS OF OUTSTANDING DEBT

For the Year Ended June 30,

	2022	2021 <small>(Restated)</small>	2020 <small>(Restated)</small>	2019	2018	2017	2016	2015	2014	2013
Capital lease obligations	\$ 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	\$ 5,998,628
Notes and bonds payable	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	20,737,713
Total Outstanding Debt	\$ 225,026,493	\$ 230,497,798	\$ 221,772,281	\$ 17,735,915	\$ 19,519,975	\$ 20,969,171	\$ 22,527,257	\$ 24,050,572	\$ 25,479,610	\$ 26,736,341
Full-time equivalent students	7,897	8,619	8,976	9,047	9,086	9,054	9,176	9,214	9,230	9,201
Outstanding debt per student total	\$ 28,495	\$ 26,743	\$ 24,707	\$ 1,960	\$ 2,148	\$ 2,316	\$ 2,455	\$ 2,610	\$ 2,761	\$ 2,906

Note: Outstanding debt per student is calculated using full-time equivalent enrollment data for the last ten years. FY20-22 outstanding debt per student total increased significantly due to the implementation of GASB 87, leases.

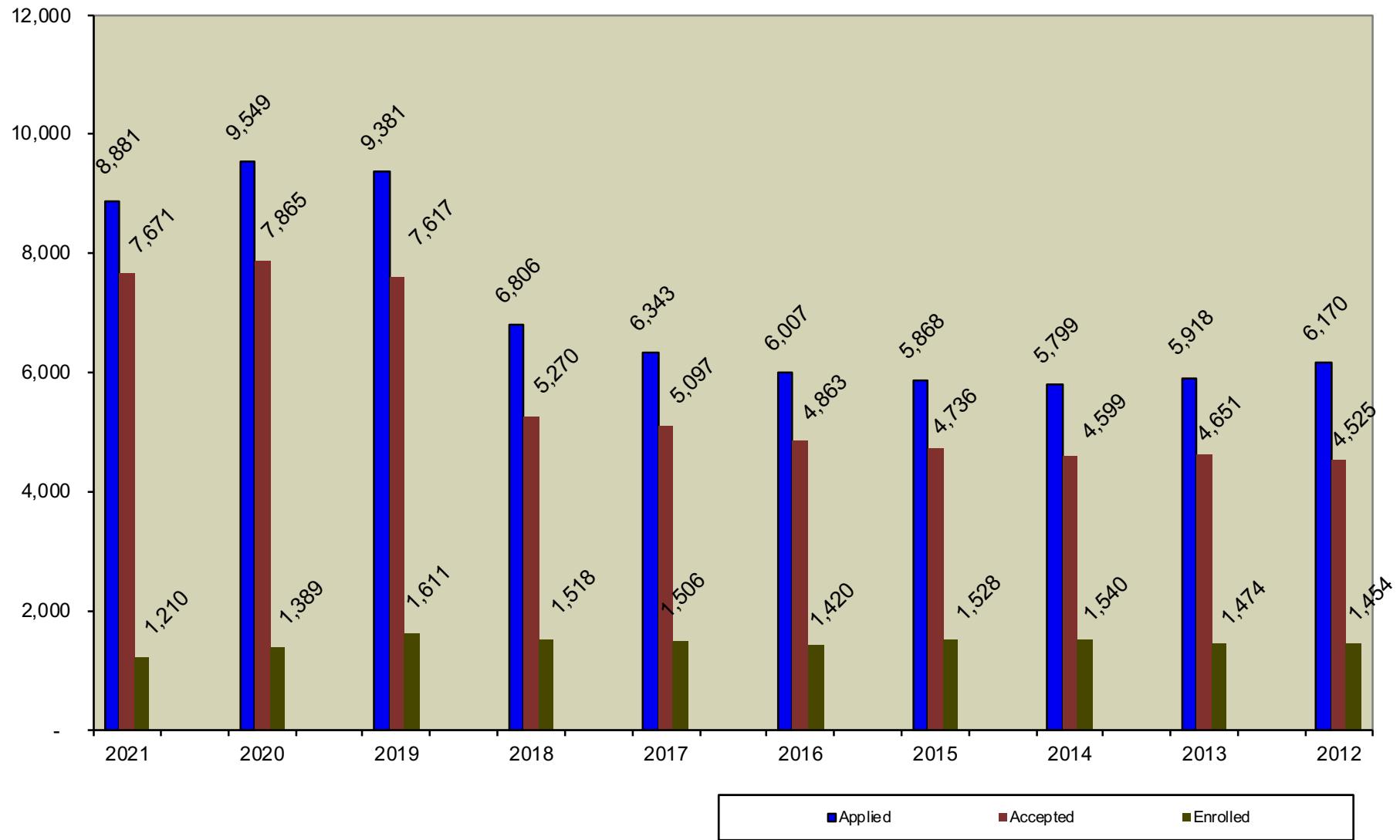
Source: Bridgewater State University Annual Financial Statements and Office of Institutional Research and Assessment

