



Bridgewater State University

Virtual Commons - Bridgewater State University

Comprehensive Annual Financial Report

Office of Fiscal Affairs

6-2020

Comprehensive Annual Financial Report for Bridgewater State University for the fiscal year ended June 30 in 2019 and 2020

Office of Fiscal Affairs, Bridgewater State University

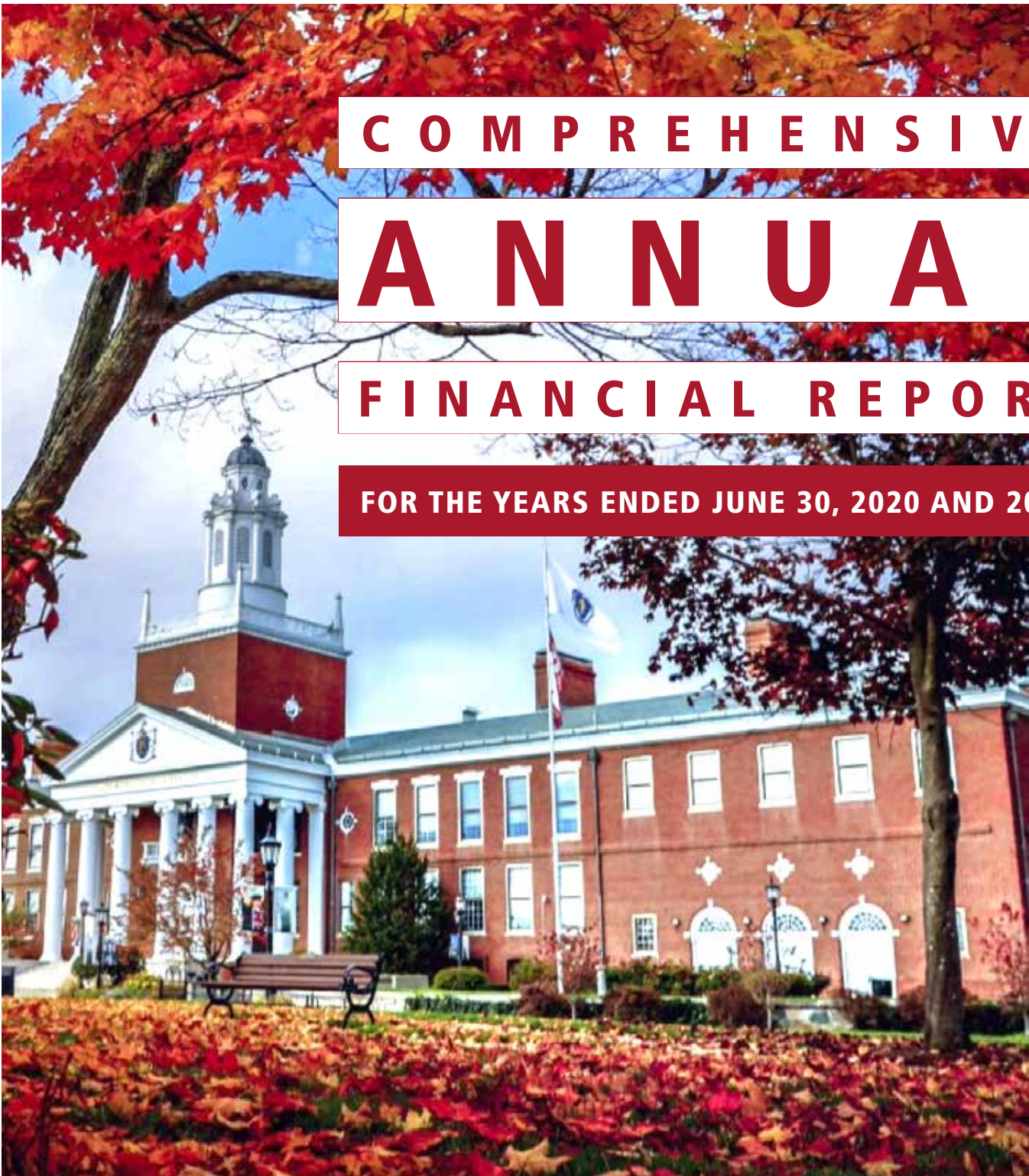
Follow this and additional works at: <https://vc.bridgew.edu/cafr>

Recommended Citation

Office of Fiscal Affairs, Bridgewater State University (2020). Comprehensive Annual Financial Report for Bridgewater State University for the fiscal year ended June 30 in 2019 and 2020. In *Comprehensive Annual Financial Report*. Paper 2.

Available at: <https://vc.bridgew.edu/cafr/2>

This item is available as part of Virtual Commons, the open-access institutional repository of Bridgewater State University, Bridgewater, Massachusetts.



C O M P R E H E N S I V E

A N N U A L

F I N A N C I A L R E P O R T

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

PREPARED BY THE OFFICE OF FISCAL AFFAIRS,
BRIDGEWATER STATE UNIVERSITY

Included in the State University Fund, and Enterprise Fund
of the Commonwealth of Massachusetts



BRIDGEWATER STATE UNIVERSITY
BRIDGEWATER, MA



COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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

Prepared by the Office of Fiscal Affairs, Bridgewater State University

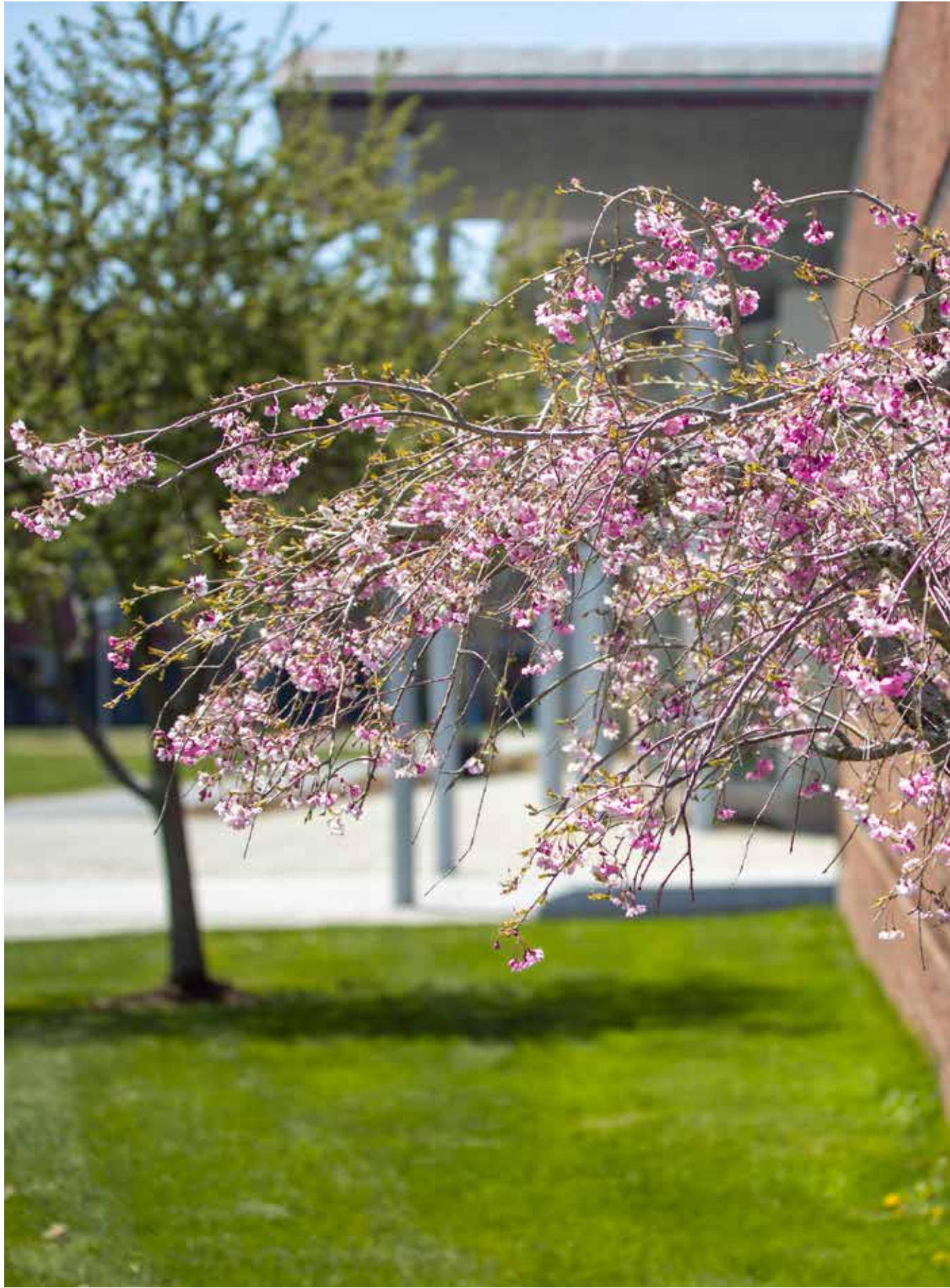


TABLE OF CONTENTS

INTRODUCTORY SECTION

President's Letter	I
Letter of Transmittal	2-II
Bridgewater State University Board of Trustees	13
Organizational Chart	14
Certificate of Achievement for Excellence in Financial Reporting	15

