



BROWN UNIVERSITY

Independent Auditors' Reports as Required by Uniform Guidance,
Government Auditing Standards and Related Information

Year Ended June 30, 2022

(With Independent Auditors' Report Thereon)

BROWN UNIVERSITY

Independent Auditors' Reports as Required by Uniform Guidance,
Government Auditing Standards and Related Information

Year ended June 30, 2022

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

Independent Auditors' Report

The President and Corporation
Brown University:

Opinion

We have audited the financial statements of Brown University (the University), which comprise the balance sheets as of June 30, 2022 and 2021, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, 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 one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.



- Identify and assess the risks of material misstatement of the 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.

KPMG LLP

Providence, Rhode Island
October 21, 2022

BROWN UNIVERSITY

Balance Sheets

June 30, 2022 and 2021

(Dollars in thousands)

Assets	2022	2021
Cash and cash equivalents	\$ 450,842	724,876
Accounts receivable and other assets	81,836	91,975
Contributions receivable, net	362,957	306,557
Funds held in trust by others	36,219	50,114
Right-of-use assets-operating	91,604	98,634
Investments	6,782,034	7,225,770
Land, buildings and equipment, net	1,460,903	1,295,182
Total assets	<u>\$ 9,266,395</u>	<u>9,793,108</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	\$ 138,909	124,163
Liabilities associated with investments	3,997	38,313
Student deposits and grant advances	104,671	95,822
Operating lease obligations	92,599	99,172
Other long-term obligations	61,348	91,768
Retirement obligations	57,979	74,938
Bonds, loans and notes payable	1,274,926	1,454,801
Total liabilities	<u>1,734,429</u>	<u>1,978,977</u>
Net assets:		
Without donor restrictions	1,495,437	1,567,060
With donor restrictions	6,036,529	6,247,071
Total net assets	<u>7,531,966</u>	<u>7,814,131</u>
Total liabilities and net assets	<u>\$ 9,266,395</u>	<u>9,793,108</u>

See accompanying notes to financial statements.

BROWN UNIVERSITY

Statement of Activities

Year ended June 30, 2022

(Dollars in thousands)

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Operating revenues:			
Net tuition and fees	\$ 412,681	—	412,681
Grants and contracts	263,065	—	263,065
Contributions	68,847	59,304	128,151
Endowment return appropriated	183,921	11,138	195,059
Sales and services of auxiliary enterprises	128,819	—	128,819
Other income	103,245	—	103,245
Net assets released from restrictions	<u>25,273</u>	<u>(25,273)</u>	<u>—</u>
Total operating revenues	<u>1,185,851</u>	<u>45,169</u>	<u>1,231,020</u>
Operating expenses:			
Salaries and wages	470,250	—	470,250
Employee benefits	133,837	—	133,837
Graduate student support	98,466	—	98,466
Purchased services	144,679	—	144,679
Supplies and general	181,176	—	181,176
Utilities and occupancy	41,217	—	41,217
Interest	25,212	—	25,212
Depreciation	<u>86,635</u>	<u>—</u>	<u>86,635</u>
Operating expenses	<u>1,181,472</u>	<u>—</u>	<u>1,181,472</u>
Change in net assets from operating activities	<u>4,379</u>	<u>45,169</u>	<u>49,548</u>
Nonoperating activities:			
Contributions	15,892	199,911	215,803
Net investment return	(75,846)	(278,355)	(354,201)
Endowment return appropriated	(30,570)	(164,489)	(195,059)
Other changes, net	1,977	(233)	1,744
Net assets released from restrictions	<u>12,545</u>	<u>(12,545)</u>	<u>—</u>
Change in net assets from nonoperating activities	<u>(76,002)</u>	<u>(255,711)</u>	<u>(331,713)</u>
Change in net assets	<u>(71,623)</u>	<u>(210,542)</u>	<u>(282,165)</u>
Net assets, beginning of year	<u>1,567,060</u>	<u>6,247,071</u>	<u>7,814,131</u>
Net assets, end of year	\$ <u>1,495,437</u>	<u>6,036,529</u>	<u>7,531,966</u>

See accompanying notes to financial statements.

BROWN UNIVERSITY

Statement of Activities

Year ended June 30, 2021

(Dollars in thousands)

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Operating revenues:			
Net tuition and fees	\$ 330,835	—	330,835
Grants and contracts	236,053	—	236,053
Contributions	59,856	47,597	107,453
Endowment return appropriated	167,499	14,600	182,099
Sales and services of auxiliary enterprises	62,904	—	62,904
Other income	46,255	—	46,255
Net assets released from restrictions	<u>38,270</u>	<u>(38,270)</u>	<u>—</u>
Total operating revenues	<u>941,672</u>	<u>23,927</u>	<u>965,599</u>
Operating expenses:			
Salaries and wages	418,854	—	418,854
Employee benefits	127,226	—	127,226
Graduate student support	96,137	—	96,137
Purchased services	133,001	—	133,001
Supplies and general	120,101	—	120,101
Utilities and occupancy	41,357	—	41,357
Interest	33,455	—	33,455
Depreciation	<u>88,826</u>	<u>—</u>	<u>88,826</u>
Operating expenses	<u>1,058,957</u>	<u>—</u>	<u>1,058,957</u>
Change in net assets from operating activities	<u>(117,285)</u>	<u>23,927</u>	<u>(93,358)</u>
Nonoperating activities:			
Contributions	9,246	192,319	201,565
Net investment return	501,348	1,875,959	2,377,307
Endowment return appropriated	(29,214)	(152,885)	(182,099)
Other changes, net	30,981	904	31,885
Net assets released from restrictions	<u>28,713</u>	<u>(28,713)</u>	<u>—</u>
Change in net assets from nonoperating activities	<u>541,074</u>	<u>1,887,584</u>	<u>2,428,658</u>
Change in net assets	423,789	1,911,511	2,335,300
Net assets, beginning of year	<u>1,143,271</u>	<u>4,335,560</u>	<u>5,478,831</u>
Net assets, end of year	\$ <u><u>1,567,060</u></u>	<u><u>6,247,071</u></u>	<u><u>7,814,131</u></u>

See accompanying notes to financial statements.

BROWN UNIVERSITY

Statements of Cash Flows

Years ended June 30, 2022 and 2021

(Dollars in thousands)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (282,165)	2,335,300
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized and unrealized gains on investments	321,228	(2,400,866)
Depreciation	86,635	88,826
Amortization of bond premium	(12,115)	(7,395)
Net (gain) loss from disposals of land, building and equipment	563	(570)
Change in funded status of pension obligation	(13,346)	(20,856)
Change in fair value of interest rate swap liabilities	(26,224)	(16,466)
Change in asset retirement obligation	974	811
Change in estimate of split-interest obligations	1,655	2,220
Contributions restricted for plant and endowment	(173,224)	(169,062)
Change in accounts receivable and other assets	8,988	(15,807)
Change in accounts payable and accrued liabilities	11,385	38,533
Change in contributions receivable, net	(56,400)	(27,475)
Change in other operating liabilities, net	1,766	52,526
Net cash used in operating activities	<u>(130,280)</u>	<u>(140,281)</u>
Cash flows from investing activities:		
Additions to land, buildings and equipment	(249,558)	(128,196)
Purchases of investments	(2,028,270)	(1,872,601)
Sales and redemptions of investments	2,090,321	1,814,012
Notes repaid by students and others, net	1,151	4,664
Change in funds held in trust by others, excluding swap collateral	6,195	(8,075)
Net cash used in investing activities	<u>(180,161)</u>	<u>(190,196)</u>
Cash flows from financing activities:		
Contributions restricted for plant and endowment	173,224	169,062
Proceeds from sale of restricted gifts of securities	26,141	32,551
Payments under split-interest obligations	(2,898)	(2,678)
Payments on long-term debt	(167,760)	(9,775)
Proceeds from issuance of debt, including premium	—	402,026
Cash collateral posted under swap agreements	(3,100)	(3,800)
Cash collateral returned under swap agreements	10,800	15,200
Advance from line of credit	50,000	—
Payment of advance from line of credit	(50,000)	—
Net cash provided by financing activities	<u>36,407</u>	<u>602,586</u>
Change in cash and cash equivalents	(274,034)	272,109
Cash and cash equivalents, beginning of year	<u>724,876</u>	<u>452,767</u>
Cash and cash equivalents, end of year	\$ <u>450,842</u>	\$ <u>724,876</u>

See accompanying notes to financial statements.

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Notes to Financial Statements

June 30, 2022 and 2021

(1) Summary of Significant Accounting Policies

(a) Organization

Brown University (the University or Corporation) is a private, not-for-profit, nonsectarian, co-educational institution of higher education with approximately 6,670 undergraduate students and 3,000 graduate and medical students. Established in 1764, Brown University offers educational programs for undergraduates in liberal arts and engineering, professional training for students pursuing a career in medicine, and graduate education and training in the arts and sciences, engineering and medicine.

(b) Basis of Presentation and Tax Status

The accompanying financial statements are presented on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP) and present balances and transactions according to the existence or absence of donor-imposed restrictions.

The John Nicholas Brown Center for the Study of American Civilization and certain entities established by the University's investment office that holds certain investment funds, are all separate legal entities that are consolidated in the financial statements. Brown University and these consolidated entities are collectively referred to herein as the University. All significant inter-entity transactions and balances have been eliminated.

(c) Tax Status

The University is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code, as amended, and is generally exempt from income taxes. The University assesses uncertain tax positions and determined that there are no such positions that have a material effect on the financial statements.

For fiscal year 2022, the University was subject to the federal excise tax of 1.4% on net investment income imposed on colleges and universities meeting certain criteria under the Tax Cuts and Jobs Act signed into law on December 22, 2017. Net investment income includes interest, dividends, and net realized gains on the sale of investments and other assets subject to the tax. Additionally, the University has made provisions for a deferred tax liability. The deferred tax liability represents future excise tax payable on unrealized gains in excess of the tax basis of investments. The current and deferred liabilities are included within accounts payable and accrued expenses on the balance sheet and in net investment return and other changes on the statement of activities.

(d) Classification of Net Assets

Net assets, revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions into two classes of net assets. Accordingly, net assets of the University are classified and reported as follows:

- *Without donor restrictions* – Net assets that are not subject to donor-imposed stipulations.
- *With donor restrictions* – Net assets subject to donor-imposed stipulations that are more specific than broad limits resulting from a not-for-profit's nature, environment in which it operates and incorporating documents. Some donors impose restrictions that are temporary in nature for example, stipulating that resources be used only after a specific date, for particular programs or

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Notes to Financial Statements

June 30, 2022 and 2021

services, or to acquire buildings and equipment. Other donors impose restrictions that are perpetual in nature, for example, donor-restricted endowment funds stipulating that resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. The University is incorporated in and subject to the laws of Rhode Island, which contain the provisions outlined in the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Under UPMIFA, the net assets of a donor-restricted endowment fund may be appropriated for expenditure by the Corporation of the University in accordance with the standard of prudence prescribed by UPMIFA.

(e) Fair Value Measurements

Investments, funds held in trust by others, and interest rate swaps are reported at fair value in the University's financial statements. Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. The University uses a three-tiered hierarchy to categorize those assets and liabilities based on the valuation methodologies employed. The hierarchy is defined as follows:

- Level 1 – Valuation based on quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities;
- Level 2 – Valuations based on inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Valuation based on unobservable inputs used in situations in which little or no observable market data is available.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The University utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. Transfers between categories occur when there is an event that changes the inputs used to measure the fair value of an asset or liability. Transfers between fair value categories are recognized at the end of the reporting period.

Investments measured at net asset value as a practical expedient to estimate fair value are not categorized in the fair value hierarchy.

(f) Statements of Activities

The statements of activities separately report changes in net assets from operating and nonoperating activities. Operating activities consist principally of revenues and expenses related to ongoing educational and research programs, including endowment return appropriated by the Corporation to support those programs. Nonoperating activities consist of net investment return, an offset for endowment return appropriated for operating activities, changes in fair values of interest rate swaps, change in pension plan and other long-term obligations, contributions for long-term purposes, net assets released from donor restrictions for property placed in service, and other activities not in direct support of annual operations.

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Notes to Financial Statements

June 30, 2022 and 2021

Revenue from contracts with customers is recognized when control of the promised goods or services is transferred in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services (i.e., the transaction price). Revenues are derived from various sources, as follows:

- Revenue from student education, residence, and dining services is determined based on published rates and is billed and reflected net of reductions from institutional student aid, which may be funded by endowment funds or other institutional resources. Such revenue is recognized as the services are provided over the academic year, which generally aligns with the University's fiscal year. Aid in excess of a student's tuition and fees is reflected as a reduction of residence and dining charges. Disbursements made directly to students for living costs or other purposes are reported as an expense. Payments for student services are generally received prior to the commencement of each academic term and are reported as student deposits (contract liabilities) to the extent services will be rendered in the following fiscal year. The student deposits (contract liabilities) are included in deferred revenue on the balance sheets and was \$48,605 and \$50,799 at June 30, 2022 and 2021, respectively.

The composition of student tuition and fee revenue was as follows for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Undergraduate	\$ 481,870	381,477
Graduate and masters programs	<u>185,662</u>	<u>172,219</u>
Tuition and fees	667,532	553,696
Less university scholarships	<u>(254,851)</u>	<u>(222,861)</u>
Net tuition and fees	<u>\$ 412,681</u>	<u>330,835</u>

Sales and services of auxiliary enterprises revenues are recognized when goods or services are provided to students and customers. Auxiliary enterprises revenues consisted of the following for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Residence, dining and health services	\$ 103,186	54,826
Bookstore, rental and other auxiliary income	<u>25,633</u>	<u>8,078</u>
Total	<u>\$ 128,819</u>	<u>62,904</u>

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Notes to Financial Statements

June 30, 2022 and 2021

Contributions, including unconditional promises from donors reported as contributions receivable, are recognized at fair value in the period received and are classified based upon the existence or absence of donor-imposed restrictions. Expirations of donor-imposed restrictions are reported as net assets released from restrictions. Contributions which impose donor restrictions that are met in the same fiscal year they are received are reported as increases in net assets without donor restrictions. Bequest intentions and conditional promises are not recorded in the University's financial statements.