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Admissions - Freshman										
Applications	8,881	9,549	9,381	6,806	6,343	6,007	5,868	5,799	5,918	6,170
Applications accepted	7,671	7,865	7,617	5,270	5,097	4,863	4,736	4,599	4,651	4,525
Accepted as a percentage of applications	86%	82%	81%	77%	80%	81%	81%	79%	79%	73%
Students enrolled	1,382	1,389	1,611	1,518	1,506	1,420	1,528	1,540	1,474	1,454
Enrolled as a percentage of accepted	18%	18%	21%	29%	30%	29%	32%	33%	32%	32%
SAT scores - total	1,106	1,050	1,064	1,070	1,063	990	991	993	993	1,010
Verbal	543	531	535	540	538	493	494	492	492	499
Math	563	519	529	530	525	497	497	501	501	511
Massachusetts average SAT score - total	1,184	1,119	1,120	1,125	1,106	1,047	1,045	1,047	1,044	1,043
U.S. average SAT score - total	1,061	1,051	1,059	1,067	1,060	1,002	1,006	1,010	1,010	1,010
Enrollment										
Undergraduate and graduate FTE	7,897	8,619	8,976	9,047	9,086	9,054	9,176	9,214	9,230	9,201
Undergraduate and graduate headcount	9,942	10,651	10,881	10,990	11,019	10,998	11,089	11,187	11,267	11,417
<u>Undergraduates</u>										
Percentage of Men	41%	40%	41%	41%	41%	41%	41%	41%	42%	42%
Percentage of Women	59%	60%	59%	59%	59%	59%	59%	59%	58%	58%
Percentage of Students of Color	28%	27%	27%	25%	25%	23%	21%	20%	18%	16%
<u>Graduates</u>										
Percentage of Men	23%	24%	26%	25%	27%	27%	29%	28%	27%	27%
Percentage of Women	77%	76%	74%	75%	73%	73%	71%	72%	73%	73%
Percentage of Students of Color	15%	15%	13%	11%	11%	10%	10%	10%	9%	8%
Degrees Earned										
Bachelor's	1955	1897	2036	2021	1994	2004	1942	1939	1914	1747
Master's	529	506	507	516	511	527	484	612	552	523

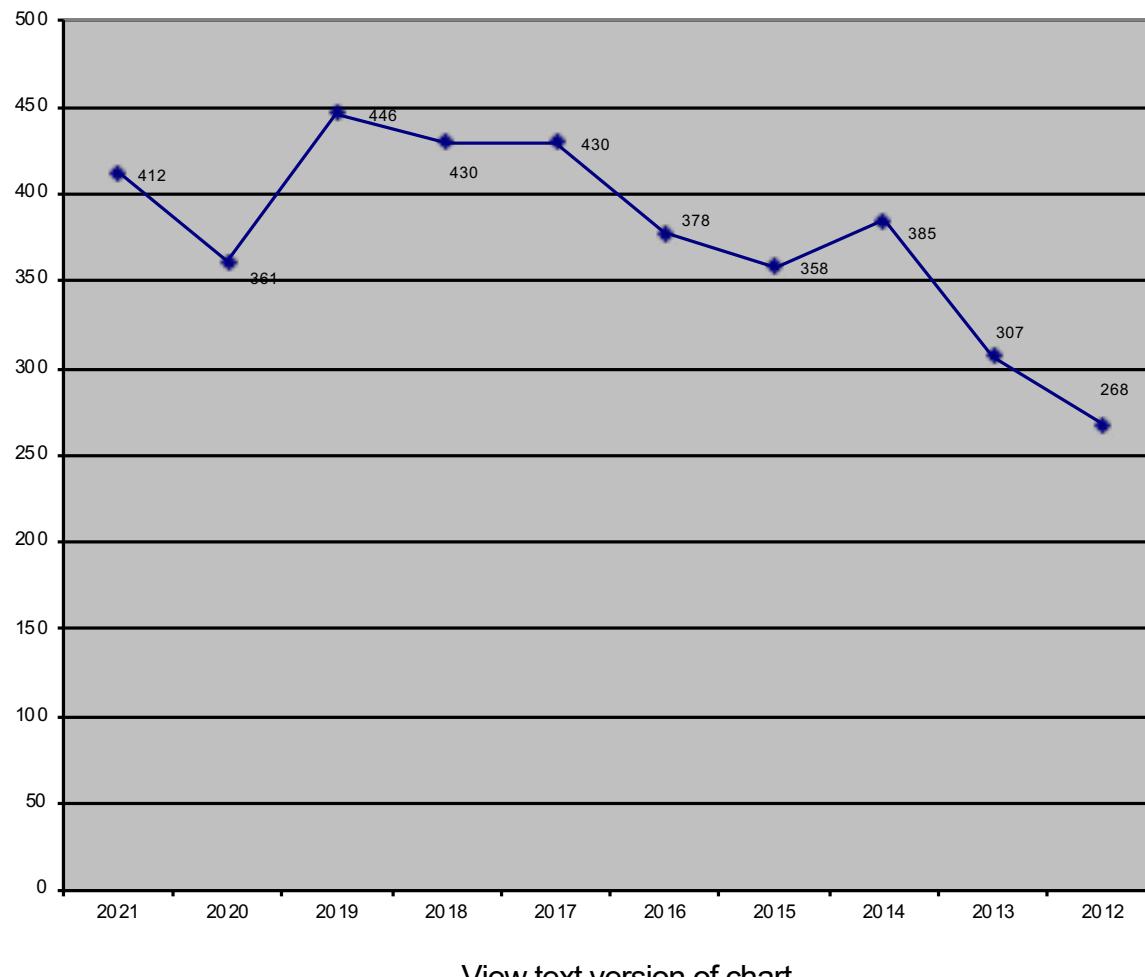
Source: Bridgewater State University Office of Institutional Research and Assessment