FINANCIAL SECTION

Independent Auditors' Report	18-19
Management's Discussion and Analysis	21-42
Basic Financial Statements:	
Statements of Net Position	44-45
Statements of Revenues, Expenses and Changes in Net Position	46
Statements of Changes in Net Position	47
Statements of Cash Flows	48-49
Combining Statements of Net Position of Major Component Units	50-51
Combining Statements of Revenues and Expenses of Major Component Units	52
Notes to Financial Statements:	
Note 1 – Summary of Significant Accounting Policies	54-62
Note 2 – Prior Period Adjustment	62
Note 3 – Cash and Cash Equivalents	63
Note 4 – Cash Held by State Treasurer	63
Note 5 – Restricted Cash and Equivalents	63
Note 6 – Investments – Component Units	64-65
Note 7 – Fair Value Measurements – Component Units	65
Note 8 – Accounts Receivable, Net	66
Note 9 – Contributions Receivable – Component Units	66
Note 10 – Capital Assets	67-68
Note 11 – Unearned Revenues	68
Note 12 – Deferred Inflows of Resources – Service Concession Arrangement	68
Note 13 – Long-Term Liabilities	69-72
Note 14 – Pension Plan	72-77
Note 15 – Postemployment Benefits Other Than Pensions (OPEB)	77-83
Note 16 – Restricted Net Position	84
Note 17 – Contingencies	84-85
Note 18 – Operating Expenses	85
Note 19 – Interest Expense	85
Note 20 – Massachusetts Management Accounting and Reporting System	85-86
Note 21 – State Controlled Accounts	86
Note 22 – Fringe Benefits for Current Employees and Post Employment Obligations – Pension and Non-pension	87
Note 23 – Pass-through Loans	87
Note 24 – Massachusetts State College Building Authority	88

TABLE OF CONTENTS

Required Supplementary Information to the Financial Statements:

Schedule of the University’s Proportionate Share of the Net Pension Liability	92
Schedule of the University Contributions – Net Pension	93
Notes to Schedule of the University’s Proportionate Share of the Net Pension Liability and Schedule of University Contributions	94-95
Schedule of the University’s Proportionate Share of the Net OPEB Liability	96
Schedule of the University Contributions – Net OPEB.	97
Notes to Schedule of the University’s Proportionate Share of the Net OPEB Liability and Schedule of University Contributions	98

STATISTICAL SECTION

Schedule of Revenues by Source	106-107
Schedule of Expenses by Use	108-109
Schedule of Expenses by Function	110
Schedule of Net Position and Changes in Net Position	111
Schedule of Ratios of Outstanding Debt.	112
Admissions, Enrollment and Degree Statistics	113-118
Average Annual Tuition and Fees	119-120
Faculty and Staff Statistics.	121
Schedule of Capital Asset Information.	122
Fall Residence Hall Occupancy – For the Last Ten Years	123
Labor Force Estimates by Workforce Area	124
Labor Force Estimates by Workforce City and Town	125
Demographic Statistics for the Commonwealth of Massachusetts	126
Largest Employers for the Commonwealth of Massachusetts.	127
Largest Employers of Brockton Area	128
Academic Subject Areas and Degrees Offered Fall 2017	129

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	132-133
---	---------



FALL 2019

FRESHMAN CLASS





BRIDGEWATER

STATE UNIVERSITY

INTRODUCTORY SECTION

BRIDGEWATER STATE UNIVERSITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT

The University was the recipient of

\$8,833,662

in Higher Education Emergency Relief Funds (HEERF) as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES)



C A R E S A c t

As someone who lives in a single-parent home, a situation like this pandemic is extremely difficult and has people like me questioning whether we can even keep our house.



**THE STUDENT EMERGENCY
FUND IS A BLESSING.**

— Anonymous B&U student

50% - \$4,416,831

will be disbursed directly to students affected by the COVID-19 crisis as emergency grants through an application process.



December 21, 2020

Dear Friends,

We are pleased to present the Comprehensive Annual Financial Report for Bridgewater State University (BSU) for the fiscal year ended June 30, 2020. The audit report conveys an unmodified opinion of the university's financial statements.

The fiscal year ended June 30, 2020 was unlike any other in recent history. The watchword for BSU was adaptation. As a result of the COVID-19 pandemic, the university moved all of its classes to online instruction, its academic and other student support services to remote delivery, and most of its staff to telecommuting within a matter of two weeks. The institution's prior and ongoing investments in technology enabled BSU to efficiently and effectively shift its service delivery model.

The pandemic posed significant fiscal challenges to the university. BSU provided billing adjustments (credits and refunds) of \$9.3 million in unused residence hall, dining and parking costs in the spring semester 2020 and overall anticipated a \$13.1 million dollar pandemic-related revenue shortfall versus budget projections for FY20.

The University was the recipient of \$8.8 million in Higher Education Emergency Relief Funds (HEERF) as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES), of which half is required to be provided directly to students affected by the COVID-19 crisis as emergency grants and the remaining half to support the University's lost revenue. As of June 30, 2020, we disbursed \$834,476 to assist 926 students, with individual grant amounts ranging from \$150 to \$3,600 through a need-based application process. The University intends to distribute the remainder of emergency funds to students during fiscal year 2021.

In light of the high levels of uncertainty engendered by the pandemic, the university secured Board of Trustees authorization to withdraw up to \$7 million from our reserves to cover anticipated deficits. However, with the \$4.4 million cash infusion of the institutional portion of the federal stimulus funds and through effective campus-wide budget management, BSU was able to mitigate most of the lost revenue in the fiscal year. Strong summer enrollment, prudent management of resources, a hiring pause, and savings realized from a new cost-based dining services contract negotiated earlier in the year all contributed to bridging the gap.

In the spring, the university convened a Safe Return Task Force, comprised of more than 100 members of the BSU community, charged with thoroughly examining the many complex issues involved in safely returning students, faculty and staff to the BSU campus in the fall of 2020. The resulting comprehensive plan covered all aspects of university life, including teaching and learning, residence hall occupancy and dining, testing and contact tracing, safety, cleaning and public health protocols, and financial, academic and physical and mental health supports for students. BSU's conservative approach has proven to be very effective, enabling the university to progress with the fall semester without disruption and protect teaching and learning and those who provide and support it to the maximum extent possible. BSU is well positioned to manage through the ongoing challenges of the pandemic while preserving its strong financial position.

Finally, even in the midst of managing through the pandemic crisis, Bridgewater State University has kept its eye on the long-term by developing and investing in strategies to strengthen the institution's competitive position, including:

- Implementing new and effective recruitment strategies, including unveiling a new university website designed to strengthen recruitment, making new investments in College of Graduate Studies marketing and recruitment, and adapting our spring admitted students and student orientation sessions to virtual formats, and developing innovative in-person and online admissions tours and open houses in the fall;
- Developing new academic programs aligned with critical needs in the marketplace, including securing approval for a B.S. in photonics and optical engineering, and initiating new master's degree programs in social work and cybersecurity;
- Expanding and taking to scale innovative retention strategies targeting at-risk populations of students and rolling out a new chatbot that can deliver retention-related information and answer student questions in real time;
- Making significant new investments in financial aid (BSU has grown its internally funded financial aid and scholarships by more than 41% in the last 5 years).
- Positioning the university for the launch of a major capital campaign in 2021.

While BSU has not been immune to the pressures generated by the pandemic, it has persevered in providing our students with access to world-class learning opportunities in the safest manner possible and at a cost they can afford through careful stewardship of our resources.

Sincerely,

Frederick W. Clark Jr., Esq.
President

LETTER OF TRANSMITTAL

December 21, 2020

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

We are pleased to present to you the Comprehensive Annual Financial Report for Bridgewater State University for the year ended June 30, 2020. The audit report appears in the Financial Section and conveys an unmodified opinion on the university's financial statements.

MANAGEMENT RESPONSIBILITY

This Comprehensive Annual Financial Report contains the financial statements for the fiscal year ending June 30, 2020, as well as other useful information for the university's constituents. Management assumes full responsibility for the completeness and reliability of the information contained within this report. We believe that to the best of our knowledge, the data contained herein is presented fairly and accurate in all material respects.

This report was based upon the established internal controls of the university. The university's internal controls ensure that the financial information of the university is reasonable and free of material misstatements. Internal control provides reasonable assurance against fraud and misappropriation. The cost of internal controls implemented should not exceed the anticipated benefits. The internal control plan identifies and summarizes department-wide risks and associated controls to mitigate those risks which can be broadly defined in four categories: student life, safety, capital assets/facilities and financial resources.

This letter of transmittal should be read in conjunction with the Management's Discussion and Analysis (pages 21-42), which focuses on current activities, accounting changes and currently known facts.

The university's financial statements reflect the reporting standard issued by the Governmental Accounting Standards Board. Further, this Comprehensive Annual Financial Report contains all disclosures necessary for a reader to gain an understanding of the university's financial operations for the fiscal year ending June 30, 2020.

PROFILE OF THE UNIVERSITY

Founded by American public education pioneer Horace Mann in 1840, Bridgewater State University has grown from its first home – a single room in the basement of Bridgewater Town Hall – to become the largest of the nine Massachusetts state universities and the third largest of the 29 public college and university campuses and the tenth largest overall, public or private – in the commonwealth. The 272-acre campus is home to 43 academic, administrative and residential buildings.