- Grants and contracts awarded by federal and other sponsors, which generally are considered nonexchange transactions restricted by sponsors for certain purposes, are recognized as revenue when qualifying expenditures are incurred and conditions under the agreements are met. The University has elected the simultaneous release policy available under ASU 2018-08, which allows a not-for-profit organization to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that the revenue is recognized. Total revenue from grants and contracts recognized in net assets without donor restrictions was \$263,065 and \$236,053 for the years ended June 30, 2022 and 2021, respectively. Payments received from sponsors in advance of conditions being met are reported as grant advances, which totaled \$49,045 and \$38,510 as of June 30, 2022 and 2021, respectively. Conditional awards from federal sponsors outstanding as of June 30, 2022 were \$460,307.
- Dividends, interest and realized and unrealized gains (losses) on investments are reported as increases (decreases) in (1) net assets with donor restrictions if the terms of the contributions require them to be added to principal or if the terms of the related contributions impose restrictions on their availability or use; or (2) net assets without donor restrictions in all other cases. Investment return attributable to donor-restricted endowment funds is reported as net assets with donor restrictions to the extent not appropriated and spent.

Expenses are reported as decreases in net assets without donor restrictions.

(g) Cash Equivalents

For purposes of the statements of cash flows, cash equivalents, except for those held by investment managers and those held as collateral for debt or interest rate swaps, consist of money market funds and investments with original maturities of three months or less and are carried at cost, which approximates fair value.

(h) Accounts and Notes Receivable and Other Assets

Accounts receivable and other assets include amounts due from students, reimbursements due from sponsors of externally funded research, accrued income on investments, inventory and prepaid expenses. Notes and accounts receivable are presented net of an allowance for uncollectible amounts.

(i) Land, Buildings and Equipment

Land, buildings and equipment are stated at cost of acquisition or construction (including capitalized interest) or, to the extent received as a gift, at estimated fair value at the time of receipt, and are presented net of accumulated depreciation. All other expenditures for maintenance and repairs are charged to operating activities as incurred.

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Notes to Financial Statements

June 30, 2022 and 2021

Depreciation is calculated using the straight-line method with estimated useful lives of 30-to-40 years for buildings, 20-to-30 years for building improvements, and 3-to-15 years for equipment, depending upon asset class. Depreciation on buildings that support research efforts are componentized and depreciated over useful lives ranging from 15–40 years.

(j) Fund Held in Trust by Others

Funds held in trust by others represent funds that are held and administered by outside trustees, including perpetual trusts established by donors of \$34,546 and \$40,821 at June 30, 2022 and 2021, respectively. The University receives all or a specified portion of the return on the underlying assets of most of the trusts, which is primarily restricted for scholarships. Most of these trust interests are classified in Level 3 in the fair value hierarchy. Other trustee funds of \$1,673 and \$9,293 at June 30, 2022 and 2021, respectively, represent debt proceeds to be utilized for construction projects or otherwise required to be held as collateral or in reserve in accordance with debt or interest rate swap agreements. These are classified in Level 1 in the fair value hierarchy because the underlying securities held by the trustee are based on quoted market prices.

(k) Collections

The University's collections include works of art, historical treasures, and artifacts that are maintained in the University's libraries and museums. These collections are protected and preserved for education and research purposes. The collections are not recognized as assets in the financial statements of the University.

(l) Derivatives

The University uses derivatives for both debt and investment-related purposes. Interest-rate swaps, as described in note 7 (c), are initially used to manage interest-rate risk by fixing the rate on associated variable-rate debt issuances. In addition, certain of the University's investment strategies utilize various derivative financial instruments for a number of investment purposes, including hedging or altering exposure to certain asset classes and cost-effectively adding exposures to portions of the portfolio. Positions are expected to create gains or losses which, when combined with the applicable portion of the total investment portfolio, provide an expected result. Among the derivative instruments that may be entered from time to time include total return swaps to manage exposures in equity markets, foreign currency forward contracts to manage currency exposures in the portfolio. The University has established policies and procedures to monitor and manage risks related to these instruments. In connection with its investment derivative activities, the University generally maintains master netting agreements and collateral agreements with its counterparties. The agreements provide the University the right, in the event of default by the counterparty, to net a counterparty's rights and obligations under the agreement and to liquidate and offset collateral against any net amount owed by the counterparty.

(m) Liabilities Associated with Investments

The University may, from time to time, incur liabilities associated with its investments portfolio as a result of securities sold short or other transactions. In order to terminate a short position, the University must acquire and deliver to the lender a security identical to the one it borrowed and sold short, and a realized gain or loss is recognized for the difference between the short sale proceeds and the cost of the identical security acquired. Liabilities reported on the balance sheets at June 30, 2022 and 2021 include \$0 and \$35,376, respectively, representing the fair value of identical securities that must be

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Notes to Financial Statements

June 30, 2022 and 2021

acquired to settle obligations to the lender. The liabilities would be classified as Level 1 in the fair value hierarchy given that they are measured based on quoted market prices. In addition, liabilities associated with investments include the fair value swaps and futures of \$3,997 and \$2,937 entered into in fiscal 2022 and 2021, respectively.

(n) Other Long-Term Obligations

Other long-term obligations consisted of the following for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Federal student loan advances	\$ 7,793	11,720
Split interest obligations	12,683	13,926
Asset retirement obligations	18,741	17,767
Interest-rate swap liabilities	<u>22,131</u>	<u>48,355</u>
Total	<u>\$ 61,348</u>	<u>91,768</u>

(o) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Significant estimates made by management include the valuation of certain investments and the actuarially determined pension benefits.

(p) Risks and Uncertainties

In March 2020, the World Health Organization declared the novel coronavirus (COVID-19) a pandemic. Although it is not possible to determine the pandemic's ultimate length, severity, or impacts on the economy or the University's finances, the University could experience adverse effects posed by the risks, or our stakeholders' perceptions of the risks, related to COVID-19.

The University announced its Plan for a Healthy and Safe 2020-21 in July 2020, providing the roadmap for the steps Brown is taking to mitigate the impact of the global COVID-19 pandemic during the phased resumption of on-campus instruction and operations. The Plan for a Healthy and Safe 2020-21 included a one-time transition to three semesters and an extensive COVID-19 testing program. The University returned to normal operations for academic year 2021-22.

(q) Recent Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), as amended, that requires, among other things, a lessee to recognize a right-of-use asset representing an entity's right to use the underlying asset for the lease term and a liability for lease payments on the balance sheet, regardless of classification of a lease as an operating or finance lease. As permitted by the ASU, for leases with a term of twelve months or less as a lessee, the University has elected not to recognize lease assets and liabilities and account for the lease similar to existing guidance for operating leases. The University adopted ASU 2016-02 in fiscal year 2021 using the modified retrospective approach. Right-of-use

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Notes to Financial Statements

June 30, 2022 and 2021

assets and related lease obligations of \$105,502 were recognized as of July 1, 2020 and are included in the balance sheet. The guidance did not materially impact the University's results of operations.

(r) *Leasing*

The University determines if an arrangement is a lease at inception. The University has leases for which it is a lessor. Operating leases are included in right of use assets, and the related lease obligations in the balance sheet.

Lease right-of-use assets represent the University's right to use an underlying asset for the lease term. Lease obligations represent the University's liability to make lease payments arising from the lease. Operating lease right-of-use assets and related obligations are recognized at commencement date based on the present value of lease payments over the lease term discounted using an appropriate incremental borrowing rate. The incremental borrowing rate is based on the information available at commencement date in determining the present value of lease payments. The value of an option to extend or terminate a lease is reflected to the extent it is reasonably certain management will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Rental income arising from operating leases as a lessor is included in operating revenue in other sources in the statement of activities. The cash paid for amounts included in the measurement of these liabilities, under ASC 842, for operating leases for the year ended June 30, 2022 was \$8,927.

(2) **Liquidity and Availability**

Financial assets available for general expenditures within one year of June 30 are as follows:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 450,842	724,876
Accounts receivable, net	48,898	58,627
Pledge receivables available for operations	33,095	18,134
Working capital investments	400,662	440,611
Approved endowment income appropriated for upcoming fiscal year	<u>241,322</u>	<u>194,632</u>
Total financial assets available within one year	1,174,819	1,436,880
Liquidity resources:		
Taxable commercial paper	125,000	125,000
Bank line of credit	<u>150,000</u>	<u>100,000</u>
Total financial assets and liquidity resources available within one year	<u>\$ 1,449,819</u>	<u>1,661,880</u>

BROWN UNIVERSITY

Notes to Financial Statements

June 30, 2022 and 2021

The University manages its financial assets to be available as its operating expenditures, liabilities and other obligations come due. In addition, the University invests cash in excess of daily requirement in short-term investments or fixed income securities. To supplement working capital, the University has a \$150,000 line of credit and a \$125,000 taxable commercial paper program at June 30, 2022.

Additionally, the University has Corporation-designated endowments of \$886,825 and \$960,328 as of June 30, 2022 and 2021, respectively. Although the University does not intend to spend from its Corporation-designated endowment funds, other than amounts appropriated for general expenditure, as part of its annual budget approval and appropriation process, amounts from its Corporation-designated endowment funds could be made available if necessary. However, both the Corporation-designated funds and donor-restricted endowment funds contain investments with liquidity constraints, of which \$2,464,445 can be liquidated on a daily to quarterly basis at June 30, 2022 (refer to note 4 for disclosures about investments).

(3) Contributions Receivable

The University's contributions receivable are recognized net of discounts at rates commensurate with the risks involved and after allowances for uncollectible accounts are reported at net realizable value, which approximates fair value. Contributions receivable were as follows at June 30:

	<u>2022</u>	<u>2021</u>
Contributions expected to be received in:		
Less than one year	\$ 96,902	79,136
Between one and five years	206,932	162,341
More than five years	<u>138,889</u>	<u>131,739</u>
Gross contributions receivable	442,723	373,216
Unamortized discount (at rates ranging from 0.3% to 4.8%) and allowance for uncollectibles	<u>(79,766)</u>	<u>(66,659)</u>
Contributions receivable, net	<u>\$ 362,957</u>	<u>306,557</u>

At June 30, 2022, the University had conditional promises to give of \$225,332. These conditional promises to give are not recognized as assets or revenue in the financial statements.

BROWN UNIVERSITY

Notes to Financial Statements

June 30, 2022 and 2021

(4) Investments

Investment Strategy

In addition to traditional stocks and fixed-income securities, the University may also hold shares or units in institutional funds as well as in alternative investment funds involving absolute return, private equity and real asset strategies. Absolute return strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with absolute return strategies generally hold securities or other financial instruments for which a ready market exists and may include stocks, bonds, put or call options, swaps, currency hedges and other instruments, and are valued accordingly. Private equity funds employ buyout and venture capital strategies and may focus on investments in turn-around situations. Real asset funds generally hold interests in public real estate investment trusts (REITs), commercial properties, commodities, or oil and gas, generally through commingled funds. Private equity and real asset strategies therefore often require the estimation of fair values by fund managers in the absence of readily determinable market values.

Investments also include assets related to donor annuities, pooled income funds, and charitable remainder trusts. Certain of these funds are held in trust by the University for one or more beneficiaries who are generally paid lifetime income, after which the principal is made available to the University in accordance with donor restrictions, if any. The assets are reported at fair value and related liabilities, which are reported as split-interest obligations, represent the present value of estimated future payments to beneficiaries.

Basis of Reporting

Investments are reported at estimated fair value. If an investment is held directly by the University and an active market where quoted prices exists, the market price of an identical security is used to report fair value. Fair values for shares in registered mutual funds are based on published share prices. The University's interests in alternative investment funds are generally reported at the net asset value (NAV) reported by the fund managers and assessed as reasonable by the University, which is used as a practical expedient to estimate the fair value of the University's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. At June 30, 2022 and 2021 the University had no plans or intentions to sell investments at amounts different from NAV.

Because of the inherent uncertainties of valuation, these estimated fair values may differ significantly from values that would have been used had a ready market existed, and the differences could be material. Such valuations are determined by fund managers and generally consider variables such as operating results, comparable earnings multiples, projected cash flows, recent sales prices, and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held.

BROWN UNIVERSITY

Notes to Financial Statements

June 30, 2022 and 2021

The following tables summarize the University's investments by strategy type as of June 30, 2022 and 2021:

	2022				
	Investments measured at NAV	Investments classified in the fair value hierarchy			Total
		Level 1	Level 2	Level 3	
Investments:					
Equities:					
Domestic	\$ 179,698	313,212	1,582	3,297	497,789
Global	411,358	115,550	—	—	526,908
Fixed income:					
Domestic	143,407	81,488	4,072	3,211	232,178
Global	145,226	—	41,172	50	186,448
Absolute return:					
General arbitrage	503,999	—	—	—	503,999
Distressed	207	—	—	—	207
Global	753,895	254,016	—	—	1,007,911
Private equity:					
Buy-out	1,138,383	—	—	50,941	1,189,324
Venture	1,825,073	—	—	27,872	1,852,945
Real assets:					
Real estate	234,530	2,088	—	79,349	315,967
Commodities, oil and gas	47,781	14,815	40,862	20,596	124,054
Cash and cash equivalents	—	344,304	—	—	344,304
Total	<u>\$ 5,383,557</u>	<u>1,125,473</u>	<u>87,688</u>	<u>185,316</u>	<u>6,782,034</u>

BROWN UNIVERSITY

Notes to Financial Statements

June 30, 2022 and 2021

	2021				
	Investments measured at NAV	Investments classified in the fair value hierarchy			Total
		Level 1	Level 2	Level 3	
Investments:					
Equities:					
Domestic	\$ 144,703	135,372	449,847	41,370	771,292
Global	612,105	127,776	—	—	739,881
Fixed income:					
Domestic	103,441	97,746	5,514	3,166	209,867
Global	130,550	—	38,518	50	169,118
Absolute return:					
General arbitrage	411,737	2	—	—	411,739
Distressed	311	—	—	—	311
Global	1,141,575	272,117	—	—	1,413,692
Private equity:					
Buy-out	1,024,586	26	—	28,705	1,053,317
Venture	1,807,555	—	—	27,010	1,834,565
Real assets:					
Real estate	166,027	1,783	—	37,063	204,873
Commodities, oil and gas	63,869	18,673	74,393	19,390	176,325
Cash and cash equivalents	—	240,790	—	—	240,790
Total	\$ <u>5,606,459</u>	<u>894,285</u>	<u>568,272</u>	<u>156,754</u>	<u>7,225,770</u>

Registered mutual funds and directly held equity securities are classified in Level 1 of the fair value hierarchy. Investments classified in Level 2 and 3 consist of directly held investments that have valuations based on inputs other than quoted prices.