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



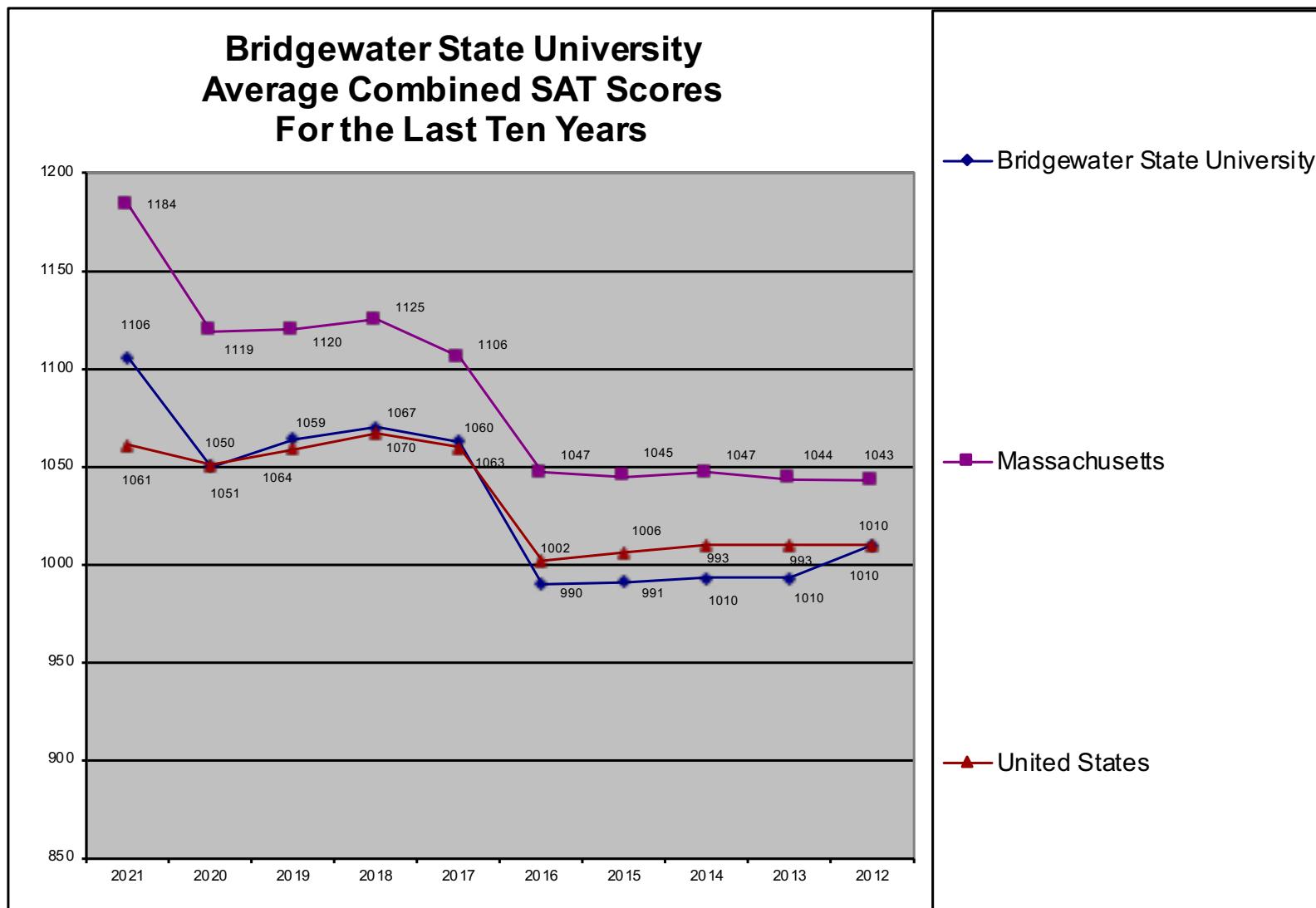
Detailed data breakdown of freshman applied, accepted, and enrolled for the last ten years on page 120.

Bridgewater State University First Time Freshman Admissions Students of Color



[View text version of chart.](#)

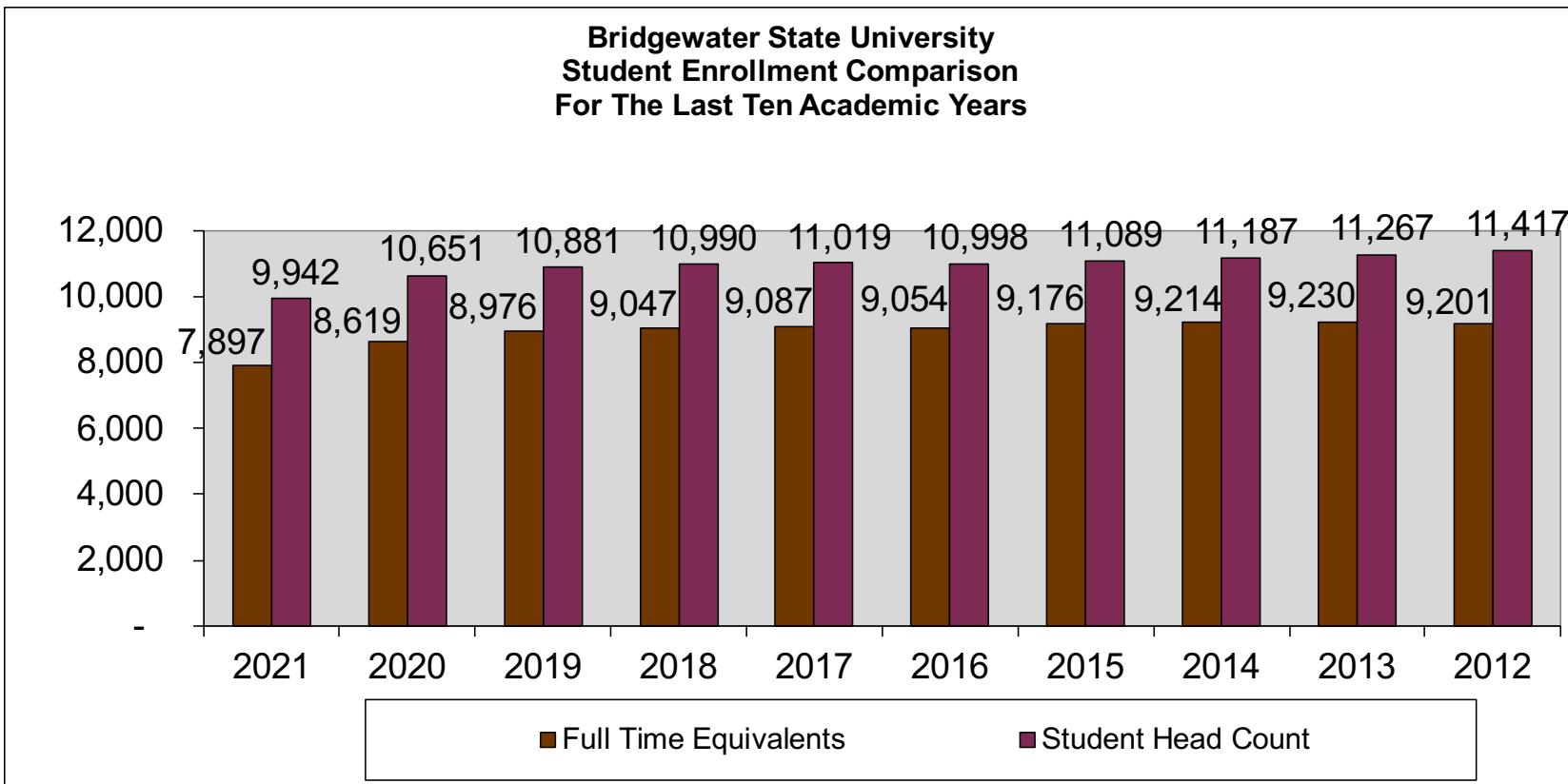
Source: Bridgewater State University Office of Institutional Research and Assessment