With an enrollment of approximately 11,000 students, Bridgewater State University provides opportunity to residents of the region and the commonwealth through a myriad of academic programs and innovative learning experiences inside and outside the classroom. The University's academic programs (36 undergraduate majors and 80 graduate programs) are housed and administered through its six colleges: the College of Education and Health Sciences; the College of Graduate Studies; the College of Humanities and Social Sciences; the Louis M. Ricciardi College of Business; the Bartlett College of Science and Mathematics; and the College of Continuing Studies. Despite the transformation of the campus over the past two decades and growth in student population, Bridgewater State University remains committed to small class sizes and extraordinary teaching and mentoring by a world-class faculty with full-time faculty numbers of 361, representing a net gain of 109 since Fall 2002. Bridgewater serves a student population of which 96 percent of undergraduate and 92 percent of graduate hail from Massachusetts. More than 50

percent of Bridgewater undergraduates represent the first generation of their families to attend college. Bridgewater affords students of all ages and backgrounds access to a variety of opportunities for learning and personal growth such as undergraduate research (which is nationally ranked by the Council on Undergraduate Research), international study, service learning and participation in an array of social justice initiatives. Bridgewater's commitment to student success has earned national recognition (ranked 9th in the nation by The Education Trust for simultaneously closing achievement gaps while improving graduation and retention rates for all students) as the University enjoys a six-year graduation rate of 61 percent, well above the national average for its mission class, and a freshman-sophomore retention rate of 77 percent. These impressive numbers don't end there. Bridgewater graduates historically have had among the highest first-time CPA exam pass rates of any university in Massachusetts. All the while, Bridgewater continues as one of the most prolific educators of new preK-12 teachers in the Commonwealth and readies more science and mathematics teachers annually than any institution in Massachusetts.

Alumni and friends have contributed a significant amount of support for faculty and student research, a myriad of undergraduate and graduate scholarships/internships, international study opportunities and award-winning publications. These private investments complement growing levels of public support for the institution. Donations, capital assets and re-invested earnings totaled \$54.3 million as of June 30, 2020.

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

Together, these developments have combined to strengthen the university's academic mission and expand its public service role. They were built on a series of initiatives that trace back to 1960, a watershed year in the life of the institution when a full-scale transition from an exclusively teacher-training institution to a comprehensive liberal arts university began.

Until that time, the university had been relatively small – approximately 500 students – but enjoyed a national and international reputation for excellence in teacher preparation. The preparation of the next generation of quality teachers remains a top priority for Bridgewater State University, as evidenced by the institution's 50-plus years of continuous accreditation by the National Council for Accreditation of Teacher Education.

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

In fiscal year 2011, the start of the 171st academic year, marked the institution's official transition to Bridgewater State University. A renaming ceremony held on the steps of Boyden Hall capped the day, replete with 4,000 guests, a dais full of dignitaries, and a flyover by the university's own aircraft. A special guest was then sitting Governor Deval Patrick, who had signed the bill into law on July 28, officially changing the institution's name to Bridgewater State University.

Bridgewater State University is considered to be a part of the State of Massachusetts' primary entity. The funds for Bridgewater State University are included in the Comprehensive Annual Financial Report of the State of Massachusetts. The University is a state-supported, coeducational institution of higher education and is governed by an 11-member board of trustees under the chairmanship of Eugene Durgin. The board is a blend of veterans and future leaders forming a uniquely diversified, yet coherent mix dedicated to advancing the mission of public higher education.

July 1, 2015 marked the start of Frederick Clark, Jr., Esq.'s presidency and with the turning of the fiscal calendar came the opening of a new chapter in the history of Bridgewater State University. With a steadfast commitment to offering accessible public higher education and enhancing student success, Frederick Clark, Jr., Esq. officially became the 12th president in the 175 year history of Bridgewater State University. President Clark's inauguration was held on September 1, 2015, when he was sworn into office by Governor Charlie Baker. A lawyer by profession,

and a 1986 graduate of Suffolk University School of Law, Mr. Clark had served for a decade as executive officer of the Massachusetts State Universities' Council of Presidents, where he represented the commonwealth's nine state universities in governmental, legislative and public policy issues. He has been on public higher education governing boards as well, most recently with the Massachusetts Board of Higher Education (2007-2008) and, prior to his career in public higher education, on the university's Board of Trustees and the Bridgewater State University Foundation, Inc.

September 9, 2015 marked the university's official 175th anniversary. Bridgewater State University's history began in 1840 as a pioneering institution of the American Normal School Movement, the Bridgewater Normal School.

Since 1840 the university has grown from 28 students being served in a basement of town hall to what it is today. The university commemorated its 175 years of service as an agent of social justice and solidified its focus for a new era. The university remains to be the oldest permanent sited teacher preparation institution in the United States.

MAJOR INITIATIVES AND ACHIEVEMENTS

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

Under the leadership of President Fred Clark, Bridgewater State University has implemented a unique strategic planning process with a central focus on student success and achievement. This planning process is unique both in its design and in its time horizon. The design of the planning process is based on a nested planning model.

The University model includes an institutional plan; a divisional level plan; and college, departmental, and program level plans. In addition, the model allows for formalization of policies and procedures that inform the decision-making process going forward.

The nested design model allows us to have increased inclusion that was absent prior to this particular plan.

The institutional level plan was informed through the involvement of various stakeholders through the use of ninety listening tours, a student micro-climate survey, and an electronic strengths survey of our faculty, librarians, and staff.

The design is also unique in its time horizon. BSU has undertaken the initial planning process with the intent that it become continuous in nature. The plan will have a ten-year time horizon, with review cycles every three years. This means that BSU will always be working towards the goals and objectives set out at all levels of the strategic planning process. It also means that we, as an institution and community, will continue to evolve and grow based on the needs of our stakeholders and continued assessment of our internal and external environmental opportunities and challenges. This plan will be dynamic and inclusive rather than static and will be a "living" document rather than a placeholder.

Bridgewater State University's primary purpose is to advance student success. Using the Board of Higher Education's "Vision Project" and its guiding principles, we will work together to ensure we live up to and fulfill our purpose.

For 175 years, BSU has remained steadfast in advancing higher education in Southeastern Massachusetts. Through the strategic planning process, we are prepared to move ahead with our mission, while evolving with the future of higher education. The Bridgewater State University Strategic Plan builds from our foundation and history while preparing us for continued growth and success.

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

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

Each year, more than 1,000 students participate in internships offered by the university in collaboration with the Bridgewater State University Foundation; the campus community provides nearly \$1 million in volunteer service to the region; and more than 750 students participate in the University's research symposium as well as many national and regional research conferences.

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

In Spring 2015 Bridgewater State University was named by the Council on Undergraduate Research (CUR) as one of 59 top programs in the nation "leading the way" in supporting student participation at the National Conference on Undergraduate Research. The university provides a significant number of students with an opportunity to present their work at the National Conference on Undergraduate Research, the leading national venue for the presentation of student research.

CUR awarded its 2019 Campus-Wide Award for Undergraduate Research Accomplishments (AURA) to Bridgewater State University on January 24, 2020 at the CUR Executive Board reception during the annual meeting of the Association of American Colleges and Universities in Washington, D.C. Now in its fifth year, the AURA award draws on CUR's Characteristics of Excellence in Undergraduate Research (COEUR) which outlines criteria for exceptional undergraduate research, scholarship, and creative activity programs.

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

On July 1, 2012, the university signed an Asset Purchase and Sale Agreement to purchase eleven aircraft, ten of which were already being leased by the institution, demonstrating the university's ongoing commitment to the aviation program. The flight-training program in New Bedford also sponsors the Aviation Career Education (ACE) Summer Camp. This is a weeklong exploration of air travel featuring instruction from experienced pilots, behind-the-scenes airport tours and real and simulated flights. The ACE Camp is available for junior and senior high school students in Southeastern Massachusetts. The ACE Summer Camp is presented in partnership with the Aviation Science Department at Bridgewater State University and the Federal Aviation Administration (FAA). In February 2014, the university earned accreditation status from the Aviation Accreditation Board International (AABI). The AABI accreditation advances quality aviation education worldwide through accreditation and leadership. The accreditation assures students and prospective employers that an educational degree program has met stringent industry standards of quality and that graduates can perform a broad range of professional responsibilities. In September 2014, the university formed a new venture with JetBlue and Cape Air giving students a more definitive path to the cockpit. The JetBlue University Gateway Program takes the best aviation students and helps with training and mentoring, eventually setting them squarely on the path to fly first for Cape Air and then JetBlue. The university is the seventh institution to be taken aboard. In June 2016, the university signed an agreement with Cape Air that established a post-graduate co-op program for the aviation students. The co-op students, if accepted, will train to become and serve as first officers on Cape Air flights. During 2016 the university unveiled a refurbished flight simulator which mimics a multi-engine plane that can fly into any airport and in any weather. The refurbished simulator is a necessary tool for aviation majors on the multi-engine track. In June 2020, the university acquired two additional aircrafts, a Cessna 172R and Cessna 172SP increasing BSU's total fleet to thirteen.

In August 2019, BSU received a Skills Capital Equipment grant from the Commonwealth of Massachusetts for \$299,000 to support the acquisition of planes, new flight instruction simulators and to upgrade plane avionics. BSU is collaborating with local high schools to develop early college and career pathway aviation programs.

Through the extensive information technology and distance education resources available at the university, including the John Joseph Moakley Center for Technological Applications, the university made technology an integral component of teaching and learning on campus, and is a regional center for the enhancement of teaching through technology for PreK-12 teachers and university faculty. In May 2015, the university was named as an Apple Distinguished Program from Apple, Inc. Five years ago, the university issued Apple iPads to all full-time faculty and more than 1,600 students in the College of Education and Allied Studies. The impact of technology in the classroom increases student motivation to learn and enriches classroom education. Apple recognized the university's iPad initiative as a distinguished program for demonstrating an innovative and compelling learning environment that engages students and provides tangible evidence of academic accomplishment. During 2018 Apple representatives were on campus to present the College of Education and Allied Studies with its second Distinguished School Award. The award is given to schools using Apple technology in innovative ways. The College of Education and Allied Studies has retained its designation as an Apple Distinguished School. The honorific speaks to Bridgewater State University's commitment to staying ahead of the technological curve. The designation is reviewed every two years; BSU is one of only a handful of institutions in the United States admitted into the program.