Certain funds contain “rolling” lock-up provisions. Under such provisions, tranches of the investment are available for redemption once every two to five years, if the University makes a redemption request prior to the next available withdrawal date in accordance with the notification terms of the agreement. Private equity and real assets are held in funds that have initial terms of ten to twelve years with extensions of one to three years, and have an average remaining life of approximately four to seven years.

The following tables present activities for the years ended June 30, 2022 and 2021 for the University’s investments classified in Level 3:

Level 3 roll forward	2022				
	Equities	Fixed income	Private equity	Real assets	Total
Fair value as of June 30, 2021	\$ 41,370	3,216	55,715	56,453	156,754
Acquisitions	1,096	—	3,178	25,000	29,274
Dispositions	(38,765)	(26)	(140)	(5,242)	(44,173)
Net realized and unrealized gains (losses)	(404)	71	20,060	23,734	43,461
Fair value at June 30, 2022	\$ <u>3,297</u>	<u>3,261</u>	<u>78,813</u>	<u>99,945</u>	<u>185,316</u>

BROWN UNIVERSITY
Notes to Financial Statements
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Level 3 roll forward	2021					
	Equities	Fixed income	Private equity	Real assets	Absolute return	Total
Fair value as of June 30, 2020	\$ 218,675	3,383	49,144	52,714	746	324,662
Acquisitions	1,782	—	7,575	—	—	9,357
Dispositions	(389,710)	—	(28)	(1,242)	—	(390,980)
Net realized and unrealized gains (losses)	210,623	(167)	(976)	4,981	(746)	213,715
Fair value at June 30, 2021	\$ <u>41,370</u>	<u>3,216</u>	<u>55,715</u>	<u>56,453</u>	<u>—</u>	<u>156,754</u>

There were no transfers between Levels 1 and 2 and no transfers between Levels 2 and 3 in 2022 and 2021, respectively.

Total investment return is included in the statements of activities as follows for the years ended June 30:

	2022	2021
Operating:		
Endowment return appropriated	\$ 195,059	182,099
Included in other income	14,527	9,973
Nonoperating activities:		
Net investment return	(354,201)	2,377,307
Endowment return appropriated	(195,059)	(182,099)
Total return	\$ <u>(339,674)</u>	<u>2,387,280</u>

Total investment management and advisory expenses, including internal costs, were \$27,405 and \$19,523 for the years ended June 30, 2022 and 2021, respectively, and have been netted against the total return.

(a) Liquidity

Investment liquidity as of June 30, 2022 and 2021 is aggregated below based on redemption or sale ability:

	2022					
	Daily	Monthly	Quarterly	Subject to rolling lock-ups	Illiquid	Total
Equities	\$ 414,811	57,044	378,045	99,694	75,103	1,024,697
Fixed income	129,909	—	131,278	51,356	106,083	418,626
Absolute return	—	169,850	772,017	546,897	23,353	1,512,117
Private equity	—	—	—	180,668	2,861,601	3,042,269
Real assets	67,187	—	—	—	372,834	440,021
Cash and cash equivalents	344,304	—	—	—	—	344,304
Total	\$ <u>956,211</u>	<u>226,894</u>	<u>1,281,340</u>	<u>878,615</u>	<u>3,438,974</u>	<u>6,782,034</u>

BROWN UNIVERSITY
Notes to Financial Statements
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	2021						
	Daily	Monthly	Quarterly	Semi- annually to annually	Subject to rolling lock-ups	Illiquid	Total
Equities	\$ 280,108	119,047	485,323	448,224	104,715	73,756	1,511,173
Fixed income	144,887	—	131,807	—	25,000	77,291	378,985
Absolute return	2	131,169	801,449	—	863,015	30,107	1,825,742
Private equity	—	—	—	—	158,566	2,729,316	2,887,882
Real assets	94,848	38,882	—	—	—	247,468	381,198
Cash and cash equivalents	240,790	—	—	—	—	—	240,790
Total	\$ <u>760,635</u>	<u>289,098</u>	<u>1,418,579</u>	<u>448,224</u>	<u>1,151,296</u>	<u>3,157,938</u>	<u>7,225,770</u>

Investments with daily liquidity generally do not require advance notice prior to withdrawal. Investments with monthly, quarterly, semi-annual, and annual redemption frequency typically require notice periods, ranging from 5 to 180 days, at June 30, 2022 and 2021.

(b) Commitments

Private equity and real asset investments are generally made through limited partnerships. Under the terms of these agreements, the University is obligated to remit additional funding periodically as capital or liquidity calls are exercised by the manager. These partnerships have a limited existence, generally ten years, and such agreements may provide for annual extensions for the purpose of disposing portfolio positions and returning capital to investors. However, depending on market conditions, the inability to execute the fund's strategy, and other factors, a manager may extend the terms of a fund beyond its originally anticipated existence or may wind the fund down prematurely. As a result, the timing and amount of future capital or liquidity calls expected to be exercised in any particular future year is uncertain. The aggregate amount of unfunded commitments associated with private equity, real assets and private credit as of June 30, 2022 and 2021 was \$1,416,121 and \$1,019,846, respectively.

(c) Investment Derivatives

The University's investment-related derivative positions, categorized by primary underlying risk, are as follows as of June 30, 2022 and 2021:

	2022		
	Long notional	Short notional	Unrealized gain (loss)
Instrument type:			
Total return swaps	\$ 72,773	—	(3,923)

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Notes to Financial Statements
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	2021		Unrealized gain (loss)
	Long notional	Short notional	
Instrument type:			
Total return swaps	\$ 145,970	—	17,425
Futures and options	255,427	—	4,092
Total	\$ 401,397	—	21,517

Contracts in a net asset position are included in investments on the balance sheets, and contracts in a net liability position are included in liabilities associated with investments on the balance sheets and are as follows as of June 30, 2022 and 2021:

	2022	2021
Instrument type included in investments:		
Total return swaps	\$ 87	19,248
Futures and options	—	5,206
Instrument type included in liabilities associated with investments:		
Total return swaps	\$ 4,010	1,823
Futures and options	—	1,114

(5) Endowment

The University's endowment consists of approximately 3,400 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Corporation to function as endowments. Net assets associated with the endowment are classified and reported based upon the existence or absence of donor-imposed restrictions.

Endowment net assets consist of the following at June 30, 2022:

	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds:			
Historical gift value	\$ —	1,929,573	1,929,573
Appreciation	—	3,262,095	3,262,095
Corporation-designated endowment funds	886,825	62,750	949,575
Total endowment net assets	\$ 886,825	5,254,418	6,141,243

BROWN UNIVERSITY
Notes to Financial Statements
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Endowment net assets consist of the following at June 30, 2021:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds:			
Historical gift value	\$ —	1,786,756	1,786,756
Appreciation	—	3,710,943	3,710,943
Corporation-designated endowment funds	<u>960,328</u>	<u>62,148</u>	<u>1,022,476</u>
Total endowment net assets	<u>\$ 960,328</u>	<u>5,559,847</u>	<u>6,520,175</u>

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

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2021	\$ 960,328	5,559,847	6,520,175
Investment return, net	(47,877)	(264,199)	(312,076)
Endowment return appropriated	(30,570)	(164,489)	(195,059)
Contributions	39	135,794	135,833
Reclassifications and other changes	<u>4,905</u>	<u>(12,535)</u>	<u>(7,630)</u>
Endowment net assets, June 30, 2022	<u>\$ 886,825</u>	<u>5,254,418</u>	<u>6,141,243</u>

Changes in endowment net assets for the year ended June 30, 2021 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2020	\$ 635,594	3,741,872	4,377,466
Investment return, net	353,818	1,854,479	2,208,297
Endowment return appropriated	(29,214)	(152,885)	(182,099)
Contributions	41	126,733	126,774
Reclassifications and other changes	<u>89</u>	<u>(10,352)</u>	<u>(10,263)</u>
Endowment net assets, June 30, 2021	<u>\$ 960,328</u>	<u>5,559,847</u>	<u>6,520,175</u>

BROWN UNIVERSITY

Notes to Financial Statements

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(a) Interpretation of Relevant Laws

In accordance with UPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

(b) Funds with Deficiencies

From time to time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below the fund's historic dollar value. Deficiencies of this nature are reported in net assets with donor restrictions. As of June 30, 2022, funds with original gift value of \$87,277 were underwater by \$6,390. There were no donor-restricted endowment funds underwater at June 30, 2021.

(c) Return Objectives and Risk Parameters

The University has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets, including both donor-restricted and designated funds. The long-term investment return objective is formulated to maintain purchasing power after accounting for both inflation and spending. The Corporation has set a long-term return goal at 5.5% above the higher education price index. Actual returns in any given year or period of years may vary from this amount.

(d) Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

(e) Spending Policy and How the Investment Objectives Relate to Spending Policy

The University invests its endowment funds and allocates the related return for expenditure in accordance with the total return concept. The endowment utilization is determined in accordance with the policy adopted by the Corporation. This policy fixes the spending range between 4.5% and 5.5% of the average fair value of applicable endowments over the prior twelve quarters, with the objective being to hold the spending rate to no more than a 5% average over time. Applicable endowments include Corporation-designated and donor-restricted endowment funds.

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Notes to Financial Statements
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(6) Land, Buildings and Equipment

Land, buildings and equipment include the following at June 30:

	<u>2022</u>	<u>2021</u>
Land	\$ 104,995	93,323
Buildings	882,528	798,992
Improvements	1,349,054	1,318,731
Equipment	249,827	247,710
Construction in progress	<u>237,222</u>	<u>128,815</u>
	2,823,626	2,587,571
Accumulated depreciation	<u>(1,362,723)</u>	<u>(1,292,389)</u>
Land, buildings and equipment, net	<u>\$ 1,460,903</u>	<u>1,295,182</u>

Outstanding commitments on uncompleted construction contracts total \$103,503 at June 30, 2022.

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Notes to Financial Statements

June 30, 2022 and 2021

(7) Bonds, Loans and Notes Payable

The University has entered into various agreements primarily for the purpose of financing the acquisition, renovation, and improvement of its facilities. The bonds, loans and notes payable outstanding for these purposes are as follows:

Name of issue	Interest rate(s)	Type of rate	Final maturity	Balance at June 30	
				2022	2021
Rhode Island Health and Education Building Corporation (RIHEBC) Facilities Revenue Bonds:					
Series 2003B	0.12%	Variable	2044	\$ 38,505	39,080
Series 2005A	0.02%	Variable	2035	85,500	85,500
Series 2011	3.25%–5.00%	Fixed	2033	—	33,780
Series 2012	5.00%	Fixed	2023	60,600	118,240
Series 2013	4.00%–5.00%	Fixed	2044	117,645	120,945
Series 2015	0.50%	Variable	2046	37,645	39,010
Series 2017A	4.00%–5.00%	Fixed	2048	141,125	141,125
Series 2019	5.00%	Fixed	2030	54,560	54,560
Brown University Taxable Bonds:					
Series 2020A	1.91%–2.92%	Fixed	2051	665,000	665,000
Commercial bank term loans:					
Fiscal year 2019 issuance	0.34%	Variable	2022	—	71,000
Promissory note	noninterest bearing	N/A	2030	2,800	2,900
Total bonds, loans and notes payable before premium				1,203,380	1,371,140
Unamortized premium				71,546	83,661
Total bonds, loans and notes payable				\$ 1,274,926	1,454,801

(a) Tax Exempt Bonds

The University's tax-exempt debt, primarily Facilities Revenue Bonds, is issued through RIHEBC, a state agency serving as a conduit issuer of tax exempt debt. The University is required under certain of its financing agreements with RIHEBC to appropriate funds from operating and other net assets for payment of principal and interest and for maintenance of the related properties. The Revenue Bonds currently outstanding were issued primarily to finance new and ongoing capital projects, student housing, academic, research and administrative buildings, and infrastructure.

In September 2021, the University paid down Series 2011 tax-exempt bonds in the amount of \$33,780 and the commercial bank term loan in the amount of \$71,000. In addition, in September 2021, the University made a bullet payment of \$57,640 on Series 2012 tax-exempt bond.

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Notes to Financial Statements

June 30, 2022 and 2021

(b) Taxable Bonds and Other Debt

In September 2020, the University issued taxable bonds with a total par value of \$365,000 at an interest rate of 2.92%, maturing in fiscal year 2051; to add to the Series 2020A taxable bonds issued in May 2020. The bonds were sold at a premium of \$37,026, resulting in an effective yield of 2.44%. The proceeds will be used for general corporate purposes.

In May 2020, Series 2020A taxable bonds were issued in the amount of \$300,000 at interest rates of 1.91% to 2.92%, maturing in 2051. The proceeds will be used for general purposes, capital projects, and may also be used to pay down existing debt.

The University has a \$125,000 Taxable Commercial Paper Program that allows for the issuance of Standard Commercial Paper Notes, Series A. This unsecured, taxable promissory notes can be issued in various amounts with maturities no greater than 270 days. At June 30, 2022 and 2021, there were no outstanding notes.

Principal payments of bonds, notes and loans payable as of June 30, 2022 for each of the succeeding five fiscal years ending June 30 and thereafter are as follows:

Fiscal year:	
2023	\$ 67,185
2024	7,105
2025	9,215
2026	9,645
2027	8,460
Thereafter	<u>1,101,770</u>
Total	<u>\$ 1,203,380</u>

At June 30, 2022 and 2021, the University had a \$150,000 and \$100,000 committed line of credit, respectively. The \$150,000 line of credit matures in May 2024 and is available at a rate of Bloomberg short-term bank yield index rate plus 40 basis points. As of June 30, 2022 and 2021, there were no amounts drawn or outstanding.