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

Source: Bridgewater State University Office of Institutional Research and Assessment

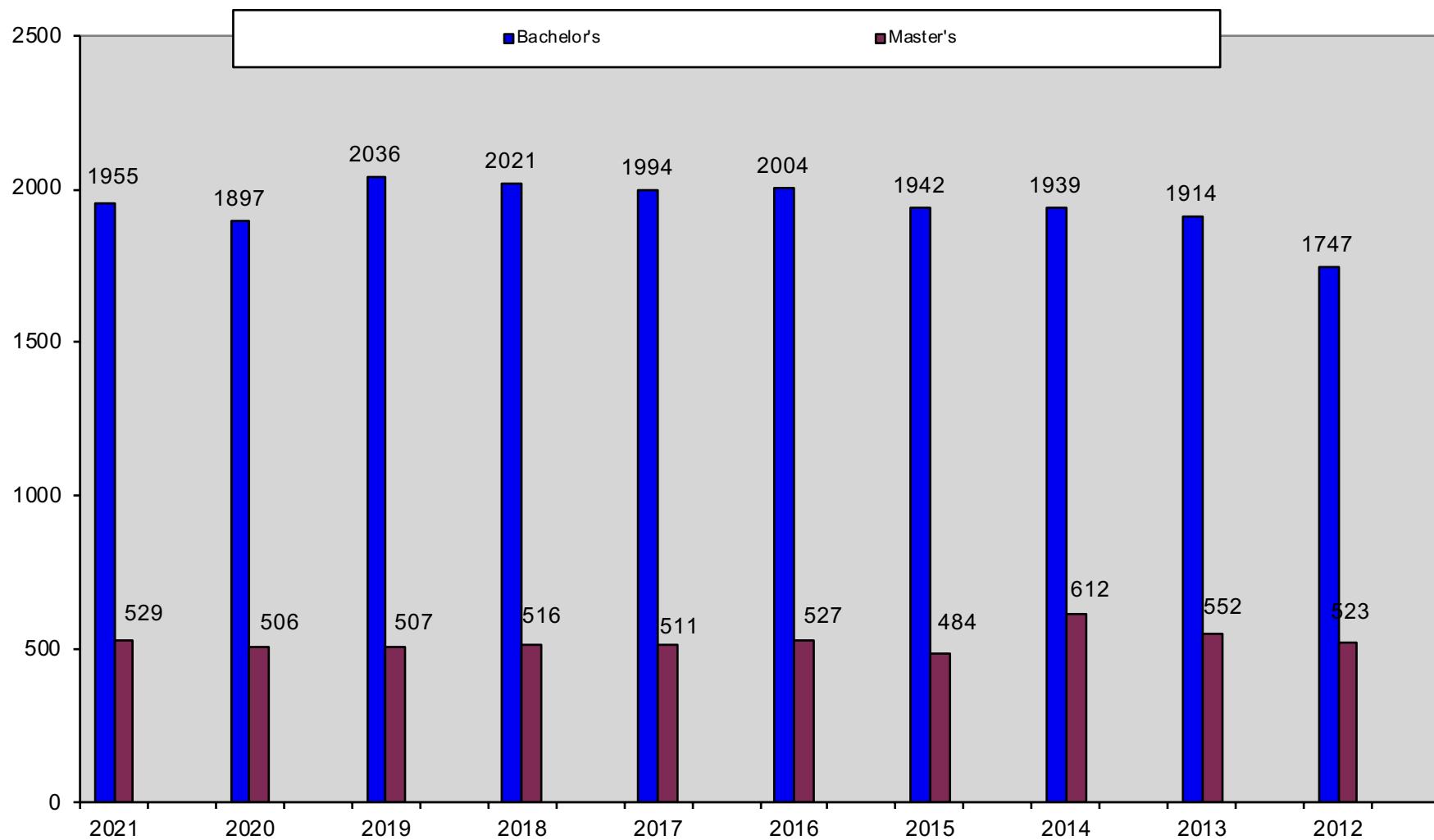
Detailed data breakdown of average combined SAT scores for the last 10 years on page 120.