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

On September 26, 2015, the university renamed our Institute for Social Justice after the youngest victim of the 2013 Boston Marathon bombings, Martin Richard. Martin's parents met at Bridgewater State University and graduated as members of the class of 1993. The renaming ceremony included unveiling the Martin Richard sculpture and was held at Bridgewater's University Park to commemorate Martin's life and his message of peace.

In June 2020, President Clark announced the formation of a Special Presidential Task Force on Racial Justice to act on many fronts against racial injustice and in support of equity and inclusion. He appointed three chairs, each of whom has been deeply involved in matters of racial justice and equity and plans to include representation from students, staff, faculty and alumni as well. The university will dedicate the entire 2020-2021 academic year to this critical issue, as there is no higher priority on our campus than building a more inclusive and equitable BSU. Through this important initiative, the university is re-committing ourselves to bold action that puts into practice our values of diversity, inclusion and equity for all.

In December 2015, the university was noted for closing the achievement gap in a report published by the Education Trust. The university's commitment to student success earned national attention with a ranking on The Education Trust Top-Gaining Four-Year Public Institutions list. The university achieved results in improving graduation rates for all undergraduate students while closing the achievement gap experienced by students from a range of under-represented groups utilizing a two-pronged approach that included implementing data-driven interventions focused on supporting the success of all students in addition to the use of high-impact practices including paid student internships, first- and second-year seminars and programs such as writing across the curriculum.

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

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

In Fall 2016 the special education program at Bridgewater State University earned a top-ten national ranking from Teacher.org. In its annual Best Colleges in Education Special Education rankings, Teacher.org used graduation rates, size of program, default rates and affordability as part of its criteria as it analyzed more than 400 colleges and universities across the nation that offer special education degrees. Through its College of Education and Health Sciences, the university offers special education degrees at both the bachelor's and master's degree levels and, in the Teacher.org ranking, was rated sixth in the nation. Bridgewater State University, the largest preparer of special education teachers in Massachusetts, public or private, was the only institution from Massachusetts to receive recognition from the 2016 Teacher.org's ranking for Best Colleges for Special Education.

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

Under President Clark's leadership in 2018 Bridgewater State University was named the "Fifth Safest Campus in the United States" and placed first in the Commonwealth of Massachusetts by the National Council for Home Safety and Security (NCHSS). Subsequently, according to a 2020 analysis of FBI and U.S. Department of Education data compiled by the organization YourLocalSecurity, Bridgewater State University was cited as the "Fourth Safest Higher Education Institution in the United States" and ranked first in New England. The organization praised Bridgewater State University for increasing the number of blue light emergency telephones and utilizing the Rave Guardian app. The university has taken several steps in the last few years to increase campus safety. During 2020, Bridgewater became the first higher education institution in Massachusetts, and second nationally to unify all emergency notification systems. This one-button approach alerts the campus community of an emergency more quickly.

In summer 2019, for the fourth consecutive year, the university hosted an elite group of Africa's brightest emerging public administrators through the Young African Leaders Initiative established by President Obama. For the 2019-2020 program Bridgewater State University was the only Massachusetts university partner to host this program. The university was one of two institutions in New England and twenty-seven institutions nationwide to be selected to host the Mandela Washington Fellowship program for Young African Leaders. The flagship program was launched in 2010 to support Young African leaders as they spur growth and prosperity, strengthen democratic governance, and enhance peace and security across Africa.

During the fiscal year ended June 30, 2019, the university implemented new and more effective recruitment strategies, including the shift to the Common Application, development of a new virtual tour, and an enhanced presence on Naviance (a high school college search platform), resulting in BSU achieving its largest incoming class in its history. Implementation of the Common Application resulted in a significant increase in freshman applications received during 2019 compared to prior years, as presented within the Freshman Applied, Accepted and Enrolled for the Last Ten Years within the Statistical Section on page 114 of this report.

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

On November 21, 2019, CONNECT partnership held its first Legislative Gathering and Awards Dinner at Bridgewater State University. In recognition of their service to the region and advocacy for public higher education, Senator Michael Rodrigues and Representative David Vieira were named 2019 Distinguished Legislators. More than 60 local legislators, trustees, and guests from CONNECT campuses attended this inaugural event. In addition to the awards, a panel discussion entitled “Celebrating CONNECT Student Successes” featured students who transferred between CONNECT institutions. The students shared their stories, and each emphasized the necessity of affordability and access to higher education, the challenges they have faced along the way, and the value and opportunities they’ve experienced through public higher education in Southeastern Massachusetts.

During this fiscal year, BSU was awarded a \$1.4 million state grant from the Massachusetts Manufacturing Innovation Initiative to obtain equipment to support a photonics engineering program. This grant coupled with an investment of approximately \$600,000 in lab and classroom renovations will enable the Bartlett College of Science and Mathematics to offer BSU’s first engineering degree. We just received approval from the Massachusetts Board of Higher Education in October 2020, for our undergraduate degree program in optical engineering.

LONG-TERM FINANCIAL PLANNING

The university budgets annually an addition of \$1 million to the long-term reserve account to offset any economic down turns.

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

As a result of the intense planning process, the university has identified and prioritized strategic goals:

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

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

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

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

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

Strategic decisions are made based on the universities above goals.

With the global outbreak of the novel corona virus (COVID-19), this fiscal year has been unlike any other. On March 21, 2020, BSU transitioned to remote learning and significantly reduced the resident hall operations. Over \$9.3 million were refunded to students for unused residence, dining and parking fees previously collected for the spring 2020 semester. The Coronavirus Aid, Relief and Economic Security Act (CARES Act) created a relief fund for institutes of higher education. The CARES Act provided grants to BSU of approximately \$8.8 million of which 50% could benefit the institution and 50% required to be provided as emergency grants directly to students. With the CARES Act grants and cost savings efforts, BSU was able to mitigate most of the lost revenue in the fiscal year ended June 30, 2020.

Due to the global pandemic, multiple factors have emerged that may impact future periods. The University has continuously assessed and monitored the health issues resulting from COVID-19. This assessment resulted in the decision to continue to deliver most academic programs online for the Fall, 2020 semester. The online decision resulted in reduced occupancy in the residence halls. This was not unwelcome based on the University’s ability to better create physical distancing in the residential experience.

This reduced occupancy and the resulting Resident Life Trust Fund and Dining Trust Fund revenue decline was partially mitigated by refinancing/refunding of existing debt held by the Massachusetts State College Building Authority College (MSCBA). This action eliminated/reduced payments assessed to the University by MSCBA for fiscal year 2021. These assessment savings, which will provide some additional relief in fiscal year 2022, will not continue into future years after fiscal year 2022. Accordingly, occupancy in the residence halls is an important factor impacting future periods. The university has typically experienced occupancies of 96% to 100%. The Fall, 2020 occupancy is approximately 40%. Returning to prior occupancy levels will be a significant focus of BSU post-pandemic.

FINANCIAL POLICIES AND ABSTRACTS OF FINANCIAL INFORMATION

The university's focus on programs supporting a student centered environment are best illustrated by observing that there have been significant increases in instruction, student services, academic support, scholarships and auxiliary services since 2015 while expenses for institutional support and the operation and maintenance of plant have either decreased or remained relatively stable for the same time period (excluding the impact of the government accounting standards board implementation standards for carrying the pension liability and the net other postemployment benefit obligations).

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

A series of student billing practices were implemented and completed in 2018. The changes aligned the university's payment and collection processes with industry best practices, including a required student financial responsibility agreement and more timely collection procedures. Implementing the modifications to the student billing practices has resulted in a reduction of approximately \$1.3 million of the net receivable balances presented in the June 30, 2020 financial statements as compared to June 30, 2017.

At June 30, 2020 the university's deposits were fully insured and collateralized, with the exception of the amounts held by the Massachusetts Municipal Depository Trust.

The university's unrestricted net position has been adversely impacted by the implementation of GASB 68, Accounting and Financial Reporting for Pensions and GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB). The impacts have been so significant that the university began including ratio analysis in its financial statements' Management's Discussion and Analysis presentation summarizing the impact on various ratios including and excluding the impact of the pension and net OPEB standards. BSU has limited control over these net long-term obligations as the Commonwealth of Massachusetts controls these statewide plan offerings, funding requirements, investment decisions and actuarial determinations.

The university's unrestricted net position continued to be adversely impacted in the sixth year of implementation of GASB 68. GASB 68 requires all participating entities in a multiple employer cost-sharing defined benefit plan, such as the Commonwealth's State Employee Retirement System (SERS), to record their proportionate share of the plan's Net Pension Liability (NPL) along with related deferrals and pension expense. Bridgewater State University, as part of the department and enterprise funds of the Commonwealth, was required to record our allocated share of the pension plan's NPL, deferrals, pension expense and make certain footnote and required supplementary information disclosures in our financial statements.

The university's unrestricted net position continued to be adversely impacted in the third year of implementation of GASB 75. GASB 75 requires all participating entities in the Commonwealth's employer defined benefit OPEB plan, the State Retirees' Benefit Trust, to record their proportionate share of the plan's net OPEB liability along with related deferrals and OPEB expense. Bridgewater State University, as part of the department and enterprise funds of the Commonwealth of Massachusetts, was required to record our allocated share of the net OPEB liability, deferrals, OPEB expense and make certain footnote and required supplementary information disclosures in our financial statements.