The University has two stand-by bond purchase agreements with financial institutions totaling approximately \$124,000 in the event that the Series 2003B and Series 2005A bonds cannot be remarketed. The \$85,500 agreement expired in November 2020 and was substituted with a comparable agreement, which matures in December 2023. The \$38,935 agreement matures January 2023. There were no amounts outstanding at June 30, 2022 and 2021, under these agreements, nor has either agreement ever been called upon.

The University provided self-liquidity for its taxable commercial paper program at June 30, 2022 and 2021.

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(c) Interest Rate Swaps

At June 30, 2022 and 2021, the University had two interest-rate swap agreements in place to effectively convert a portion of its variable-rate debt to fixed rates until maturity of the associated bonds. The notional amounts for the JPMorgan swap and the \$85,500 Goldman Sachs swap match the par amounts of the bonds and amortize at the same rate as the associated debt.

As of June 30, the following interest-rate swap agreements were outstanding:

Counterparty	Associated debt	Expiration date	June 30, 2022 remaining notional value	Swap fixed rate	Fair value of liability at June 30	
					2022	2021
JP Morgan	Series 2003B	9/1/2043	\$ 38,505	3.732 %	\$ (8,842)	(15,697)
Goldman Sachs	Series 2005A	5/1/2035	85,500	3.979	(12,463)	(30,467)
Goldman Sachs	None	9/1/2032	11,238	3.891	(826)	(2,191)
					<u>\$ (22,131)</u>	<u>(48,355)</u>

The variable rate on the two Goldman Sachs swaps is based on the USD-BMA Municipal Swap Index. The variable rate on the JPMorgan swap is based on 67% of one-month LIBOR-BBA. The Goldman Sachs swaps require posting of collateral by either party at thresholds based on their respective credit ratings. Cash collateral must be posted by the University if the aggregate mark-to-market liability payable by the University exceeds \$25,000. The JPMorgan swap stipulates that if the University meets a minimum credit rating there are no collateral posting requirements. There was no collateral posting requirement at June 30, 2022.

Interest rate volatility, remaining outstanding notional value and time to maturity will affect each swap's fair value at subsequent reporting dates. To the extent the University holds a swap through its expiration date, the swap's fair value will reach zero. Because the swap fair values are based predominantly on observable inputs corroborated by market data, they are classified in Level 2 in the GAAP fair value hierarchy.

(8) Retirement Benefits

The University participates in two contributory retirement plans. The expense to the University, representing its contributions to the accounts of faculty and staff, was \$32,418 and \$21,833 for the years ended June 30, 2022 and 2021, respectively.

The University also has a non-qualified deferred compensation plan under IRC 457(b) that is offered to a select group of employees. Assets are held by a custodian on behalf of the University and are restricted for payments to participants and beneficiaries. At June 30, 2022 and 2021, total assets held by the University were \$37,311 and \$40,924, respectively, and included in investments on the balance sheet. A corresponding liability is included in retirement obligations.

BROWN UNIVERSITY

Notes to Financial Statements

June 30, 2022 and 2021

The Brown University Food Services and Plant Operations Employees' Pension Plan is a qualified, noncontributory defined benefit plan which provides pensions for certain full-time weekly paid employees. The policy of the University is to fund pension costs in accordance with the Employee Retirement Income Security Act of 1974, as amended.

Information regarding the defined benefit pension plan for the years ended June 30 is as follows:

	<u>2022</u>	<u>2021</u>
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	\$ 143,481	140,483
Service cost	5,810	6,055
Interest cost	3,860	3,595
Benefits paid	(4,077)	(3,485)
Actuarial gain	<u>(33,806)</u>	<u>(3,167)</u>
Projected benefit obligation at end of year	\$ <u>115,268</u>	<u>143,481</u>

The actuarial gain in 2022 primarily relates to the increase in the discount rate from 2.72% at June 30, 2021 to 4.42% at June 30, 2022.

The projected benefit obligation was determined using the following assumptions as of June 30:

	<u>2022</u>	<u>2021</u>
Discount rate	4.42 %	2.72 %
Rate of compensation increase	3.00	3.00

The following is a summary of activity under the plan for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ 109,467	85,613
Actual return on plan assets	(13,790)	24,839
Contributions	3,000	2,500
Benefits paid	<u>(4,077)</u>	<u>(3,485)</u>
Fair value of plan assets at end of year	94,600	109,467
Projected benefit obligation at end of year	<u>(115,268)</u>	<u>(143,481)</u>
Funded status included in retirement obligations	\$ <u>(20,668)</u>	<u>(34,014)</u>

BROWN UNIVERSITY
Notes to Financial Statements
June 30, 2022 and 2021

	2022	2021
Net periodic pension cost:		
Service cost	\$ 5,810	6,055
Interest cost	3,860	3,595
Expected return on assets	(5,120)	(3,999)
Amortization of unrecognized loss and prior service cost	429	2,646
Net periodic pension cost	\$ 4,979	8,297

Net periodic pension cost was determined using the following assumptions for the years ended June 30:

	2022	2021
Discount rate	2.72 %	2.56 %
Rate of compensation increase	3.00	3.00
Expected long-term rate of return	4.70	4.70

The expected rate of return on plan assets was derived based upon assumptions of inflation, real returns, anticipated value added by the investment manager and expected asset class allocations.

Net periodic pension cost is reflected in operating activities on the statements of activities. As of June 30, 2022 and 2021, items not yet recognized as components of net periodic pension cost are unrecognized prior service cost of \$691 and \$812, respectively, and a net unrecognized actuarial loss of \$2,728 and \$17,932, respectively. These changes affecting the funded status of the plan are included in other changes, net in nonoperating activities in the statements of activities.

The plan assets at June 30, 2022 and 2021 consist of variable annuity investments with various equity and fixed income focuses, which are classified as Level 1 in the GAAP fair value hierarchy.

The investment strategy for the Plan takes into account several factors consistent with the characteristics of an employee pension plan. As such, the strategy recognizes a long-term time horizon where a substantial allocation to equities is appropriate and will help to maximize returns; broad diversification in order to increase return and reduce risk; and investment in institutional retirement annuities that serves to reduce administrative costs.

BROWN UNIVERSITY

Notes to Financial Statements

June 30, 2022 and 2021

The actual asset allocation for the pension plan as of June 30, 2022 and 2021, and the weighted average asset targeted allocation are as follows:

	Target	Actual	
		2022	2021
Equity funds	75 %	75 %	79 %
Fixed income funds	25	25	21
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

The University's estimated contribution for 2023 is \$3,500.

Estimated future benefit payments as of June 30, 2022 are as follows:

Fiscal year:	
2023	\$ 4,778
2024	4,864
2025	5,146
2026	5,444
2027	5,741
2028–2032	33,436

BROWN UNIVERSITY
Notes to Financial Statements
June 30, 2022 and 2021

(9) Net Assets

The University's net assets as of June 30 are as follows:

	2022	2021
Without donor restrictions:		
Corporation-designated endowment funds	\$ 886,825	960,328
Investment in plant, net	439,117	295,207
University operations	169,495	311,525
Total without donor restrictions	1,495,437	1,567,060
With donor restrictions:		
Donor-restricted endowment funds:		
Scholarships and student support	1,660,848	1,785,175
Professorships	1,416,489	1,485,884
Departmental and programmatic support	1,159,057	1,192,920
General use	387,250	419,444
Instruction and lectureships	333,628	358,885
Fellowships	297,146	317,539
Total with donor restrictions	5,254,418	5,559,847
Contributions receivable	362,957	306,557
Donor restricted for programs	243,852	214,095
Split-interest net assets	64,565	77,708
Investment in plant, net	110,737	88,864
Total with donor restrictions	6,036,529	6,247,071
	\$ 7,531,966	7,814,131

(10) Functional Classification of Expenses

The statements of activities present expenses by natural classification. The University also summarizes its operating expenses by functional classification. Functional categories are reported after allocating, on a square footage basis, expenses for operation and maintenance of plant, interest on indebtedness, and depreciation.

BROWN UNIVERSITY

Notes to Financial Statements

June 30, 2022 and 2021

Operating expenses by nature and function are summarized as follows for the fiscal year ended June 30, 2022:

	2022					
	Instruction and departmental research	Sponsored programs	Academic and student support	Auxiliary services	Institutional support	Total
Salaries and wages	\$ 207,212	69,611	86,627	33,511	73,289	470,250
Employee benefits	55,163	19,791	23,804	9,181	25,898	133,837
Graduate student support	11,250	19,140	68,076	—	—	98,466
Purchased services	34,358	54,937	20,758	13,185	21,441	144,679
Supplies and general	27,116	17,545	77,321	27,087	32,107	181,176
Utilities and occupancy	11,425	2,942	7,037	15,958	3,855	41,217
Interest	7,871	2,599	5,166	8,373	1,203	25,212
Depreciation	27,047	8,932	17,752	28,772	4,132	86,635
	<u>\$ 381,442</u>	<u>195,497</u>	<u>306,541</u>	<u>136,067</u>	<u>161,925</u>	<u>1,181,472</u>

Operating expenses by nature and function are summarized as follows for the fiscal year ended June 30, 2021:

	2021					
	Instruction and departmental research	Sponsored programs	Academic and student support	Auxiliary services	Institutional support	Total
Salaries and wages	\$ 185,577	62,080	77,446	29,413	64,338	418,854
Employee benefits	52,649	18,260	22,562	8,403	25,352	127,226
Graduate student support	7,600	16,982	71,555	—	—	96,137
Purchased services	22,827	45,408	31,823	7,864	25,079	133,001
Supplies and general	13,698	14,520	57,758	15,093	19,032	120,101
Utilities and occupancy	12,594	3,160	7,704	13,982	3,917	41,357
Interest	10,595	3,258	6,872	11,027	1,703	33,455
Depreciation	28,131	8,652	18,245	29,277	4,521	88,826
	<u>\$ 333,671</u>	<u>172,320</u>	<u>293,965</u>	<u>115,059</u>	<u>143,942</u>	<u>1,058,957</u>

(11) Commitments and Contingencies

All funds expended in conjunction with government grants and contracts are subject to audit by governmental agencies. In the opinion of management, any potential liability resulting from these audits will not have a material effect on the University's financial position.

The University is a defendant in various legal actions arising in the normal course of its operations. Although the final outcome of such actions cannot currently be determined, the University believes that the ultimate unrecognized liability, if any, will not have a material effect on the University's financial position.

BROWN UNIVERSITY

Notes to Financial Statements

June 30, 2022 and 2021

(12) Related-Party Transactions

Members of the Corporation and senior management may, from time to time, be associated either directly or indirectly with companies doing business with the University. The University has a written conflict of interest policy that requires annual reporting by each Corporation member and University senior management. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring that such transactions be conducted at arms' length, based on terms that are fair and reasonable to and in the best interest of the University.

Effective July 1, 2017, the University, along with The Neurology Foundation, Inc.; University Emergency Medicine Foundation; University Medicine Foundation; University Surgical Associates, Inc.; Brown Urology, Inc.; and Brown Dermatology, Inc. (collectively the Foundations), joined to create the nonprofit Brown Physicians, Inc. (BPI). BPI is an affiliated clinical practice that will enhance the partnership between the Foundations and the Warren Alpert Medical School. Under the formation and support agreement, the University is obligated to pay BPI \$25,000 over a 10-year period. In 2022, the University paid \$2,500 to BPI, with the remaining \$10,000 included in accounts payable and accrued liabilities at June 30, 2022. In addition, the University authorized a line of credit agreement with BPI, up to \$30,000. There was no amount outstanding under the line of credit at June 30, 2022.

(13) Supplemental Disclosure of Cash Flow Information

Following is information intended to supplement the statements of cash flows for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Cash paid for interest, including recurring swap settlements, net of capitalized interest of \$5,159 and \$3,454	\$ 38,922	38,993
Increase (decrease) in accounts payable for land, buildings and equipment	3,361	(5,934)
(Decrease) increase in payables for purchases of investments	(34,316)	31,969

(14) Subsequent Events

In July 2022, the University issued through RIHEBC tax exempt bonds with a par value of \$87,220 at an interest rate of 5%, maturing in 2034. The bonds were sold at a premium of \$13,519, resulting in an effective yield of 3.11%. The proceeds will be used to fund construction projects.

In September 2022, the University paid the final bullet payment in the amount of \$60,600 on the Series 2012 bonds, effectively retiring the series.

The University considers events or transactions that occur after the balance sheet date, but before the financial statements are issued, to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. These financial statements were issued October 21, 2022, and subsequent events have been evaluated through that date.