Source: Bridgewater State University Office of Institutional Research and Assessment

Detailed data breakdown of average combined SAT scores for the last 10 years on page 120.

Bridgewater State University Degrees Earned For The Last Academic Ten Years



Source: Bridgewater State University Office of Institutional Research and Assessment Detailed data breakdown of degrees earned for the last ten academic years on page 120.

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

Academic Semester <u>Beginning in Fall</u>	Undergraduate (a)		Graduate (b)	
	Resident	Nonresident	Resident	Nonresident
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
2012	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 credit hours.

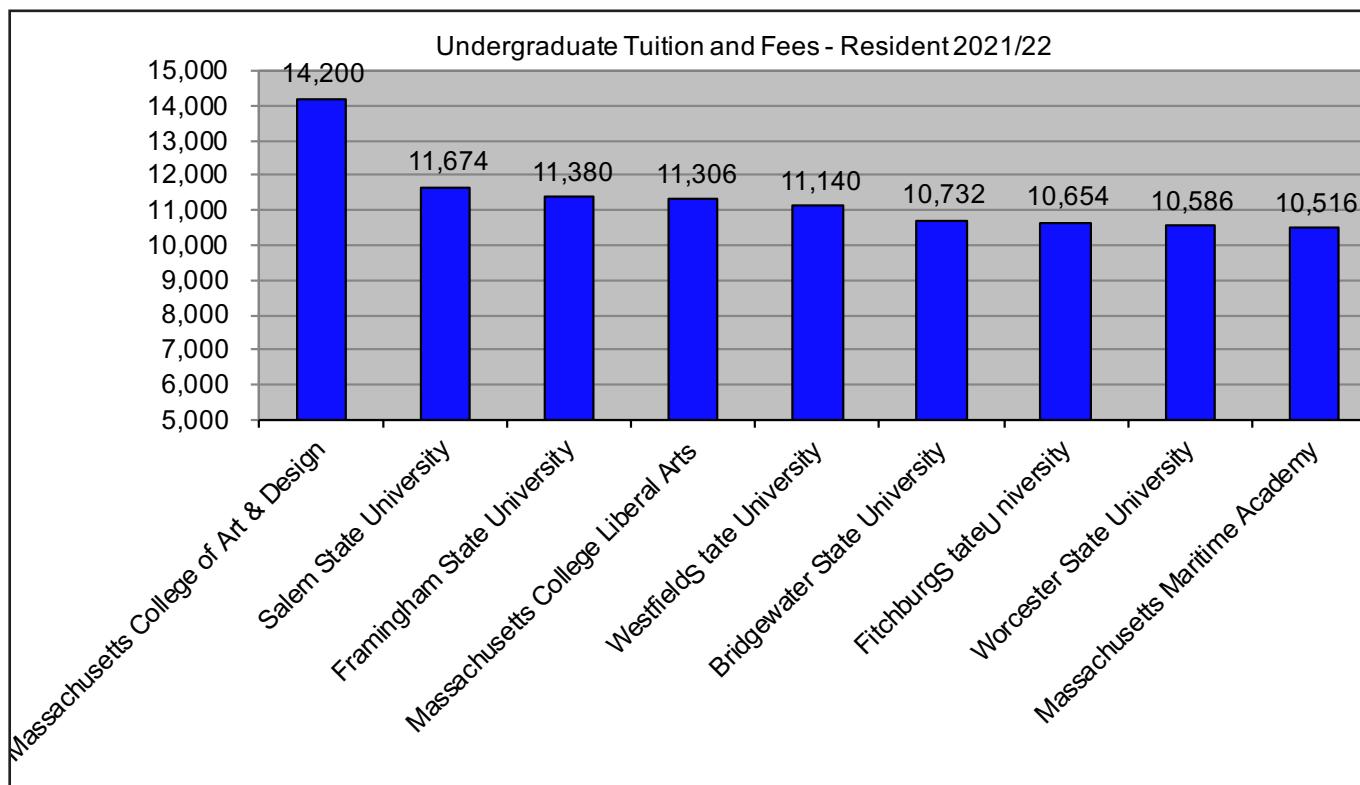
(b) Per credit-hour based on 12 Graduate Credits.

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 Years**

Institution - Resident	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
Massachusetts College of Art & Design	14,200	14,200	13,700	13,200	12,700	12,200	11,724	11,224	10,400	10,400
Salem State University	11,674	11,674	11,284	10,882	10,278	9,736	9,246	8,646	8,130	8,110
Framingham State University	11,380	11,380	11,100	10,520	9,920	9,344	8,704	8,324	8,084	8,084
Massachusetts College Liberal Arts	11,306	11,306	10,930	10,560	10,136	9,876	9,476	8,976	8,526	8,526
Westfield State University	11,140	11,140	10,850	10,430	9,716	9,276	8,816	8,682	8,298	8,298
Bridgewater State University	10,732	10,732	10,732	10,368	10,012	9,628	8,928	8,354	8,054	8,054
Fitchburg State University	10,654	10,654	10,504	10,354	10,154	10,134	9,934	9,260	8,986	8,710
Worcester State University	10,586	10,586	10,162	10,162	9,532	9,202	8,858	8,558	8,158	8,158
Massachusetts Maritime Academy	10,516	10,314	10,018	9,728	8,398	8,006	7,630	7,258	7,190	7,206