This resulted in a reduction of the unrestricted net position by \$9.3 million during fiscal year ended June 30, 2020. During 2020, the net pension liability increased by \$872 thousand from \$60.0 million in to \$60.9 million. The impact to net position was offset by an increase in deferred inflows of \$1.0 million and a decrease in deferred outflows of \$4.2 million. Since the initial implementation in 2015 the pension liability has grown by \$35.0 million, from \$25.0 million in 2015 to \$60.9 million in 2020.

During 2020, the net OPEB liability decreased by \$16.5 million from \$131.4 million in to \$114.8 million. The impact to net position was offset by an increase in deferred inflows of \$19.1 million and a decrease in deferred outflows of \$3.6 million. Since the initial implementation in 2018 the pension liability has grown by \$8.8 million, from \$106.0 million in 2018 to \$114.8 million in 2020.

Page 22 of the Management's Discussion and Analysis summarizes the composition of the university's net position deficit and the impact from the implementation of GASB 75 and 68.

OTHER INFORMATION

INDEPENDENT AUDIT

The university is audited annually by O'Connor & Drew, P.C. to ensure proper internal controls and compliance with applicable laws and regulations. The audit is conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

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

ACCREDITATIONS AND CERTIFICATION

Bridgewater State University is accredited by the New England Commission of Higher Education (NECHE), through its Commission on Institutions of Higher Education. The university completed a comprehensive self-study in preparation for a NECHE accreditation team visit and review of the institution, which occurred in November 2012. On June 28, 2013, the university was notified by the Commission on Institutions of Higher Education that Bridgewater State University would be continued in accreditation.

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

AWARDS AND ACKNOWLEDGEMENTS

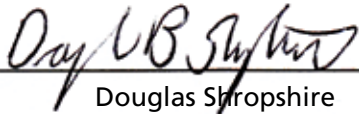
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bridgewater State University for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the twelfth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

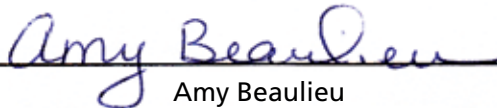
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

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



Douglas Shropshire
Vice President of Finance



Amy Beaulieu
Associate Vice President of Finance



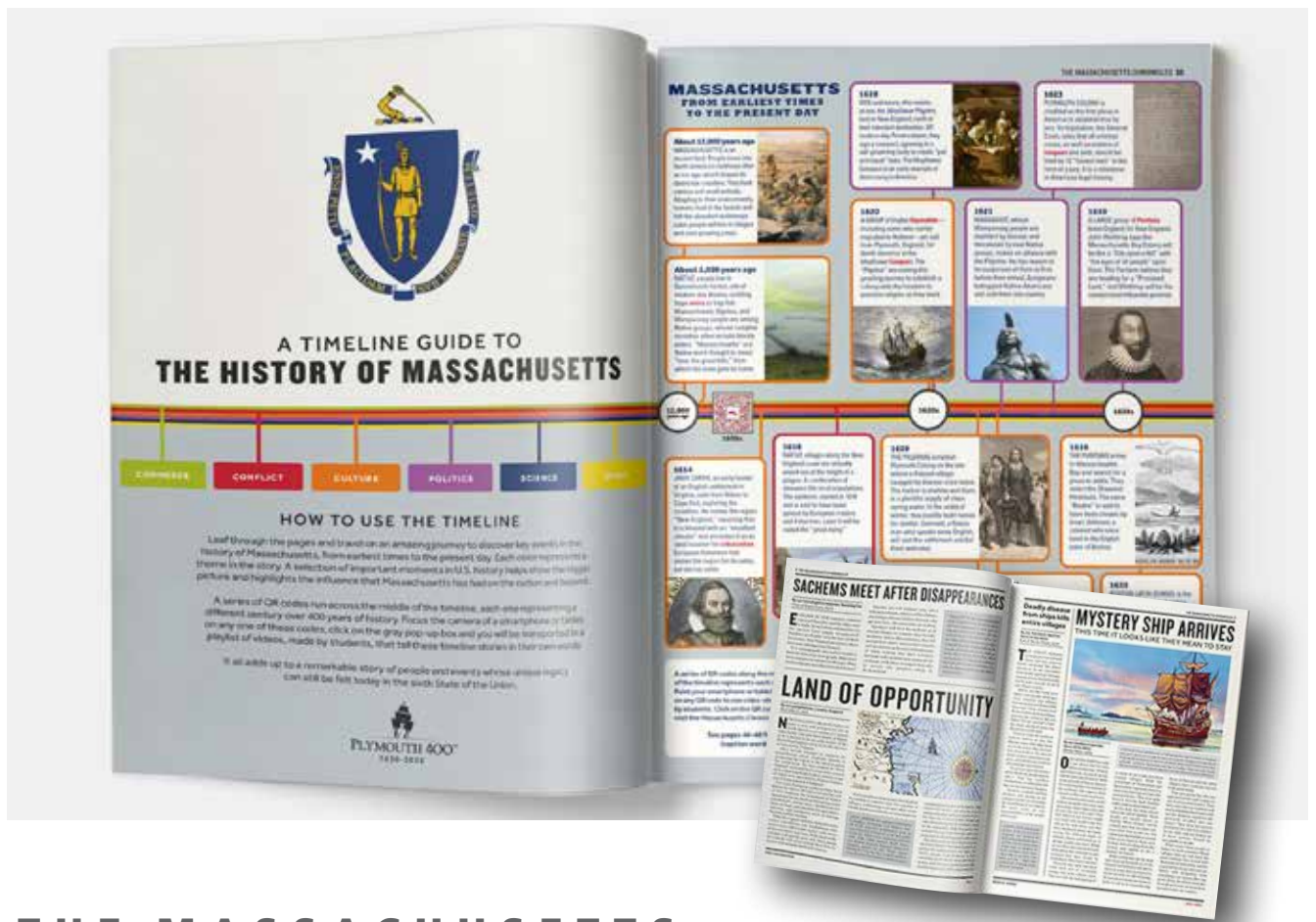
Rachel Goodwin
Comptroller



Jennifer Dias
Assistant Comptroller



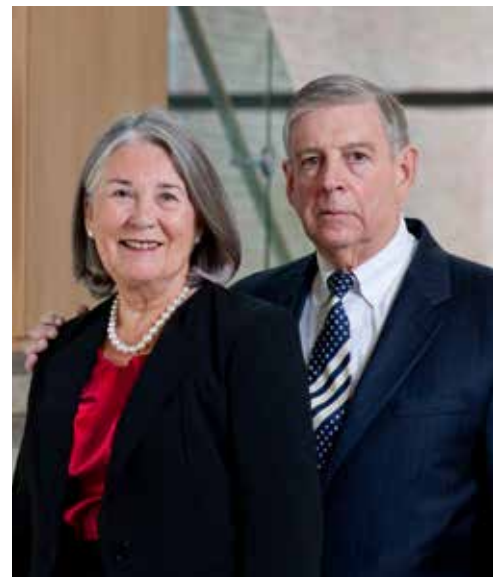
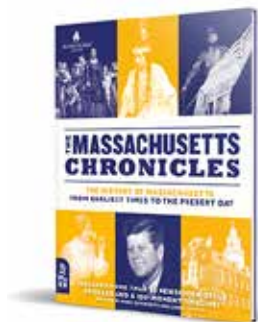
Anna Rae
Assistant Director, Accounting & Reporting



THE MASSACHUSETTS CHRONICLES

The university collaborated on a state history book with focus on inclusion, the Massachusetts Chronicles features more than 60 newspaper-style stories covering the 1613 Wampanoag ceremonies marking the coming of spring, the region's resiliency after the Boston Marathon bombings, and many other events.

The Massachusetts Chronicles is a new book and approach for learning state history developed in conjunction with Plymouth 400, Bridgewater State University, and other partners. A class set of the book of newspaper-style articles is being distributed to schools across the state thanks to the generosity of philanthropists and alums Bruce R. Bartlett, '68 and Patricia A. Bartlett, '67.