BROWN UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Federal grantor/pass-through grantor/program or cluster title	Assistance Listing number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Research and Development Cluster:				
Corporation for National and Community Service:				
Corporation for National & Community Service	94.000	Direct	\$ —	16,138
U.S. Department of Veterans Affairs	94.000	650D15049	—	3,960
Providence VA Medical Center	94.000	Vietnam Era Vets	—	17,894
Corporation for National and Community Service total			—	37,992
Department of Agriculture:				
Agriculture and Food Research Initiative (AFRI)	10.310	Direct	—	87,524
Wake Forest University	10.310	20-013	—	15,965
Boston Medical Center	10.331	01_BROWNU_06163	—	6,775
Department of Agriculture total			—	110,264
Department of Commerce:				
University of Rhode Island	11.417	0007089/051518	—	(1,311)
Climate and Atmospheric Research	11.431	Direct	—	32,798
Science, Technology, Business and/or Education Outreach	11.620	Direct	—	385,550
Department of Commerce total			—	417,037
Department of Defense:				
Department of Defense – Other research	12.000	Direct	1,189,905	2,518,530
Auburn University	12.000	21-CIVENG-202667-BROWN	—	59,702
Charles River Analytics, Inc.	12.000	SC1935902	—	43,725
Defense Threat Reduction Agency	12.000	HDTRA222P0001	—	11,197
Massachusetts Institute of Technology	12.000	S5618	—	42,817
Paragon Professional Services, LLC	12.000	PPS-2210020-BU	—	235,208
Systems and Technology Research	12.000	2018-0047	—	179,112
Tufts University	12.000	AR0002	—	78,410
University of Rhode Island	12.000	0007844/010421	—	85,777
US Army Corp of Engineers	12.000	PPS-4010032-BU	—	18,800
US Army Corp of Engineers	12.000	P008101902	—	100,167
Subtotal			1,189,905	3,373,445
Basic and Applied Scientific Research				
Boston University	12.300	Direct	1,302,945	6,648,194
Cornell University	12.300	4500002205	—	143,260
Office of Naval Research	12.300	81825-10893	—	471,388
Office of Naval Research	12.300	ONR278	—	(212)
Office of Naval Research	12.300	F1168-06	—	80,000
Office of Naval Research	12.300	0000001725	—	6,771
Office of Naval Research	12.300	0000001555	—	175,752
Office of Naval Research	12.300	0000001087	—	6,710
ReliaCoat Technologies, LLC	12.300	RCT1023S	—	49,977
Stevens Institute of Technology	12.300	2102747-01	—	35,282

BROWN UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Federal grantor/pass-through grantor/program or cluster title	Assistance Listing number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
University of Central Florida	12.300	65016A22	\$ —	256,380
University of Pennsylvania	12.300	579262	—	75,754
University of Wisconsin, Madison	12.300	825K311	—	27,437
University of Wisconsin, Madison	12.300	817K692	—	(2,389)
University of Wisconsin, Madison	12.300	831K235	—	39,728
University of Wisconsin, Madison	12.300	000001087	—	741,098
Subtotal			1,302,945	8,755,130
Military Medical Research and Development	12.420	Direct	323,481	700,839
Case Western Reserve University	12.420	RES514776	—	17,147
Massachusetts General Hospital	12.420	232994	—	3,822
Rhode Island Hospital	12.420	7137575	—	61,709
U.S. Department of Defense	12.420	292206	—	25,032
Subtotal			323,481	808,549
Basic Scientific Research	12.431	Direct	680,239	1,948,858
Oklahoma State University	12.431	1-500751-BU	—	74,548
Subtotal			680,239	2,023,406
Basic, Applied, and Advanced Research in Science and Engineering	12.630	Direct	—	6,930
Advanced Regenerative Manufacturing Institute	12.630	T0159-B	—	99,573
University of Utah	12.630	10028801-BROWN-APP	—	81,476
Subtotal			—	187,979
Henry M. Jackson Foundation for the Advancement of Military Medicine, Inc.	12.750	3802	—	44,308
Air Force Defense Research Sciences Program	12.800	Direct	435,118	1,960,456
Mercatus Center at George Mason University	12.800	E2056131	—	54,639
Imaging Systems Technology	12.800	IST-8453 rev B	—	112,111
Subtotal			435,118	2,127,206
Mathematics Science Grants	12.901	Direct	—	54,085
Research and Technology Development	12.910	Direct	582,291	1,893,809
Applied Research Associates Inc	12.910	PO21-00864	—	15,951
Raytheon ITSS	12.910	W911NF19C0008	—	3,624
University of California, San Diego	12.910	104628989	—	12,029
University of Pennsylvania	12.910	574468	—	210,966
Subtotal			582,291	2,136,379
Department of Defense total			4,513,979	19,510,487
Central Intelligence Agency:				
Central Intelligence Agency	13.000	Direct	597,028	1,803,982
Central Intelligence Agency total			597,028	1,803,982

BROWN UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Federal grantor/pass-through grantor/program or cluster title	Assistance Listing number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Department of Education:			\$	
City of Providence Public School District	84.002	Providence School District	—	32,923
Fulbright Hays Doctoral Dissertation Research Abroad	84.022A	Direct	—	44,108
Education Research, Development and Dissemination	84.305A	Direct	—	72,007
University of California, Riverside	84.305A	S-001448	—	4,409
University of Pennsylvania	84.305	R305D210014	—	40,495
Partnerships and Collaborations Focused on Problems of Practice or Policy	84.305H	Direct	185,596	769,921
Education Research, Development and Dissemination	84.305U	Direct	—	240,607
Institute of Education Sciences	84.305U	R305U210003	—	177,453
English Language Acquisition State Grant	84.365Z	Direct	—	56,504
State of Rhode Island Department of Education	84.372A	PO 3706188	—	77,878
			<u>185,596</u>	<u>1,516,305</u>
Department of Education total				
Department of Energy:				
Brookhaven National Laboratory	81.000	325180	—	61,249
Fermi National Accelerator Laboratory	81.000	656186	—	201,427
Fermi National Accelerator Laboratory	81.000	658618	—	53,105
Fermi National Accelerator Laboratory	81.000	664117	—	457,563
Fermi National Accelerator Laboratory	81.000	663849	—	13,876
Fermi National Accelerator Laboratory	81.000	670272	—	48,731
Fermi National Accelerator Laboratory	81.000	682200	—	74,455
Fermi National Accelerator Laboratory	81.000	684497	—	19,229
Fermi National Accelerator Laboratory	81.000	685208	—	3,571
Fermi National Accelerator Laboratory	81.000	685300	—	18,139
Lawrence Livermore National Laboratory	81.000	B648685	—	25,000
Oak Ridge National Laboratory	81.000	4000126928	—	118,694
Oak Ridge National Laboratory	81.000	400175016	—	9,276
Oak Ridge National Laboratory	81.000	4000175015	—	70,249
Pacific Northwest National Laboratory	81.000	433306	—	138,997
Pacific Northwest National Laboratory	81.000	456824	—	93,144
Sandia National Laboratories	81.000	1926728	—	252,692
Sandia National Laboratories	81.000	2342121	—	21,407
Sandia National Laboratories	81.000	2111577	—	64,239
Sandia National Laboratories	81.000	2178181	—	54,178
Sandia National Laboratories	81.000	2364764	—	4,108
The Regents of the University of California	81.000	7388270	—	48,763
			<u>—</u>	<u>1,852,092</u>
Subtotal				
Office of Science Financial Assistance Program	81.049	Direct	344,891	3,581,252
Oak Ridge National Laboratory	81.049	4000183969	—	83,079
University of Nebraska-Lincoln	81.049	25-0521-0226-005	—	206,506
			<u>344,891</u>	<u>3,870,837</u>
Subtotal				

BROWN UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Federal grantor/pass-through grantor/program or cluster title	Assistance Listing number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
General Motors Corporation	81.086	4301051656	\$ —	147,859
Western Michigan University	81.086	10566-Brown	—	201,801
State University of New York, Stony Brook	81.086	1171564/2/92707	—	14,892
Subtotal			—	364,552
Renewable Energy Research and Development	81.087	Direct	—	287,527
University of California, San Diego	81.087	703616	—	124,127
Subtotal			—	411,654
Texas A & M University – College Station	81.135	M2102099	—	105,285
Department of Energy total			344,891	6,604,420
Department of Health and Human Services:				
Department of Health and Human Services – Other research	93.000	Direct	1,224,784	3,749,691
Bradley Hospital	93.000	712-1001	—	51,541
Dartmouth College	93.000	R997	—	78,810
McLean Hospital	93.000	401766	—	92,333
Research Triangle Institute	93.000	1-312-0216664-65752L/Master Agreement 888-19-27-21	—	156,013
Subtotal			1,224,784	4,128,388
Research Triangle Institute	93.070	1-312-0217189-6547L	—	43,949
State of Michigan Procurement	93.070	MA20000000860 – DO Doc ID: 210000005535	—	36,855
Subtotal			—	80,804
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077	Direct	16,050	282,395
National Institute on Drug Abuse	93.077	GR16839	—	5,278
National Cancer Institute	93.077	848-45117-100000337931	—	37,886
University of Oklahoma	93.077	RS20200039-01	—	38,007
University of Vermont	93.077	32359SUB52490	—	449,916
Wake Forest University	93.077	WFUHS 119438	—	36,119
Wake Forest University	93.077	WFUHS119379	—	333,266
Wake Forest University	93.077	273-100500-119421	—	386,889
Subtotal			16,050	1,569,756
Model State-Supported Area Health Education Centers	93.107	Direct	154,324	252,635
COVID-19 – Model State-Supported Area Health Education Centers	93.107	Direct	—	(10,391)
Subtotal			154,324	242,244
Biological Response to Environmental Health Hazards	93.113	Direct	168,535	2,475,592
Cincinnati Childrens Hospital Medical Center	93.113	314404	—	13,857
Johns Hopkins University	93.113	2005355774	—	410
Johns Hopkins University	93.113	2004166016	—	16,103

BROWN UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Federal grantor/pass-through grantor/program or cluster title	Assistance Listing number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Michigan State University	93.113	RC112064A	\$ —	27,094
Mount Sinai School of Medicine	93.113	0255-D602-4609	—	32,991
Pennsylvania State University	93.113	S000446-NIH	—	39,732
President and Fellows of Harvard College – SPH	93.113	112190-5104406	—	54,384
President and Fellows of Harvard College – SPH	93.113	113130-5105236	—	13,165
University of Louisville	93.113	ULRF_20-1190-01	—	53,052
University of Massachusetts, Amherst	93.113	22-016854 A 00	—	410
University of Pennsylvania	93.113	582722	—	958
University of Pennsylvania	93.113	54533	—	26,722
Westat, Inc.	93.113	6714-00-S001	—	40,375
Subtotal			<u>168,535</u>	<u>2,794,845</u>
Oral Diseases and Disorders Research	93.121	Direct	—	30,879
NGS Detectors LLC	93.121	0001	—	14,236
Subtotal			<u>—</u>	<u>45,115</u>
Injury Prevention and Control research and State and Community Based Programs	93.136	Direct	342,238	512,902
Brandeis University	93.136	GR403952	—	39,504
Rhode Island Hospital	93.136	7017137520	—	195,630
State of Rhode Island Department of Health	93.136	3723334 – 6NU17CE924967	—	132,354
State of Rhode Island Department of Health	93.136	2018-2020 Agreement – PO3573706	—	16,783
Subtotal			<u>342,238</u>	<u>897,173</u>
NIEHS Superfund Hazardous Substances Basic Research and Education	93.143	Direct	—	215,667
Human Genome Research	93.172	Direct	—	218,054
Human Genome Research	93.172	500777-78050	—	31,782
Human Genome Research	93.172	150562.5116721.0002	—	76,431
Subtotal			<u>—</u>	<u>326,267</u>
Research Related to Deafness and Communication Disorders	93.173	Direct	64,497	1,559,789
Stanford University	93.173	62532441-116469	—	28,123
University of Massachusetts Medical School	93.173	OSP32755-00	—	15,082
Subtotal			<u>64,497</u>	<u>1,602,994</u>
Research and Training in Complementary and Integrative Health	93.213	Direct	91,985	795,315
Massachusetts General Hospital	93.213	236636	—	18,151
Miriam Hospital	93.213	7147232	—	2,989
Subtotal			<u>91,985</u>	<u>816,455</u>

BROWN UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Federal grantor/pass-through grantor/program or cluster title	Assistance Listing number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
National Research Service Awards Health Services Research Training	93.225	Direct	\$ —	452,134
Research on Healthcare Costs, Quality and Outcomes	93.226	Direct	73,255	183,230
COVID-19 – Research on Healthcare Costs, Quality and Outcomes	93.226	Direct		281,554
University of Massachusetts Medical Center	93.226	OSP27392-02 – PO # WA00826359	—	19,407
Beth Israel Deaconess Medical Center	93.226	01061109	—	47,452
Subtotal			73,255	531,643
Rhode Island Hospital	93.233	7137688	—	2,242
Mental Health Research Grants	93.242	Direct	3,465,997	10,840,695
AINGEAL	93.242	2019001	—	113,800
Baylor College of Medicine	93.242	7000001191	—	14,576
Boston University	93.242	4500003428	—	22,814
Bradley Hospital	93.242	712-7528	—	12,205
Butler Hospital	93.242	9272-8328	—	4,823
Butler Hospital	93.242	5001421-MOITRA	—	2,072
Butler Hospital	93.242	5001571-RCTBROWN	—	50,698
Butler Hospital	93.242	5001621	—	9,288
Butler Hospital	93.242	5001701BROWN	—	136,286
Butler Hospital	93.242	5001751BROWN	—	35,261
Dartmouth Medical School	93.242	R1441	—	206,497
Emory University	93.242	A175688	—	33,026
Emory University	93.242	A202614	—	28,061
Hunter College	93.242	CM00001185-01	—	37,432
Massachusetts General Hospital	93.242	236496	—	61
Massachusetts General Hospital	93.242	236969	—	77,621
Massachusetts General Hospital	93.242	236910	—	157,645
McLean Hospital	93.242	401755	—	29,313
McLean Hospital	93.242	401665	—	145,864
Michigan State University	93.242	RC108970BU	—	(752)
Michigan State University	93.242	RC110477BROWN	—	23,121
Miriam Hospital	93.242	7147068AN	—	115,255
New York Genome Center	93.242	2021-0050-BROWN-01	—	128,559
Ocean State Research Institute	93.242	512204	—	42,150
Regents of the University of Michigan	93.242	SUBK00008747	—	37,861
Rhode Island Hospital	93.242	7137412	—	28,145
Rhode Island Hospital	93.242	7137413	—	15,718
Rhode Island Hospital	93.242	7137602	—	62,361
Rhode Island Hospital	93.242	7137670	—	12,904
University of California, Berkeley	93.242	00009418	—	62,908
University of California, Los Angeles	93.242	1935 G YA101	—	56,921
University of Chicago	93.242	AWD102252 (SUB00000578)	—	13,543