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

FACULTY AND STAFF STATISTICS - Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Faculty										
Total Full-Time Faculty	338	337	361	355	357	362	335	332	328	321
Percentage Tenured	77%	74%	70%	67%	66%	67%	65%	68%	68%	68%
Faculty by Rank**										
Professor	139	137	139	129	124	117	118	117	115	110
Associate Professor	106	107	95	91	94	92	79	84	87	80
Assistant Professor	75	87	97	109	118	111	113	112	108	105
Instructor	1	0	1	1	1	3	3	2	1	1
By Terminal Degree**										
With Terminal Degree	309	319	318	316	337	313	302	302	298	283
Without Terminal Degree	12	12	14	14	10	10	11	13	13	13
By Gender**										
Male	145	148	156	153	150	152	152	147	152	148
Female	176	183	176	177	177	171	161	168	159	148
By Race/Ethnicity										
Faculty of Color**	63	64	63	61	64	55	54	55	53	48
Students per full-time faculty ratio	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	20.4:1
Employees										
Total Full-Time Employees	1049	1088	1130	1124	1119	1110	1085	1060	1033	999
By Category										
Faculty	338	337	361	355	357	362	335	332	328	321
Executive/Admin/Managerial	113	120	119	118	113	106	103	98	86	87
Other Professional	266	277	280	278	273	259	257	249	246	229
Technical/Paraprofessional	2	4	5	5	5	6	2	2	3	3
Secretarial/Clerical	160	169	175	176	173	169	176	177	170	173
Skilled Craft	25	24	28	29	33	37	39	39	37	36
Service Maintenance	145	157	162	163	165	171	173	163	163	150
By Gender										
Male	419	431	461	461	460	458	452	439	434	417
Female	630	657	669	663	659	652	633	621	599	582
By Race/Ethnicity										
Faculty & Staff of Color	144	145	145	136	139	135	135	134	129	114

**Of Tenure track faculty

SCHEDULE OF CAPITAL ASSET INFORMATION

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Academic buildings										
Net Assignable square feet (in thousands)	403	403	403	403	403	403	403	403	301	301
Administrative, support and auxiliary buildings										
Net Assignable square feet (in thousands)	470	466	467	467	467	463	463	463	450	194
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	9
Apartments	1	1	1	1	1	1	1	1	1	1
Units design occupancy	3,298	3,304	3,294	3,294	3,295	3,295	3,295	3,295	3,281	2,781
Units actual occupancy	2,754	1,296	3,271	3,215	3,251	3,300	3,309	3,384	3,191	2,829
Percent occupancy	84%	39%	99%	98%	99%	100%	100%	103%	97%	102%
Dining facilities:										
Locations	4	4	4	4	4	4	4	4	4	4
Average daily customers	3,018	3,101	5,138	6,685	6,251	4,426	4,602	4,694	4,657	4,349
Parking facilities:										
Parking spaces available	4,630	4,630	4,630	4,630	4,621	4,621	4,656	4,656	4,604	4,369
Parking permits issued to students	4,580	2,829	6,670	6,325	6,724	6,881	6,722	6,622	6,601	7,256
Parking permits issued to faculty/staff	909	-	1,583	-	1,725	-	1,707	-	1,622	-

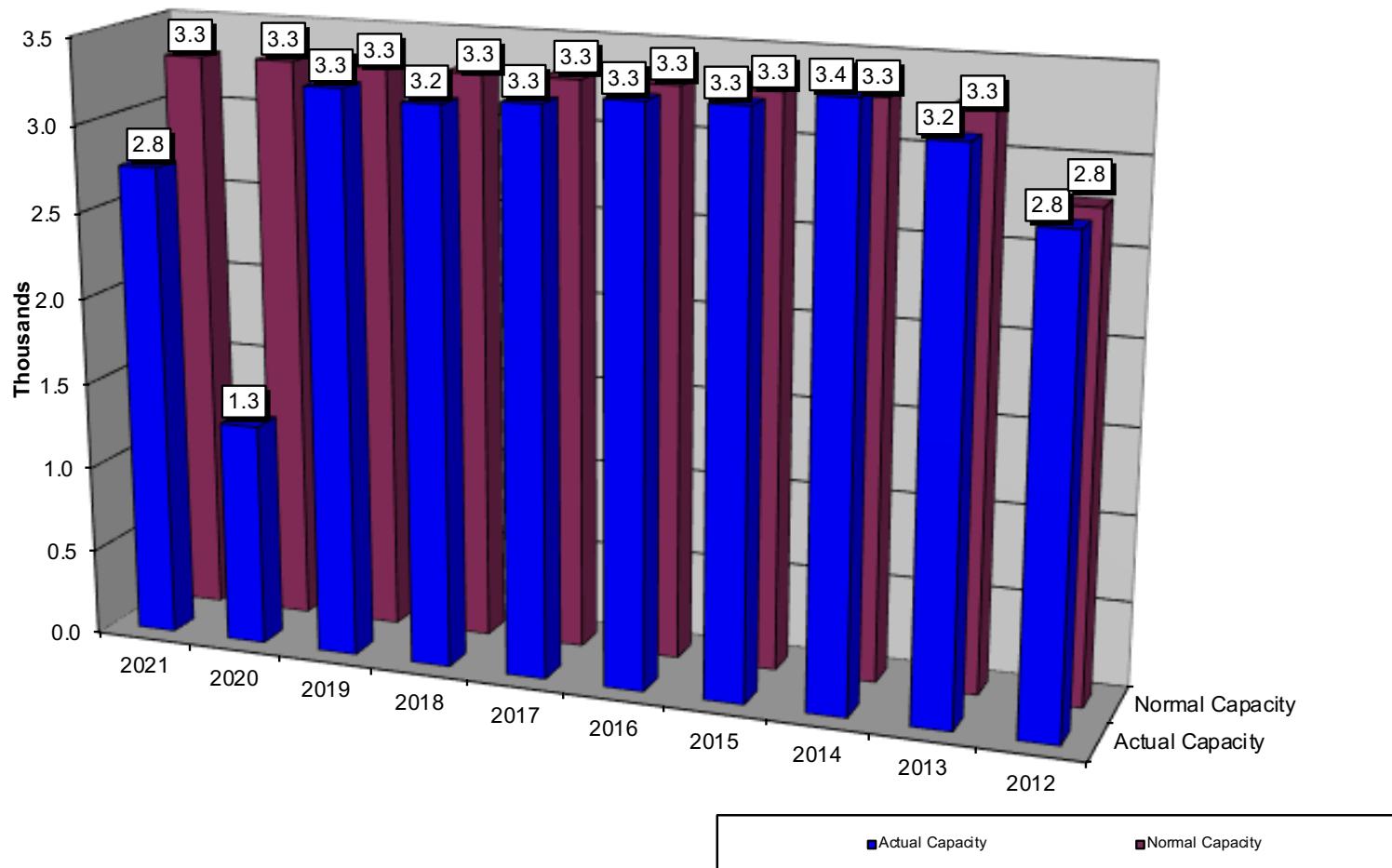
* There was a reissuance of faculty/staff parking permits in 2011. Going forward decals will be issued every odd year.