**BRIDGEWATER STATE UNIVERSITY
BOARD OF TRUSTEES**

AUGUST 2020

Eugene J. Durgin Jr., *Chairman*

Jean MacCormack, EdD, *Vice Chairperson*

Davede Alexander, *Secretary*

Margaret A. Caulfield, Esq. '00

F. Scott Longo, '89

Carolyn V. Turchon, '62

Geri Denterlein

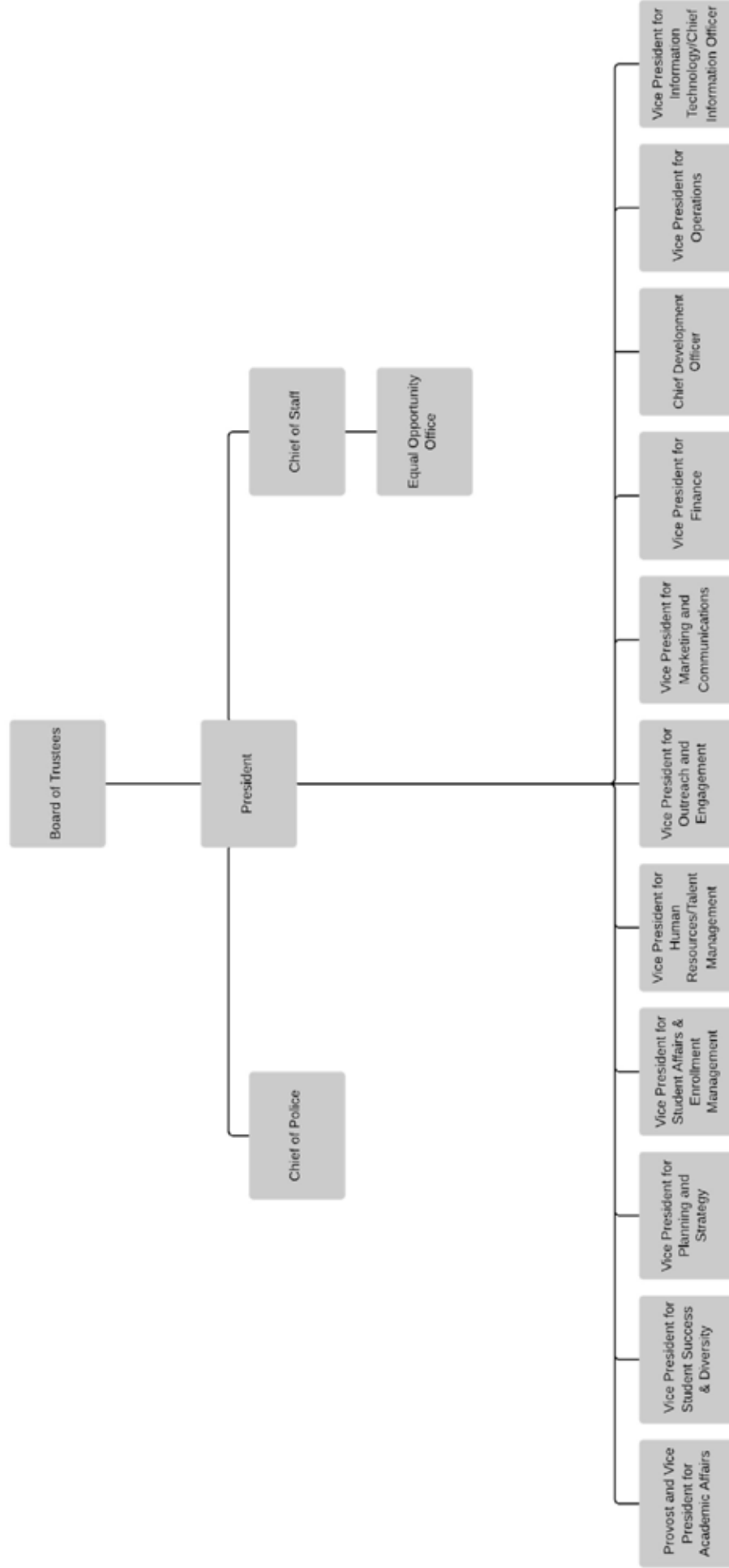
Edward Murphy, PhD

Mark L. Oliari

Angela Pimental, '00

Anna Grady, '19, *Student Trustee*

President's Division August 2020



View text version of chart.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Bridgewater State University
Massachusetts**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



MASCAC CHAMPIONS

MEN'S CROSS COUNTRY AND INDOOR TRACK & FIELD

The men's cross country and men's indoor track & field teams each captured MASCAC Championships. Third straight for the men's indoor track & field team.

For the first time since 2012, the Bridgewater State Bears are the MASCAC Men's Cross Country Champions after racing at the conference championship at Moore State Park in Paxton, Mass.

For the third straight year, Bridgewater State wins the Massachusetts State Collegiate Athletic Conference Men's Indoor Track and Field Championship which was contested on the campus of Smith College.





BRIDGEWATER

STATE UNIVERSITY

FINANCIAL SECTION

BRIDGEWATER STATE UNIVERSITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT



INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Bridgewater State University
Bridgewater, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented major component units of Bridgewater State University (a component of the Commonwealth of Massachusetts) (the "university"), as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the university's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective net position of Bridgewater State University and its discretely presented major component units as of June 30, 2020 and 2019, and the respective changes in net position and, where applicable, cash flows, combining statements of net position of major component units and combining statements of revenues, expenses and changes in net position of major component units for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the university restated prior balances with regards to the university's Other Postemployment Benefits liability and the related deferred inflows and outflows. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages the schedule of the university's proportionate share of net pension liability on page 90, the schedule of the university's contributions - Net pension on page 93, the notes to the required supplementary information - Net pension on page 92-93, the schedule of the university's proportionate share of net OPEB liability on page the schedule of the university's contributions - Net OPEB on page and the notes to the required supplementary information - Net OPEB on page be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Schedules

Our audits were conducted for the purpose of forming opinions of the university's basic financial statements. The supplemental schedules listed in the accompanying table of contents, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2020, on our consideration of the university's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the university's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the university's internal control over financial reporting and compliance.

O'Connor and Duen, P.C.

Certified Public Accountants
Braintree, Massachusetts

November 23, 2020



Christian Santos, '20 Undergraduate Research and Honors student ambassador is featured above. Christian was mentored by Dr. Sarah Soltau (Chemical Sciences). His Adrian Tinsley Program (ATP) research was on an antibiotic-resistant form of tuberculosis. To better understand the mechanism of tuberculosis infection and how to inhibit drug resistance, Christian studied the interaction of two proteins that feature in the development of new antibiotics.

UNDERGRADUATE RESEARCH

When it comes to undergraduate research programs, Bridgewater State University can now say it offers one of the best in the country.

The Council of Undergraduate Research (CUR) presented BSU with the Award for Undergraduate Research Accomplishments (AURA) on January 2020 in Washington D.C. This annual award recognizes institutions with exemplary programs that provide high-quality research experiences for undergraduates.

BSU Assistant Provost Jenny Shanahan said the recognition from CUR is an incredible honor. "The award letter cites the very priorities we have pursued at BSU: diversity, inclusion, equity in the transformation practice of undergraduate research, across every department and program," she said. "I'm filled with pride in our student-researchers and faculty mentors whose work is among the highest quality produced in any college or university anywhere. This award is for each of them."



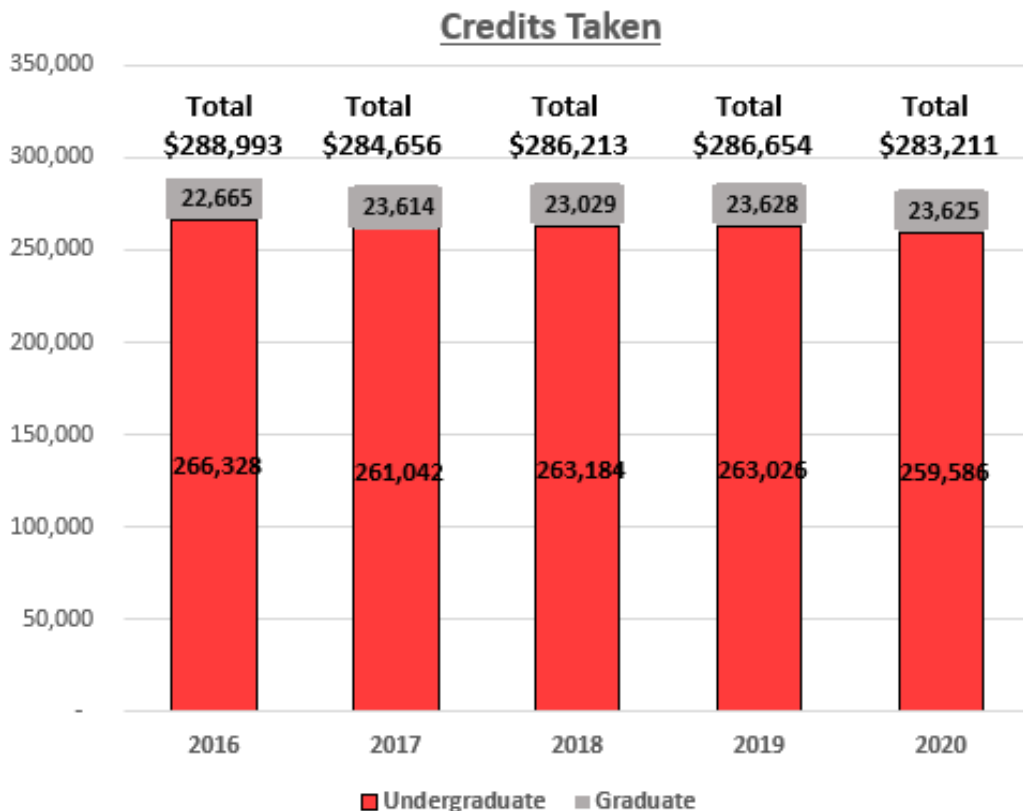
BRIDGEWATER STATE UNIVERSITY
(An Agency of the Commonwealth of Massachusetts)

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

The following discussion and analysis offers readers of Bridgewater State University's (the "university" or "BSU") annual financial report a narrative overview of the financial position and activities of the university and its component units as of and during the fiscal year ended June 30, 2020. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with the financial statements and footnotes. The financial statements, footnotes and this discussion are the responsibility of management.

The university is a comprehensive public four-year institution with approximately 11,000 undergraduate and graduate students. The university is the largest of the nine Massachusetts state universities and the third largest of the 29 public college and university campuses in the Commonwealth of Massachusetts (the "Commonwealth"). Founded in 1840 by Horace Mann, the university is home to the nation's oldest permanently sited teacher-preparation program and is one of the most prolific generators of new teachers, training more science and math teachers than any institution in the Commonwealth. Today, the university offers a broad range of graduate and undergraduate degree programs through its six colleges (Louis M. Ricciardi College of Business, College of Education and Health Sciences, College of Humanities and Social Sciences, Bartlett College of Science and Mathematics, College of Continuing Studies and College of Graduate Studies). The university awarded 2,563 degrees last year, a 25% increase over the last ten years and instructed over 283,000 credits as demonstrated in the following chart.