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Federal grantor/pass-through grantor/program or cluster title	Assistance Listing number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
University of Georgia	93.242	SUB00002270	\$ —	124,698
University of Maryland – College Park	93.242	2003802	—	126,081
University of New Hampshire	93.242	L0180	—	1,495
University of North Carolina, Chapel Hill	93.242	5113262	—	5,286
University of South Carolina	93.242	22-4818	—	23,820
Wayne University	93.242	WSU20004	—	19,653
Women and Infants Hospital	93.242	5001541-1	—	12,554
Subtotal			<u>3,465,997</u>	<u>12,870,319</u>
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Direct	507,581	1,322,732
University of Rhode Island	93.243	6172/022217	—	5,805
University of Rhode Island	93.243	7096/07092018	—	6,385
Subtotal			<u>507,581</u>	<u>1,334,922</u>
Geriatric Academic Career Awards Department of Health and Human Services	93.250	Direct	21,652	41,012
Health Systems Strengthening and HIV/AIDS Prevention, Care and Treatment Under the President's Emergency Plan for AIDS Relief	93.266	Direct	34,415	1,052,781
Adult Viral Hepatitis Prevention and Control	93.270	Direct	—	198,137
Alcohol Research Programs	93.273	Direct	1,158,139	8,499,974
COVID-19 – Center for Innovative Public Health Research	93.273	CiPHR 20215223912	—	1,495
Boston University	93.273	4500003456	—	178,506
Bradley Hospital	93.273	712-7525	—	69,174
Burnham Institute	93.273	60871-13184-Brown	—	76,655
Butler Hospital	93.273	9132-8328	—	1,660
Butler Hospital	93.273	501681Brown	—	3,801
Lehigh University	93.273	543781-78003	—	11,580
Rhode Island Hospital	93.273	7017137290-1	—	81,813
Rutgers	93.273	2012 – PO 25063909	—	16,812
Trustees of Boston University	93.273	4500003904	—	98,797
University of California, Los Angeles	93.273	0875 G ZA737	—	5,291
University of Illinois, Urbana-Champaign	93.273	106344-18715	—	31,087
University of Southern California	93.273	103132179	—	41,068
Subtotal			<u>1,158,139</u>	<u>9,117,713</u>
Drug Abuse and Addiction Research Programs	93.279	Direct	2,502,379	7,427,355
COVID-19 – Drug Abuse and Addiction Research Programs	93.279	Direct	—	368,391
Boston Children's Hospital	93.279	GENFD0001711879	—	169,700
Boston Medical Center	93.279	7334	—	27,873
Butler Hospital	93.279	5001471Brown-Abrantes	—	(8,376)
Butler Hospital	93.279	5001721-2BROWN	—	12,422
Emory University	93.279	T856876	—	73,939
Emory University	93.279	T994721	—	19,372
Hennepin Healthcare Research Institute	93.279	15212-2	—	46,491

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Federal grantor/pass-through grantor/program or cluster title	Assistance Listing number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Kent State University	93.279	403030-BU	\$ —	(80)
Massachusetts General Hospital	93.279	237496	—	22,897
Miriam Hospital	93.279	710-7147067	—	56,262
Miriam Hospital	93.279	710-7147113	—	82,599
Miriam Hospital	93.279	7147185ASN	—	28,209
Miriam Hospital	93.279	n/a	—	1,932
Partnership to End Addiction	93.279	R24DA051946	—	32,092
Public Health Institute	93.279	00414	—	14,882
Rhode Island Hospital	93.279	7017137452	—	1,668
Rhode Island Hospital	93.279	7017137679	—	48,485
Rhode Island Hospital	93.279	7137757	—	1,809
Simon Fraser University	93.279	GRT26399	—	84,032
Tufts University	93.279	102314-00001/NIH025_Spirito	—	16,370
University of British Columbia	93.279	20R48670	—	37,223
University of California, Davis	93.279	A18-0560-S001	—	26,304
University of California, Los Angeles	93.279	1935 G YA572	—	45,077
University of California, Los Angeles	93.279	1935 G ZA667	—	51,686
University of Florida	93.279	SUB00002792	—	28,344
University of Kansas Medical Center Research Institute Inc.	93.279	ZAN00050	—	41,251
University of Texas, Austin	93.279	UTA18-000152	—	(6)
Weill Cornell Medical College	93.279	201851-3	—	201,682
Women and Infants Hospital	93.279	5001631-2	—	5,511
Yale University	93.279	GR105610 (CON-80001690)	—	22,859
Subtotal			<u>2,502,379</u>	<u>8,988,255</u>
Mental Health National Research Service Awards for Research Training	93.282	Direct	—	955
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	Direct	—	84,322
University of New Hampshire	93.286	PZL0214	—	1,761
Subtotal			<u>—</u>	<u>86,083</u>
State of Rhode Island Department of Health	93.296	2018-2019 Agreement – PO3423017	—	(25,783)
Minority Health and Health Disparities Research	93.307	Direct	—	552,243
COVID-19 – Minority Health and Health Disparities Research	93.307	Direct	—	19,209
Bradley Hospital	93.307	712-7573	—	47,175
Rhode Island Hospital	93.307	7137328	—	20,622
University of North Carolina, Chapel Hill	93.307	5115733	—	29,401
Subtotal			<u>—</u>	<u>668,650</u>

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Federal grantor/pass-through grantor/program or cluster title	Assistance Listing number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Trans-NIH Research Support	93.310	Direct	\$ 730,878	373,672
COVID-19 – Trans-NIH Research Support	93.310	Direct	—	1,689,193
Carnegie Mellon University	93.310	1090661-437999	—	164,045
New York University	93.310	F1977-02	—	17,977
Rhode Island Hospital	93.310	7137538	—	155,702
University of California, San Diego	93.310	KR 704365	—	153,471
University of Southern California	93.310	139505811	—	266,835
COVID-19 – Yale University	93.310	GR111817(CON-8002845)	—	542,226
Subtotal			<u>730,878</u>	<u>3,363,121</u>
Connecticut Department of Public Health	93.323	PDH Log #2021-0110.	—	1,697
Miriam Hospital	93.349	710-7147144	—	15,891
Dana-Farber Cancer Institute	93.353	1204001	—	37,256
Nursing Research	93.361	Direct	103,771	314,108
Johns Hopkins University	93.361	2004240764	—	1,787
Mount Sinai School of Medicine	93.361	0255-F561-409	—	17,513
University of California, San Diego	93.361	123245755	—	8,995
Subtotal			<u>103,771</u>	<u>342,403</u>
National Center for Research Resources	93.389	Direct	500,065	515,378
COVID-19 – National Center for Research Resources	93.389	Direct	—	223,799
Subtotal			<u>500,065</u>	<u>739,177</u>
Cancer Cause and Prevention Research	93.393	Direct	82,557	962,402
Columbia University	93.393	1(GG017675-01)	—	11,199
Dana Farber Cancer Institute	93.393	1322201	—	69,061
Fox Chase Cancer Center	93.393	FCCC # 15152-01	—	43,283
Massachusetts General Hospital	93.393	232008	—	39,465
Rutgers University	93.393	2037	—	28,042
University of California, San Diego	93.393	93597220	—	(117,963)
University of California, San Francisco	93.393	10234sc	—	169,766
University of Texas MD Anderson	93.393	3001528852	—	67,165
Subtotal			<u>82,557</u>	<u>1,272,420</u>
Cancer Detection and Diagnosis Research	93.394	Direct	400,451	2,165,677
ECOG-ACRIN Medical Research Foundation, Inc	93.394	UWSC12941	—	80,351
Subtotal			<u>400,451</u>	<u>2,246,028</u>
Cancer Treatment Research	93.395	Direct	259,287	874,830
Dana-Farber Cancer Institute	93.395	1227206	—	256,001
Dana-Farber Cancer Institute	93.395	1800007	—	1,164,007

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Federal grantor/pass-through grantor/program or cluster title	Assistance Listing number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Dana-Farber Cancer Institute	93.395	1324608	\$ —	125,589
Dana-Farber Cancer Institute	93.395	1227205	—	(2,521)
ECOG-ACRIN Medical Research Foundation, Inc	93.395	1UG1CA189828-01-BRWN2	—	(16)
ECOG-ACRIN Medical Research Foundation, Inc	93.395	UG1CA189828-08-BRWN-ADRD	—	23,023
Regents of the University of Michigan	93.395	SUBK00014075	—	169,587
Subtotal			<u>259,287</u>	<u>2,610,500</u>
Cancer Biology Research	93.396	Direct	3,176	99,082
Duke University	93.396	A032495	—	39,809
University of Massachusetts, Worcester	93.396	OSP32272-BROWN	—	89,907
Subtotal			<u>3,176</u>	<u>228,798</u>
Indiana University – Indianapolis	93.397	8671	—	35,783
Cancer Research Manpower	93.398	Direct	44,989	183,329
ECOG-ACRIN Medical Research Foundation, Inc	93.399	UG1CA189828-06-BRWN2	—	226,636
ECOG-ACRIN Medical Research Foundation, Inc	93.399	2UG1CA189828-06-BRWN3	—	770,845
ECOG-ACRIN Medical Research Foundation, Inc	93.399	UG1CA189828-06-BRWN1	—	225,674
ECOG-ACRIN Medical Research Foundation, Inc	93.399	2UG1CA189828-06-BRWN-EA2185-PRO	—	56,884
ECOG-ACRIN Medical Research Foundation, Inc	93.399	UG1CA189828-06-BRWN-EA2185-CEA	—	54,198
ECOG-ACRIN Medical Research Foundation, Inc	93.399	2UG1CA189828-06-BRWN-EA2185-PCyst	—	114,705
ECOG-ACRIN Medical Research Foundation, Inc	93.399	UG1CA189828-07-BRWN-COVID	—	47,320
ECOG-ACRIN Medical Research Foundation, Inc	93.399	UG1CA189828-07-BRWN-AYA	—	143,689
Subtotal			<u>—</u>	<u>1,639,951</u>
PPHF National Public Health Improvement Initiative	93.507	Direct	—	50,086
University of Missouri – Kansas City	93.788	0010328500070912	85,000	388,415
University of Missouri – Kansas City	93.788	00109485/00077332	—	87,000
University of Missouri – Kansas City	93.788	0099144/00070013	—	966
Subtotal			<u>85,000</u>	<u>476,381</u>
University of Rhode Island	93.829	0007944/06202019	—	8,505
University of Rhode Island	93.829	0009105/01082021	—	22,270
University of Rhode Island	93.829	0009144/02082021	—	13,802
Subtotal			<u>—</u>	<u>44,577</u>
Hennepin Healthcare Research Institute	93.830	15019-5	—	8,072
Cardiovascular Diseases Research	93.837	Direct	868,465	1,726,202
George Washington University	93.837	21-M119	—	24,994
Kent Hospital	93.837	5001731-12-BROWN	—	61,431
Lundquist Institute	93.837	031690-01-Brown/PO# 20006410	—	42,043

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Federal grantor/pass-through grantor/program or cluster title	Assistance Listing number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Miriam Hospital	93.837	710-7147188	\$ —	9,372
Miriam Hospital	93.837	7147247	—	37,174
Mount Sinai School of Medicine	93.837	0255-8174-4609	—	(2)
Rhode Island Hospital	93.837	7017137449	—	138,549
Rhode Island Hospital	93.837	7137489	—	5,007
University of California, San Francisco	93.837	12377sc	—	7,491
University of Pennsylvania	93.837	577870	—	64,182
University of Pittsburgh	93.837	0054665 (129258-2)	—	27,037
Yale University	93.837	GR104259 (CON-80001412)	—	236,984
Subtotal			868,465	2,380,464
Lung Diseases Research	93.838	Direct	34,590	1,177,534
Ocean State Research Institute	93.838	122208	—	68,626
Rhode Island Hospital	93.838	701-7137089	—	8,732
Rhode Island Hospital	93.838	701-7137305	—	80,291
Rhode Island Hospital	93.838	7137552	—	(359)
Weill Cornell Medical College	93.838	204296-1	—	368,709
Subtotal			34,590	1,703,533
Blood Diseases and Resources Research	93.839	Direct	320,732	677,490
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	Direct	258,810	516,987
Children's Hospital of Philadelphia	93.846	GRT-00000242 / PO# 20190018	—	397,475
Rhode Island Hospital	93.846	7017137519	—	3,420
State University of New York, Stony Brook	93.846	1171294/2/92721	—	4,185
Subtotal			258,810	922,067
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Direct	877,821	2,827,841
COVID-19 – Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Direct	—	166,215
Miriam Hospital	93.847	710-7147150	—	25,724
Miriam Hospital	93.847	710-7147122	—	27,498
Miriam Hospital	93.847	7147169	—	14,947
Rhode Island Hospital	93.847	7017137407	—	45,384
University of Pittsburgh	93.847	AWD00004528 (136771-1)	—	36,448
Women and Infants Hospital	93.847	5001581-02	—	5,757
Subtotal			877,821	3,149,814
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Direct	625,883	6,599,922
Baylor College of Medicine	93.853	7000000370	—	269,117
Baylor College of Medicine	93.853	7000000738	—	5,333
Baylor College of Medicine	93.853	7000000765	—	119,570
Beth Israel Deaconess Medical Center	93.853	01063645	—	41,238
Central Michigan University	93.853	F63541	—	(1)