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

Detailed data breakdown of fall residence hall occupancy for the last ten years on page 129.

Labor Force Estimates by Workforce Area

	Labor Force	Employed	Unemployed	Unemployment Rate %
Massachusetts	3,774,700	3,642,800	131,900	3.5%
Berkshire County	61,118	58,706	2,412	3.9%
Boston	397,885	383,843	14,042	3.5%
Bristol County	198,362	190,366	7,996	4.0%
Brockton	135,429	129,784	5,645	4.2%
Cape & Islands	141,068	136,600	4,468	3.2%
Central MA	315,833	304,097	11,736	3.7%
Franklin/Hampshire	137,260	132,838	4,422	3.2%
Greater Lowell	161,420	155,864	5,556	3.4%
Greater New Bedford	115,592	110,085	5,507	4.8%
Hampden County	223,598	212,606	10,992	4.9%
Lower Merrimack Valley	190,566	182,881	7,685	4.0%
Metro North	486,222	472,771	13,451	2.8%
Metro South/West	532,594	517,845	14,749	2.8%
North Central	137,184	132,034	5,150	3.8%
North Shore	232,577	224,410	8,167	3.5%
South Shore	307,956	298,057	9,899	3.2%

Source: Massachusetts Department of Workforce Development, Statewide Report on Labor Force and Unemployment rate, August 2022. Data is not seasonally adjusted.

Labor Force Estimates by City and Town

Geographic Area	Labor Force	Employed	Unemployed	Unemployment Rate
Brockton	135,429	129,784	5,645	4.2%
Abington	9,533	9,213	320	3.4%
Avon	2,749	2,644	105	3.8%
Bridgewater	15,108	14,512	596	3.9%
Brockton	48,082	45,542	2,540	5.3%
East Bridgewater	8,777	8,493	284	3.2%
Easton	14,499	13,995	504	3.5%
Hanson	6,478	6,254	224	3.5%
Stoughton	16,823	16,225	598	3.6%
West Bridgewater	3,939	3,818	121	3.1%
Whitman	9,441	9,088	353	3.7%

Source: Massachusetts Department of Workforce Development Area, Labor Force and Unemployment Rate, August 2022. 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
2020	6,895	\$ 550,584	\$ 79,721	5.9%
2019	6,883	511,334	74,187	3.1%
2018	6,863	483,433	70,073	3.6%
2017	6,824	450,962	65,890	3.8%
2016	6,784	442,500	65,137	4.3%
2015	6,755	415,636	62,603	5.3%
2014	6,709	396,206	58,737	6.2%
2013	6,646	381,271	56,923	6.7%
2012	6,588	363,944	54,687	6.8%
2011	6,557	352,243	53,471	8.1%

* 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)

2021

Bay State Medical Center, Inc.
Beth Israel Deaconess Medical Center
Boston Medical Center Corporation
Boston University
Brigham and Women's Hospital, Inc.
Dana-Farber Cancer Institute, Inc.
DeMoulas Supermarkets, Inc.
General Hospital Corporation
Harvard University
Massachusetts Institute of Technology
Partners Healthcare Systems, Inc.
Raytheon Company
Shaw's Supermarkets, Inc.
State Street Bank and Trust Company
The Children's Hospital Corporation
The Stop & Shop Supermarkets, Co.
The TJX Companies, Inc.
UMASS Memorial Medical Center, Inc.

2012

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
UMASS Memorial Medical Center, Inc.

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

Company	City	# of Employees
Bridgewater State University	BRIDGEWATER	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
Signature Health Care Brockton	BROCKTON	1,000-4,999
Bridgewater Raynham Sch Dist	BRIDGEWATER	500-999
Bridgewater State Hospital	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 Special Education	BROCKTON	250-499
Brockton YMCA	BROCKTON	250-499
Campanelli Stadium	BROCKTON	250-499
Corrections Department	BRIDGEWATER	250-499
Cura Health Hospital Stoughton	STOUGHTON	250-499
Design Communications Ltd	AVON	250-499
Eversource Gas of Massachusetts	BROCKTON	250-499
IKEA	STOUGHTON	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