View text version of chart.

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

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

Financial Highlights

The university's financial position, at June 30, 2020 includes assets of \$223.0 million, deferred outflows of resources of \$44.0 million, liabilities of \$235.1 million and deferred inflows of resources of \$37.5 million. Net position, which represents the residual interest in the university's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and may serve over time as a useful indicator of the university's financial position, decreased \$12.8 million in fiscal year 2020 to a negative \$5.6 million at June 30, 2020. The negative net position is attributed to the impact of the accounting requirements of both GASB 68 (pension obligation accounting) and GASB 75 (postemployment benefits other than pension obligation accounting).

The university's component units financial position remained positive at June 30, 2020 with assets of \$56.6 million and liabilities of \$2.3 million. The university's component units recognized a net asset decrease of \$306 thousand to \$54.3 million, a 0.6% decrease in total net assets. Despite an uncertain market, the net assets, which are primarily investment assets, remain constant.

Accordingly, the combined financial position of the university and component units reflects assets of \$279.6 million, deferred outflows of resources of \$44.0 million, liabilities of \$237.4 million, deferred inflows of resources of \$37.5 million and combined net position of \$48.7 million at June 30, 2020.

The reduction in the university's unrestricted net position was primarily due to the impact of the accounting requirements of both GASB 68 and GASB 75. BSU has limited control over these net long-term obligations as the Commonwealth of Massachusetts controls these statewide plan offerings, funding requirements, investment decisions and actuarial determinations. The impact of the change in these obligations resulted in a decrease of BSU's net position of approximately \$12.3 million. Accordingly, the unrestricted net position of the university would have increased by \$3.0 million before the accounting for these net obligations due to managing university expenditures within the provided student and public revenue support.

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

	2020	2019	2018
		Restated	
Beginning unrestricted net position	\$ (132,996,141)	\$ (120,214,077)	\$ (112,941,364)
Ending unrestricted net position	(142,273,113)	(132,996,141)	(120,214,077)
Change in unrestricted net position	<u>\$ (9,276,972)</u>	<u>\$ (12,782,064)</u>	<u>\$ (7,272,713)</u>
Decrease in net position related to Pension - GASB 68	(6,127,656)	(5,812,634)	(4,635,844)
Decrease in net position related to net OPEB - GASB 75	(6,135,100)	(9,883,378)	(6,020,559)
	(12,262,756)	(15,696,012)	(10,656,403)
Increase in net position from all other sources	\$ 2,985,784	\$ 2,913,948	\$ 3,383,690
Change in unrestricted net position	<u>\$ (9,276,972)</u>	<u>\$ (12,782,064)</u>	<u>\$ (7,272,713)</u>

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

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

Overview of the Financial Statements

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

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

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

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

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

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

The *Statements of Changes in Net Position* presents information showing how the university's net position changed during the most recent fiscal year.

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

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

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

Overview of the Financial Statements (Continued)

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

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

Financial Analysis of the University

With the global outbreak of the novel corona virus (COVID-19), this fiscal year has been unlike any other. On March 21, 2020, BSU transitioned to remote learning and significantly reduced the resident hall operations. Over \$9.3 million were refunded to students for unused residence, dining and parking fees previously collected for the spring 2020 semester. The Coronavirus Aid, Relief and Economic Security Act (CARES Act) created a relief fund for institutes of higher education. The CARES Act provided grants to BSU of approximately \$8.8 million of which 50% could benefit the institution and 50% required to be provided as emergency grants directly to students. With the CARES Act grants and cost savings efforts, BSU was able to mitigate most of the lost revenue in the fiscal year ended June 30, 2020.

Bridgewater State University realized a decrease of \$12.8 million to net position in fiscal year 2020. This decrease was attributable to OPEB expense of \$6.1 million due to the continued application of GASB 75, *Postemployment Benefits Other Than Pensions*, \$6.1 million due to the continued application of GASB 68, *Accounting and Financial Reporting for Pensions*, as well as \$10.0 million of depreciation expense. These reductions were offset by capital asset additions, reduction of debt, capital appropriations, as well as effective budget management of operating costs.

The university realized a decrease of \$14.9 million to net position in fiscal year 2019. This decrease was attributable OPEB expense of \$9.9 million due to the continued application of GASB 75 and pension expense of \$5.8 million due to the continued application of GASB 68, as well as \$10.2 million of depreciation expense.

The university realized a decrease of \$11.0 million to net position in fiscal year 2018. This decrease was attributable to OPEB expense of \$6.0 million due to the application of GASB 75, pension expense of \$4.6 million due to the continued application of GASB 68, as well as \$10.1 million of depreciation expense.

Over time, increases or decreases in net position is one indicator of the improvement or erosion of the university's financial health when considered with non-financial facts such as enrollment levels and the condition of the facilities. We have displayed several comparisons in our financial statements with and without the GASB 68 and GASB 75 impacts to demonstrate a clearer financial picture. A portion of Bridgewater State University's net position represents scholarships and grants that are subject to external restrictions on how they must be used.

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

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

Financial Analysis of the University (Continued)

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

Primary Reserve Ratio

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

<u>University and Component Units - Combined</u>			<u>University and Component Units – Combined (Without the Impact of Pension and Net OPEB)</u>		
2020	2019 Restated	2018	2020	2019 Restated	2018
(49.37%)	(44.08%)	(40.32%)	27.28%	26.20%	24.00%

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

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

Financial Analysis of the University (Continued)

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

	2020	2019	2018
		<i>Restated</i>	
Current assets	\$ 64,853,645	\$ 59,515,214	\$ 50,349,374
Capital assets	157,846,728	156,043,332	160,498,913
Non-current assets	<u>348,226</u>	<u>382,406</u>	<u>487,916</u>
 Total assets	 <u>223,048,599</u>	 <u>215,940,952</u>	 <u>211,336,203</u>
 Deferred outflows of resources	 <u>43,997,042</u>	 <u>51,851,099</u>	 <u>37,425,253</u>
 Current liabilities	 40,507,645	 30,914,309	 24,801,684
Non-current liabilities	<u>194,619,325</u>	<u>211,990,741</u>	<u>182,920,732</u>
 Total liabilities	 <u>235,126,970</u>	 <u>242,905,050</u>	 <u>207,722,416</u>
 Deferred inflows of resources	 <u>37,547,175</u>	 <u>17,730,665</u>	 <u>18,943,871</u>
 Net position:			
Net investment in capital assets	135,056,626	138,909,840	141,246,371
Restricted	1,587,983	1,242,637	1,062,875
Unrestricted	<u>(142,273,113)</u>	<u>(132,996,141)</u>	<u>(120,214,077)</u>
 Total net position	 <u>\$ (5,628,504)</u>	 <u>\$ 7,156,336</u>	 <u>\$ 22,095,169</u>

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

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

Financial Analysis of the University (Continued)

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

The increase in the current asset category when comparing 2019 to 2018 is mainly due to an increase in cash and cash equivalents from enhanced billing collection practices and increase in deposits held by state treasurer to fund accrued payroll including retroactive salary increases due to contract negotiations. Overall net accounts receivable increased primarily due to other receivables which included a receivable from the Commonwealth of Massachusetts of \$1.1 million for the state funded portion of retroactive salary increases and timing of grant receivables. Student accounts receivable decreased by \$111 thousand even though overall net tuition and fee revenue increased by \$2.4 million.

The increase in the current asset category when comparing 2018 to 2017 is mainly due to an increase in cash and cash equivalents from enhanced billing collection practices and increase in deposits held by state treasurer to fund accrued payroll including retroactive salary increases due to contract negotiations.

Current Ratio

An excess of current assets over current liabilities (the "current ratio") is a measure of liquidity and provides a buffer against future uncertainties. The current ratio is presented for the primary government and our component units. A ratio greater than 1 shows that the university could cover its current obligations with its most liquid assets. For 2020, combined current assets of \$66.3 million are sufficient to cover combined current liabilities of \$42.3 million, yielding a current ratio of 1.57. For 2019, combined current assets of \$60.0 million are sufficient to cover combined current liabilities of \$31.2 million, yielding a current ratio of 1.92. For 2018, the combined current assets of \$52.1 million were sufficient to cover combined current liabilities of \$25.1 million, which yielded a current ratio of 2.08. The increase in current liabilities in fiscal year 2020 is primarily due to an increase in unearned revenues from CARES funding and deferred capital appropriations.

Capital Assets

By far the largest portion of Bridgewater State University's net position reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt, including capital lease obligations, used to acquire those assets that are still outstanding. Bridgewater State University uses these capital assets to provide services to students, and support to faculty and administration; consequently, these assets are not available for future spending. Although Bridgewater State University's investment in its capital assets is reported net of related debt and accumulated depreciation, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities without legislative action. For more information relating to capital asset activity refer to Note 10 accompanying the basic financial statements.

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

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

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

Capital Assets (Continued)

As of June 30, 2020, 2019 and 2018, net capital assets were \$157.8 million, \$156.0 million and \$160.5 million, respectively. For the years ended June 30, 2020, 2019 and 2018, depreciation expense was \$10.0 million, \$10.2 million and \$10.1 million, respectively. Capital asset additions for the current fiscal year totaled \$11.9 million.