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Federal grantor/pass-through grantor/program or cluster title	Assistance Listing number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Central Michigan University	93.853	F64485	\$ —	441,412
Cleveland Clinic	93.853	1483-SUB	—	7,085
Cleveland Clinic	93.853	CCF21246753	—	135,787
Cleveland Clinic	93.853	CCF21246811	—	24,937
Connecticut College	93.853	141584	—	47,768
Massachusetts General Hospital	93.853	230484	—	55,847
Massachusetts General Hospital	93.853	236808	—	98,354
New York University	93.853	19-A0-00-1002081/113033	—	207,336
New York University	93.853	19-A0-001002081/113030	—	401,479
Rhode Island Hospital	93.853	701-7137201	—	92,939
Rhode Island Hospital	93.853	7017137409SJ	—	(2,718)
Stanford University	93.853	62754161-205480	—	89,650
University of California, San Francisco	93.853	12322sc	—	152,336
Subtotal			<u>625,883</u>	<u>8,787,391</u>
Allergy and Infectious Diseases Research	93.855	Direct	993,308	5,892,270
COVID-19 – Case Western Reserve University	93.855	RES515507	—	41,125
Emory University	93.855	A555850	—	15,774
Johns Hopkins University	93.855	2004103391	—	61,743
Loyola University of Chicago	93.855	213646-3	—	4,104
Miriam Hospital	93.855	7147085JH	—	78,827
Miriam Hospital	93.855	7147103JH	—	144,900
Miriam Hospital	93.855	7147105CK	—	80,292
Miriam Hospital	93.855	7147101W	—	32,652
Miriam Hospital	93.855	7147102DO	—	36,763
Miriam Hospital	93.855	7147154JH	—	110,072
Miriam Hospital	93.855	7147108ASN	—	(26)
Miriam Hospital	93.855	7147205ASN	—	163,439
Miriam Hospital	93.855	7147205LBW	—	38,329
Miriam Hospital	93.855	7147205JAS	—	69,506
Miriam Hospital	93.855	7147207JWH	—	7,364
Miriam Hospital	93.855	7147101ASK	—	22,533
Miriam Hospital	93.855	7147100JAK	—	6,884
Miriam Hospital	93.855	7147101ABC	—	30,606
Miriam Hospital	93.855	7147101TTZ	—	17,140
Miriam Hospital	93.855	7147101DJM	—	21,854
Mount Sinai School of Medicine	93.855	0255-C441-4609	—	18,271
University of California, San Francisco	93.855	9507sc	—	11,536
University of California, San Francisco	93.855	10968sc	—	25,226
University of California, San Francisco	93.855	12313sc	—	87,682
University of California, San Francisco	93.855	12421sc	—	28,616
University of Chicago	93.855	AWD066835 (SUB00000425)	—	24,213
University of Massachusetts Medical School	93.855	SUB00000136	—	2,599
University of North Carolina, Chapel Hill	93.855	5112615	—	233,876
University of North Carolina, Chapel Hill	93.855	5113719	—	107,544

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Federal grantor/pass-through grantor/program or cluster title	Assistance Listing number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
University of North Carolina, Chapel Hill	93.855	5121972	\$ —	11,103
University of Rhode Island	93.855	0006818-08162018 – PO#000141488	—	48,840
University of Rhode Island	93.855	0006818-08162018	—	47,292
University of Texas, Health Science Center at Houston	93.855	SA0001701	—	2,504
Subtotal			<u>993,308</u>	<u>7,525,453</u>
Butler Hospital	93.856	5001511-9	—	148,397
Biomedical Research and Research Training	93.859	Direct	1,274,517	15,024,697
Bradley Hospital	93.859	712-1000 Sasaki	—	15,608
Bradley Hospital	93.859	712-1003	—	100,305
Bradley Hospital	93.859	712-1000 Kimberly	—	7,262
Butler Hospital	93.859	5001511	—	22,904
Butler Hospital	93.859	5001511-2	—	6,377
Butler Hospital	93.859	5001511-4	—	44,902
Butler Hospital	93.859	5001511-5	—	48,001
Butler Hospital	93.859	5001511-15	—	30,199
Celdara Medical, LLC	93.859	Celdara Medical 2018/2019	—	6,022
Celdara Medical, LLC	93.859	Celdara Medical, LLC	—	(1,228)
Emory University	93.859	A579640	—	51,811
Emory University	93.859	T648004	—	120,128
Maine Medical Center Research Institute	93.859	LIAW-111001-1A	—	3,908
Massachusetts Institute of Technology	93.859	S5275	—	160,109
Miriam Hospital	93.859	7139196DO	—	33,709
Miriam Hospital	93.859	7147123	—	4,966
Miriam Hospital	93.859	7147251	—	49,724
Ocean State Research Institute	93.859	312240	—	58,225
Ocean State Research Institute	93.859	312240-6503	—	(6,017)
Ocean State Research Institute	93.859	312240-6500	—	248,720
Ocean State Research Institute	93.859	312240-6510	—	36,882
Ocean State Research Institute	93.859	312240-6501	—	308,197
Rhode Island Hospital	93.859	7137385BM	—	274,043
Rhode Island Hospital	93.859	7137418JWH	—	230,401
Rhode Island Hospital	93.859	7017137296	—	112,590
Rhode Island Hospital	93.859	7017137300	—	195,867
Rhode Island Hospital	93.859	7017137301	—	46,988
Rhode Island Hospital	93.859	7017137313	—	87,915
Rhode Island Hospital	93.859	7017137506	—	12,060
Rhode Island Hospital	93.859	7137384BPJ	—	31,753
Rhode Island Hospital	93.859	7137384FLB	—	19,835
University of Chicago	93.859	AWD065769(SUB000000441)	—	12,311
University of Rhode Island	93.859	0005098/012915	—	12
University of Rhode Island	93.859	0007887/08232019B	—	74,638
University of Rhode Island	93.859	0005697/060216	—	(78)

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COVID-19 – West Virginia University	93.859	12-303G-BU	\$ —	14,867
West Virginia University	93.859	12-303G-BU-2	—	108,285
Women and Infants Hospital	93.859	5001301	—	57,718
Women and Infants Hospital	93.859	5001301-17	—	(9,911)
Women and Infants Hospital	93.859	9721	—	20,970
Yale University	93.859	GR111848 (CON-80002879)	—	115,050
Subtotal			<u>1,274,517</u>	<u>17,780,725</u>
Child Health and Human Development Extramural Research	93.865	Direct	1,405,050	4,636,982
Bradley Hospital	93.865	7127549	—	49,982
Butler Hospital	93.865	9221-8328	—	10,675
Center for Innovative Public Health Research	93.865	CIPHR	—	46,478
Children’s Hospital of Philadelphia	93.865	3201770721	—	29,511
Indiana University – Bloomington	93.865	IN4688378BU	—	65,821
Northeastern University	93.865	500649-78052	—	72,083
Pennsylvania State University	93.865	5918-BU-DHHS-4158	—	14,311
Research Triangle Institute	93.865	2-312-0215374-65459L	—	43,164
Rhode Island Hospital	93.865	7017137362-1	—	40,168
Rhode Island Hospital	93.865	7017137362-2	—	13,367
Rhode Island Hospital	93.865	7017137362-4	—	29,281
Tulane University	93.865	TUL-HSC-557477-19/20	—	1,801
Tulane University	93.865	TUL-HSC-557490-19/20	—	4,850
Tulane University	93.865	TUL-HSC-556515-18/19	—	(1,472)
University of North Carolina, Chapel Hill	93.865	5117443	—	138,823
University of Wisconsin, Madison	93.865	0000000682	—	15,434
Wayne State University	93.865	WSU20064	—	30,606
Subtotal			<u>1,405,050</u>	<u>5,241,865</u>
Aging Research	93.866	Direct	11,637,839	31,668,367
COVID-19 – Aging Research	93.866	Direct	—	76,520
Albert Einstein College of Medicine	93.866	311214	—	94,377
Bolden Therapeutics	93.866	2021-01	—	199,551
Butler Hospital	93.866	6799521-2	—	20,945
California Pacific Medical Center Research Institute	93.866	2803227-S191	—	(1,406)
Duke University	93.866	A03-2024	—	16,207
Hebrew SeniorLife	93.866	10.10.91531	—	(3,168)
Hebrew SeniorLife	93.866	Hebrew Rehab Center – 90088	—	294,391
Hebrew SeniorLife	93.866	90087	—	14,752
Hebrew SeniorLife	93.866	92333	—	(2,140)
Hebrew SeniorLife	93.866	92373	—	(15,536)
Hebrew SeniorLife	93.866	90104	—	61,016
Hebrew SeniorLife	93.866	90108	—	151,359
Hebrew SeniorLife	93.866	90068	—	(12)

BROWN UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Federal grantor/pass-through grantor/program or cluster title	Assistance Listing number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Hebrew SeniorLife	93.866	92303	\$ —	(1,164)
Hebrew SeniorLife	93.866	92334	—	45,488
Hebrew SeniorLife	93.866	92374	—	122,036
Indiana University	93.866	7870_BRWN	—	129,635
Indiana University – Bloomington	93.866	IN4683237BRWN	—	353,659
Johns Hopkins University	93.866	2004313048	—	34,076
Massachusetts General Hospital	93.866	232815	—	48,940
Massachusetts General Hospital	93.866	235379	—	130,548
Mount Sinai School of Medicine	93.866	0254-4608-4609	—	15,281
NemaMetrix Inc.	93.866	NemaMetrix	—	(145)
Northern California Institute for Research and Education, Inc.	93.866	STE2196-22	—	45,332
Oregon Health & Science University	93.866	1014922_Brown	—	40,463
Regents of the University of Michigan	93.866	3004822522	—	51,056
Regents of the University of Michigan	93.866	3004832691	—	51,056
Regents of the University of Michigan	93.866	SUBK00012781	—	30,872
Regents of the University of Minnesota	93.866	P008441953	—	41,017
Rhode Island Hospital	93.866	701-7137465	—	28,717
The University of Alabama, Tuscaloosa	93.866	A19-0473-S004	—	21,642
University of California, San Diego	93.866	703934	—	103,568
University of Colorado, Denver	93.866	FY22.930.003	—	16,073
University of Minnesota	93.866	P009273455	—	1,201
University of Nebraska-Lincoln	93.866	34-5430-2006-001	—	19,953
University of Pittsburgh	93.866	AWD00004643	—	39,205
University of Rhode Island	93.866	0009115/111221	—	8,650
University of South Florida – Tampa	93.866	1229-1107-00-A	—	158,165
COVID-19 – University of South Florida – Tampa	93.866	1229-1107-79-A	—	122,225
University of Washington	93.866	UWSC9787	—	11,847
Subtotal			11,637,839	34,244,619
Vision Research	93.867	Direct	—	2,645,878
University of California, San Diego	93.867	125650149	—	968
University of Colorado, Boulder	93.867	2-5-N0574	—	25,137
Subtotal			—	2,671,983
Medical Library Assistance	93.879	Direct	—	28,694
Northeastern University	93.879	500663-78051	—	73,936
Subtotal			—	102,630
State of Rhode Island Department of Health	93.898	2018-2020 Agreement – PO3573706	—	190,163
International Research and Research Training	93.989	Direct	248,288	1,000,376
University of Cape Town	93.989	UCT00029094	—	84,312
Yale University	93.989	GR111640	—	22,737
Subtotal			248,288	1,107,425

BROWN UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Federal grantor/pass-through grantor/program or cluster title	Assistance Listing number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
State of Rhode Island Department of Health	93.910	2018-2019 Agreement – PO3423017	\$ —	22,936
Rhode Island Department of Administration	93.994	2018-2021 Agreement – PO 3573706-8	31,219	(3,770)
State of Rhode Island Department of Health	93.994	2018-2019 Agreement – PO3423017	—	(30,121)
State of Rhode Island Department of Health	93.994	2018-2020 Agreement – PO3573706	—	40,188
State of Rhode Island Department of Health	93.994	2019-2021 Agreement – PO 3573706-8	—	598
State of Rhode Island Department of Health	93.994	2018-2021 Agreement – PO 3573706-8	—	125,226
State of Rhode Island Department of Health	93.994	2018-2022 Agreement – PO3573706-8	—	794,472
COVID-19 – State of Rhode Island Department of Health	93.994	2018-2021 Agreement – PO 3573706-8	—	305,755
Subtotal			<u>31,219</u>	<u>1,232,348</u>
Department of Health and Human Services total			<u>30,612,527</u>	<u>149,223,544</u>
Department of the Interior:				
Native Plant Trust	15.000	NPT	—	10,500
Natural Resource Stewardship	15.944	Direct	—	43,598
New Mexico Institute of Mining and Technology	15.944	P0022130	—	13,195
Cooperative Research and Training Programs – Resources of the National Park System	15.945	Direct	—	552
Department of the Interior total			<u>—</u>	<u>67,845</u>
Department of Labor:				
Rhode Island Department of Labor and Training	17.225	RESA-PO3744963-1	—	135,885
Department of Housing and Urban Development total			<u>—</u>	<u>135,885</u>
Department of State:				
Overseas Refugee Assistance Programs for Strategic Global Priorities	19.522	Direct	—	120,771
Department of State total			<u>—</u>	<u>120,771</u>
Department of Transportation:				
Giner, Inc.	20.000	405686	—	91,088
Pipeline Safety Research Competitive Academic Agreement Program (CAAP)	20.724	Direct	—	218,637
Department of Transportation total			<u>—</u>	<u>309,725</u>
Department of Veterans Affairs:				
Department of Veterans Affairs – Other Research	64.000	Direct	—	183,767
Philadelphia VA Medical Center	64.000	Philadelphia VA IPA – Moyo – PO 642D16015	—	6,269
Providence VA Medical Center	64.000	650D15059	—	29,690
Providence VA Medical Center	64.000	36C24120D0027 36C2412N0560	—	8,168
Providence VA Medical Center	64.000	0	—	70,629
Providence VA Medical Center	64.000	36C24120D0027 / 650D14009	—	1,724
Providence VA Medical Center	64.000	36C24120D0027 / 650D14008	—	46,457
Providence VA Medical Center	64.000	650D15032	—	3,535
Providence VA Medical Center	64.000	VA241-15-D-0097 / PO 650D94009	—	(441)
Providence VA Medical Center	64.000	650-21-2-753-0023	—	16,683