ACADEMIC SUBJECT AREAS AND DEGREES OFFERED - FALL 2021

UNDERGRADUATE			GRADUATE
Accounting and Finance	BS		MSA
Anthropology	BA	BS	MAT
Art and Art History	BA		MS
Aviation Science	BS		MAT
Biological Sciences	BA	BS	MBA
Chemical Sciences	BA	BS	MS
Communication Studies	BA		MS
Communication Sciences and Disorders	BS		MEd
Computer Science	BS		MS
Criminal Justice	BS		MEd
Dance	BA		MEd
Early Childhood Education	BSE		EdS
Economics	BS		MEd
Elementary Education	BSE		MA
English	BA		MAT
Geography	BA	BS	MAT
Geological Sciences	BA	BS	MAT
Global Languages and Literatures	BA		MS
Health Science	BS		MAT
Health Studies	BS		MPA
History	BA		MA
Management & Marketing	BS		MEd
Mathematics	BS		CAGS
Music	BA		MEd
Philosophy	BA		MSW
Physical Education	BA	BS	MEd
Physics	BA	BS	MAT
Political Science	BA		
Psychology	BS		
Secondary Education	BA		
Social Work	BS		
Sociology	BA		
Special Education	BSE		
Theater	BA		

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



ENDOWED CHAIR IN FREE SPEECH ANNOUNCED



Dr. Aeon Skoble first understood the importance of freedom of expression as an undergraduate. Almost four decades later, those same values are at the heart of the Bridgewater State University philosophy professor's new prestigious and pioneering role on campus.

Skoble is the inaugural holder of the Bartlett Endowed Chair in Free Speech and Expression. The position is funded through a \$2 million gift from BSU's largest benefactors, Patricia, '67, and Bruce, '68, Bartlett.

"It's a big honor, but it's also a huge step for the university," said Skoble, who has taught at BSU since 2001. "Medium-sized regional state universities typically don't get endowed chairs. It's a big step for the university in terms of raising our role nationally."

This is BSU's first endowed chair and third endowed professorship. Endowed positions are unique partly because they are funded in perpetuity by donations. They also shine a light on specific topics and fields.

"Medium-sized regional state universities typically don't get endowed chairs. It's a big step for the university in terms of raising our role nationally."

Dr. Aeon Skoble

In his new role, Skoble hopes to build on his work integrating free speech themes into his classes and research. He plans to create a new first-year seminar, bring guest speakers to campus and organize faculty panels.

A photograph of a man with a beard and mustache, wearing a dark suit and light blue shirt, looking down at a whiteboard. He is holding a black marker in his right hand, which is positioned near the top right corner of the board. On the whiteboard, there is handwritten text in green marker: "Principles of LIBERM" at the top, and "Liberm to LIBERM" below it. The background is a plain, light-colored wall.

Supplemental INFORMATION

2022
ANNUAL
COMPREHENSIVE
FINANCIAL REPORT
2021



Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

The Board of Trustees
Bridgewater State University
Bridgewater, Massachusetts

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, 2022, 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 8, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

O'Connor and Drew, P.C.

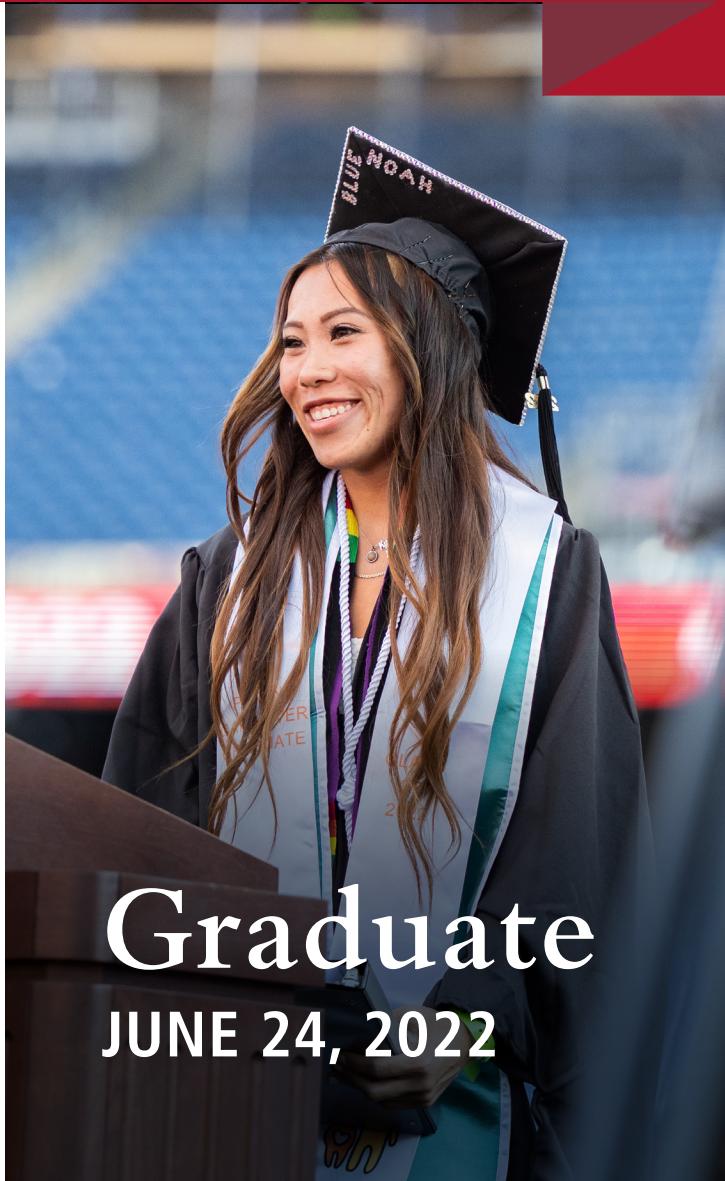
**Certified Public Accountants
Braintree, Massachusetts**

November 8, 2022



COMMENCEMENT

GILLETTE STADIUM
FOXBOROUGH, MA



Graduate
JUNE 24, 2022





Undergraduate

JUNE 25, 2022





APPENDIX

First Time Freshman

Admissions Students of Color

<u>Year</u>	<u>Students of Color</u>
2021	412
2020	361
2019	446
2018	430
2017	430
2016	378
2015	358
2014	385
2013	307
2012	268