BROWN UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Federal grantor/pass-through grantor/program or cluster title	Assistance Listing number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Providence VA Medical Center	64.000	650D15015	\$ —	10,380
Providence VA Medical Center	64.000	650D15016	—	4,874
Providence VA Medical Center	64.000	Clark IIPA – Resnik	—	17,021
Providence VA Medical Center	64.000	650D05040	—	30,168
Providence VA Medical Center	64.000	36C24E19D0002 / PO 650D04013	—	302
Providence VA Medical Center	64.000	650D93035	—	39,341
Providence VA Medical Center	64.000	PO #650D05031 – CIN 13-419	—	4,978
Providence VA Medical Center	64.000	650D92010	—	728
Providence VA Medical Center	64.000	650D93027	—	2,892
Providence VA Medical Center	64.000	650D83054	—	53,807
Providence VA Medical Center	64.000	IIR 17 – 192 – PO 650D93008	—	1,799
Providence VA Medical Center	64.000	IPA-Beth Travers	—	50,599
Providence VA Medical Center	64.000	650D83016	—	15,784
Providence VA Medical Center	64.000	650D25030	—	10,065
Providence VA Medical Center	64.000	36C24E19D0002 / 650D22004	—	11,198
Providence VA Medical Center	64.000	650D25020	—	19,425
Providence VA Medical Center	64.000	650D25002	—	7,216
Providence VA Medical Center	64.000	36C24120D0027 / 650D14022	—	8,050
Providence VA Medical Center	64.000	36C24E19D0002 / 650D14018	—	2,024
Providence VA Medical Center	64.000	36C24E19D0002 / 650D14017	—	54,164
Providence VA Medical Center	64.000	36C24E19D0002 / 650D14014	—	4,100
Providence VA Medical Center	64.000	650D15033	—	45,258
Providence VA Medical Center	64.000	36C24120D0027 / 650D14003	—	52,104
Providence VA Medical Center	64.000	VA241-15-D-0097 / PO 650D84023	—	413
Department of Veterans Affairs total			—	813,171
Environmental Protection Agency:				
P3 Award: National Student Design Competition for Sustainability	66.516	Direct	—	29,387
University of Southern Maine	66.129	SNEP-08	26,257	28,475
Purdue University	66.511	16200038-031	—	78,380
Environmental Protection Agency total			26,257	136,242
National Aeronautics and Space Administration:				
Other Research	43.000	Direct	—	149,272
Jet Propulsion Laboratory	43.000	1549766	—	67,050
Johns Hopkins University Applied Physics Laboratory, LLC.	43.000	110619	—	14,607
Smithsonian Astrophysical Observatory	43.000	SV1-21009	—	9,723
University of Arizona	43.000	546247	—	32,681
University of Arizona	43.000	570406	—	145,703
University of Maryland – College Park	43.000	23913-Z6927002	—	27,563
Subtotal			—	446,599

BROWN UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Federal grantor/pass-through grantor/program or cluster title	Assistance Listing number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Science	43.001	Direct	\$ 332,413	2,747,587
Jet Propulsion Laboratory	43.001	1662786	—	21,517
Jet Propulsion Laboratory	43.001	1664492	—	9,956
Jet Propulsion Laboratory	43.001	1668996	—	32,926
Jet Propulsion Laboratory	43.001	1672951	—	45,984
Smithsonian Astrophysical Observatory	43.001	SV1-21003	—	10,230
Smithsonian Astrophysical Observatory	43.001	SV8-88013	—	10,683
Universities Space Research Association	43.001	02282-03	—	7,283
Universities Space Research Association	43.001	02298-01	—	22,886
University of California, Riverside	43.001	S-001475	—	22,665
University of Hawaii – Manoa	43.001	MA1681	—	45,756
University of Idaho	43.001	SP4662-880966	—	5,402
University of Washington	43.001	UWSC11750	—	77,913
Subtotal	43.001		332,413	3,060,788
Aeronautics	43.002	Direct	56,558	208,775
Office of Stem Engagement (OSTEM)	43.008	Direct	154,702	1,027,660
National Aeronautics and Space Administration total			543,673	4,743,822
National Endowment for the Arts & Humanities:				
Promotion of the Humanities Division of Preservation and Access	45.149	Direct	—	—
Promotion of the Humanities Research	45.161	Direct	3,145	35,747
University of Wisconsin, Madison	45.161	213405499	—	52,184
National Leadership Grants	45.312	Direct	8,908	29,359
National Endowments for the Arts & Humanities total			12,053	117,290
National Science Foundation:				
Engineering Grants	47.041	Direct	36,350	1,831,262
COVID-19 – Engineering Grants	47.041	Direct	—	92,791
Boston University	47.041	4500004161	—	59,472
Theromics, Inc.	47.041	843766427003	—	37,318
University of Pennsylvania	47.041	575402	—	33,925
Yale University	47.041	GR105152 (CON-80001605)	—	126,642
Subtotal			36,350	2,181,410
Mathematical and Physical Sciences	47.049	Direct	240,071	11,014,844
Brandeis University	47.049	402430	—	(651)
Brandeis University	47.049	GR404040	—	81,630
University of Notre Dame	47.049	QuarkNet Program – PHY1806631	—	3,700
University of Pennsylvania	47.049	583087	—	35,617
University of Utah	47.049	10055084-S1	—	169,643
Subtotal			240,071	11,304,783

BROWN UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Federal grantor/pass-through grantor/program or cluster title	Assistance Listing number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Geosciences	47.050	Direct	\$ 55,777	3,407,355
COVID-19 – Geosciences	47.050	Direct	—	64,624
Columbia University	47.050	86C(GG009393-04)	—	23,114
University of Southern California	47.050	90703474	—	9,173
Subtotal			<u>55,777</u>	<u>3,504,266</u>
Computer and Information Science and Engineering	47.070	Direct	2,659	3,847,810
Computing Research Association	47.070	CIF2020-BU-04	—	103,542
Computing Research Association	47.070	CIF2020-BU-24	—	131,119
Subtotal			<u>2,659</u>	<u>4,082,471</u>
Biological Sciences	47.074	Direct	1,254,471	4,003,962
University of Alabama, Birmingham	47.074	000527304-SC001	—	17,825
Subtotal			<u>1,254,471</u>	<u>4,021,787</u>
Social, Behavioral, and Economic Sciences	47.075	Direct	26,297	929,015
COVID-19 – Social, Behavioral, and Economic Sciences	47.075	Direct	—	4,685
Brandeis University	47.075	GR403848	—	1,093
Regents of the University of Minnesota	47.075	H007399002	—	4,678
Subtotal			<u>26,297</u>	<u>939,471</u>
Education and Human Resources	47.076	Direct	90,657	849,431
American Association of Physics Teachers	47.076	MOU – AAPT	—	15,641
Council of Graduate Schools	47.076	1661272	—	(109)
President and Fellows of Harvard College	47.076	108162-5112184	—	125,707
Vassar College	47.076	1525691.1	—	(200)
Subtotal			<u>90,657</u>	<u>990,470</u>
Polar Programs	47.078	Direct	—	52,417
Office of International Science and Engineering (OISE)	47.079	Direct	16,429	58,932
CRDF Global	47.079	R-202104-67710	—	93,729
Subtotal			<u>16,429</u>	<u>152,661</u>
University of Rhode Island	47.081	0005916-101617 – PO# 0000128824	—	471,239
Office of Integrative Activities	47.083	Direct	411,517	1,052,857
Dartmouth College	47.083	R896	—	51,920
University of Idaho	47.083	IMK400-SB-001	—	48,406
University of Rhode Island	47.083	0005916-101617 – PO# 0000128824	—	17,900
University of Rochester	47.083	416751-G	—	40,189
Subtotal			<u>411,517</u>	<u>1,211,272</u>
National Science Foundation total			<u>2,134,228</u>	<u>28,912,247</u>
Research and Development Cluster total			<u>38,970,232</u>	<u>214,581,029</u>

BROWN UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Federal grantor/pass-through grantor/program or cluster title	Assistance Listing number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Student Financial Assistance Cluster:			\$	
Department of Education:				
Federal Supplemental Educational Opportunity Grants	84.007	Direct	—	1,016,187
Federal Work-Study Program	84.033	Direct	—	1,123,108
Federal Perkins Loan Program (note 3)	84.038	Direct	—	10,770,184
Federal Pell Grant Program	84.063	Direct	—	4,987,404
Federal Direct Student Loans (note 3)	84.268	Direct	—	37,431,240
Teacher Education Assistance for College and Higher Education Grant (TEACH Grants)	84.379	Direct	—	7,544
Department of Education total			—	55,335,667
Department of Health and Human Services:				
Health Professions Student Loans, Including Primary Care-Loans/Loans for Disadvantaged Students (note 3)	93.342	Direct	—	401,954
Department of Health and Human Services total			—	401,954
Student Financial Assistance Cluster total			—	55,737,621
Other Federal Awards:				
Corporation for National and Community Service:				
State of Rhode Island Department of Education	94.006	2725-20902-001	—	(1,524)
State of Rhode Island Department of Education	94.006	2725-20902-907	—	(3,668)
State of Rhode Island Department of Education	94.006	2725-20902-801	—	(12,384)
Rhode Island Commission for National and Community Services	94.013	17VSARI002	—	33,931
Corporation for National and Community Service total			—	16,355
Department of Education:				
State of Rhode Island Department of Education	84.287C	2725-16602-830	—	(2,186)
State of Rhode Island Department of Education	84.287C	2725-16602-820	—	(14)
ONE Neighborhood Builders	84.287C	2019-1	—	70,477
Subtotal			—	68,277

BROWN UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

<u>Federal grantor/pass-through grantor/program or cluster title</u>	<u>Assistance Listing number</u>	<u>Direct award or pass-through entity identifying number</u>	<u>Passed through to subrecipients</u>	<u>Total federal expenditures</u>
COVID-19 – Higher Education Emergency Relief Funds – Student Portion	84.425E	Direct	\$ —	6,320,704
COVID-19 – Higher Education Emergency Relief Funds – Institutional Portion	84.425F	Direct	—	6,297,222
Higher Education Emergency Relief Funds total			—	12,617,926
Department of Education total			—	12,686,203
Department of Energy	81.049	Office of Science Financial Assistance Program	—	40,310
Department of Energy total			—	40,310
Department of Interior:				
Preservation of Japanese American Confinement Sites	15.933	Direct	—	140,305
Department of Interior total			—	140,305
National Aeronautics and Space Administration:				
National Aeronautics and Space Administration – Other Research	43.000	Direct	—	18,416
National Aeronautics and Space Administration total			—	18,416
National Endowment for the Arts & Humanities				
Promotion of the Humanities Office of Digital Humanities	45.169	Direct	—	96,093
Laura Bush 21st Century Librarian Program	45.313	Direct	—	56,602
Museums for America	45.301	Direct	—	24,302
National Endowment for the Arts & Humanities total			—	176,997
National Archives and Records Administration				
National Historical Publications and Records Grants	89.003	Direct	—	24,997
National Historical Publications and Records Grants total			—	24,997
Other Programs total			—	13,103,583
United States Department of Homeland Security				
COVID-19 – Rhode Island Emergency Management Agency	97.036	4505DR-RI	—	30,153,714
United States Department of Homeland Security total			—	30,153,714
Total Expenditures of Federal Awards			\$ 38,970,232	313,575,947

See accompanying notes to supplementary schedule of expenditures of federal awards.

BROWN UNIVERSITY

Notes to Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

(1) Basis of Presentation

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

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

(2) Significant Accounting Policies

For purposes of the Schedule, expenditures for federal award programs are recognized as incurred using the accrual method of accounting and the cost accounting principles. Under these cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Expenditures under the research and development cluster include facilities and administrative (F&A) cost recoveries, relating primarily to facilities operation and maintenance; facilities and equipment depreciation; and general, divisional, and departmental administration services, which are charged to applicable federal grants under negotiated rates agreed to with DHHS, the University's federal cognizant agency. The University has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

(3) Federal Student Financial Assistance

Student Loan Programs

The Federal Perkins Loan and Health Professional Student Loan programs are administered directly by the University and balances and transactions relating to these programs are included in the University's financial statements. Loan activities and balances consist of the following:

	Federal CFDA number	Balance as of June 30, 2021	Loans issued	Payments received and other adjustments	Balance as of June 30, 2022
Perkins Loan Program	84.038	\$ 10,770,184	—	(3,042,039)	7,728,145
Health Professions Student Loans (HPSL)	93.342	373,954	28,000	(223,066)	178,888
Totals		\$ <u>11,144,138</u>	<u>28,000</u>	<u>(3,265,105)</u>	<u>7,907,033</u>

BROWN UNIVERSITY

Notes to Supplementary Schedule of Expenditures of Federal Awards
Year ended June 30, 2022

Congress did not renew the Federal Perkins Loan Program after September 2017 and the transition period permitting disbursements ended June 30, 2018. Therefore, no new loans have been awarded after September 2017 and the University will continue to service outstanding loans throughout the repayment period. For the year ended June 30, 2022, the University did not recover an administrative cost allowance under the Federal Perkins Loan Program.

Federal Direct Loans

Federally guaranteed loans awarded to students of the University during the year ended June 30, 2022 are summarized as follows:

Subsidized Stafford Loan Program	\$	1,966,250
Unsubsidized Stafford Loan Program		21,654,025
PLUS Loan Program		<u>13,810,965</u>
Total	\$	<u><u>37,431,240</u></u>

The University is responsible only for the performance of certain administrative duties relating to Federal Direct Loans and, accordingly, these loans are not included in the University's financial statements. It is not practical to determine the balances of loans outstanding to students of the University under this program as of June 30, 2022.



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Providence, RI 02903

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 President and Corporation
Brown University:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Brown University (the University), which comprise the University's balance sheet as of June 30, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 21, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Providence, Rhode Island
October 21, 2022



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

Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

The President and Corporation
Brown University:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS,



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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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



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

We have audited the financial statements of the University as of and for the year ended June 30, 2022, and have issued our report thereon dated October 21, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2022 is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 2022 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2022 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 financial statements or to the 2022 financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the 2022 financial statements as a whole.

KPMG LLP

Providence, Rhode Island
March 26, 2023

BROWN UNIVERSITY
Schedule of Findings and Questioned Costs
Year ended June 30, 2022

(1) Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether financial statements were prepared in accordance with U.S. GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(s) identified? _____ Yes X None reported

Noncompliance material to the financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal program:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(s) identified? _____ Yes X None reported

Type of auditors' report issued on compliance for major federal program: Unmodified

Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of Major Programs

Name of federal program/cluster	ALN numbers
Research and Development	Various
COVID-19 Higher Education Emergency Relief Fund	84.425E and 84.425F
COVID-19 - Rhode Island Emergency Management Agency	97.036

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low risk auditee? X Yes _____ No

(2) Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards

None.

(3) Findings and Questioned Costs Relating to Federal Awards

None.