\$9.3 million of the \$11.9 million total capital asset additions during the year ended June 30, 2020 related to Construction in Progress for the following projects:

- DCAMM Campus-wide Electrical Infrastructure Upgrade of \$6,564,898
- Swenson Athletic Complex – Bear Paw Pavilion of \$883,657
- Rondileau Student Union – Window Replacement of \$645,884
- Conant Science – Photonics Lab of \$446,369
- Rondileau Student Union Improvements of \$275,999
- Art Center Accessibility of \$258,378
- Rondileau Student Union – Bear Sculpture of \$116,775
- Other improvements and renovations totaling \$97,370

The remaining \$2.6 million of the \$11.9 million total capital asset additions related to major purchases, renovations and projects that were considered completed.

The major items were comprised of the following:

- Photonics Equipment Purchases of \$746,808
- Rondileau Student Union Improvements of \$706,608
- Aircraft Acquisitions of \$412,035
- Art Center Parking Lot of \$181,042
- Boyden Hall Renovations – Accessibility of \$131,401
- Maxwell Library Renovations of \$109,516
- Other improvements and acquisitions totaling \$280,214

\$1.8 million represents projects that began in prior fiscal years that were completed in fiscal year 2020; this dollar amount was reclassified from Construction in Progress to capital assets subject to depreciation. The major items were comprised of the following:

- Rondileau Student Union Improvements of 1,234,110
- Boyden Hall Renovations – Chiller of \$393,838
- Flight Operations at New Bedford Airport of \$132,178
- Other improvements totaling \$26,361

In fiscal year 2019, capital asset additions totaled \$6.2 million. Major renovations and projects completed during fiscal year 2019, included Rondileau Student Union improvements of \$1,286,328, Art building improvements of \$846,686, IT server upgrades of \$612,316, DCAMM campus-wide electrical infrastructure upgrade of \$610,888, Rondileau Student Union window replacement of \$484,786 and Boyden Hall renovations of \$314,677.

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

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

Capital Assets (Continued)

In fiscal year 2018, capital asset additions totaled \$4.4 million. Major renovations and projects completed during fiscal year 2018 included Bears Den food service improvements totaling \$1,373,589, Boyden Hall roof replacement of \$251,652, Facilities condition assessment totaling \$206,900, Motorola public safety equipment of \$156,740, aircraft acquisitions of \$149,839 and Caterpillar wheel loader leased equipment of \$144,200.

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

For more information relating to capital asset activity refer to Note 10 accompanying the basic financial statements.

Long-Term Debt

The university has long-term debt obligations issued for various capital projects. The debt was issued through financing agreements with the Massachusetts Health and Educational Facilities Authority ("MHEFA"), now Mass Development, and the Massachusetts State College Building Authority ("MSCBA").

The university has \$7,850,000 of the Capital Asset Program issue, Series J-4 revenue bond issued by MHEFA/Mass Development to construct the Tinsley Center, with a maturity date of January 15, 2023. The bond has a variable interest rate, which was 6.5% and 6.45% at June 30, 2020 and 2019, respectively. MHEFA/Mass Development requires that the university maintain a debt service reserve fund held by a Trustee. The debt service reserve was \$118,586 and \$152,766 at June 30, 2020 and 2019, respectively. At June 30, 2020 and 2019, the balance on the bond was \$1,722,920 and \$2,287,482, respectively.

During fiscal year 2006, the university entered into a financing agreement with the MSCBA to construct a new parking lot. The source of financing the project was based upon the issuance of Project Revenue Bonds issued by MSCBA on behalf of the university (Series 2006A). Through its agreements with MSCBA, the university has an agreement to repay this debt in semi-annual installments, starting May 1, 2007 and ending May 1, 2026, at an annual variable coupon averaging 4.3%. MSCBA requires that the university maintain a debt service reserve fund. The 2006A Bond was refinanced by bond series 19C during the fiscal year, the maturity date remained unchanged. At June 30, 2020 and 2019, the debt service reserve was \$86,836. At June 30, 2020 and 2019, the balance on the bond was \$528,207 and \$573,359, respectively.

During fiscal year 2010, the university entered into a financing agreement with the MSCBA to renovate an athletic field. The source of financing the project was based upon the issuance of Project Revenue Bonds issued by MSCBA on behalf of the university (Series 2009B & 2009C). Through its agreements with MSCBA, the university has an agreement to repay this debt in semi-annual installments, starting May 1, 2011 and ending May 1, 2030, at an annual variable coupon averaging 4.6%. At June 30, 2020 and 2019, the balance on the bond was \$2,896,018 and \$3,134,956, respectively.

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

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

Long-Term Debt (Continued)

During fiscal year 2012, the university entered into a financing agreement with the MSCBA to redevelop an existing parking lot to construct green space to include pedestrian walkways. The source of financing the project was based upon the issuance of Project Revenue Bonds issued by MSCBA on behalf of the university (Series 2012A). Through its agreement with MSCBA, the university has an agreement to repay this debt in semi-annual installments, starting October 1, 2012 and ending May 1, 2032, at an annual variable coupon averaging 3.9%. At June 30, 2020 and 2019, the balance on the bond was \$685,559 and \$729,444, respectively.

During fiscal year 2013, the university entered into a financing agreement with the MSCBA to renovate the main entrances to the Rondileau Student Union. The source of financing the project was based upon the issuance of Project Revenue Bonds issued by MSCBA on behalf of the university (Series 2012C, as modified). Through its agreements with MSCBA, the university has an agreement to repay this debt in semi-annual installments, starting November 1, 2013 and ending February 21, 2032, at an annual variable coupon averaging 3.6%. At June 30, 2020 and 2019, the debt service reserve was \$79,335. At June 30, 2020 and 2019, the balance on the bond was \$3,637,694 and \$3,884,049, respectively.

During fiscal year 2015, the MSCBA authorized and issued a debt modification resulting in the transfer of \$3,680,000 of principal from the Rondileau Student Union project. The transfer of principal was to fund the construction of the Welcome Center building. The source of financing the project was based upon the issuance of debt modification by the MSCBA on behalf of the university (Series 2012C modification). Through its agreements with MSCBA, the university has an agreement to repay this debt in semi-annual installments, starting May 1, 2015 and ending May 1, 2032, at annual variable coupon averaging 3.6%. At June 30, 2020 and 2019, the debt service reserve was \$63,469. At June 30, 2020 and 2019, the balance on the bond was \$2,910,044 and \$3,107,374, respectively, including reserves and premiums.

Viability Ratio

The viability ratio measures one of the most basic determinants of clear financial health: the availability of expendable net assets to cover debt should the institution need to settle its obligations as of the balance sheet date. Expendable net position are those assets not required to be retained in perpetuity and are those assets available for operations. A ratio greater than 1.25 is recommended and would indicate, as of the balance sheet date, an institution has sufficient expendable net position to satisfy debt obligations. The table below shows the ratio computed for the primary government and our component units as well as the ratio calculated without the impact of the application of the GASB 68 pension and GASB 75 net OPEB standards.

<u>University and Component Units -</u>			<u>University and Component Units - Combined</u>		
<u>Combined</u>			<u>(Without the Impact of Pension and Net</u>		
<u>2019</u>			<u>OPEB)</u>		
<u>2020</u>	<u>Restated</u>	<u>2018</u>	<u>2020</u>	<u>Restated</u>	<u>2018</u>
(7.59)	(6.11)	(4.89)	3.96	3.38	2.77

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

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

Long-Term Debt (Continued)

Debt Burden Ratio

The debt burden ratio measures an institution's dependence on borrowed funds by comparing the level of debt service to total expenditures. In order to effectively manage resources, including debt, industry standards set the upper threshold for institutional debt burden at 7%. The debt burden ratio is presented for the primary government and our component units. As of June 30, 2020, 2019 and 2018, the debt burden has remained 1.1% for three years respectively.

For more information relating to long-term debt activity refer to Note 13 accompanying the basic financial statements.

Operating and Capital Lease Obligations

During fiscal year 2009, the university partnered with Bristol Community College in Attleboro to provide students with a pathway from a two-year associate's degree to a four-year bachelor's degree. The site acts as a degree completion center, where students who have earned college credits can continue to further their education. The university entered into a 20-year operating lease for exclusive right to use and occupy a portion of the property at 11 Field Road, Attleboro, Massachusetts. The payments cost the university approximately \$158,000 and \$156,000 for the fiscal years ended June 30, 2020 and June 30, 2019, respectively.

Also, in fiscal year 2009, the university established an FAA-certified Part 141 flight training program located at the New Bedford Regional Airport. The university's Part 141 Certificate provided the university full control of all flight and ground training operations. The result is a high-quality training program that provides our students with a comprehensive education in Aviation Science. The benefit of more tightly monitored, fast-tracked training is for piloting certificates and ratings that students will put to immediate use as professionals in aviation careers.

In conjunction with the establishment of the flight training program, in fiscal year 2009, the university entered into a 5-year operating lease agreement with the City of New Bedford for a 10,480 square foot building located in the New Bedford Airport to house to the university's flight school. In fiscal year 2014, the university extended the lease agreement with the City of New Bedford through May 2018. In 2019, the university negotiated a continuation of the lease and paid the City of New Bedford for one year through June 30, 2020. The University has executed an extension of the lease for one year through May 31, 2021. The payments cost the university approximately \$60,000 for the years ended June 30, 2020 and 2019.

During fiscal year 2018, the university entered into a 10-year operating lease agreement with Bridgewater State University Foundation, Inc. for 5,389 usable square feet of space at 26 Summer Street, Bridgewater, Massachusetts. The premises are used for the university's Institutional Advancement administrative offices. The payments cost the university \$60,000 for the fiscal years ended June 30, 2020 and June 30, 2019.

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

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

Operating and Capital Lease Obligations (Continued)

The university leases various energy improvements that were implemented throughout the campus in 2006. The improvements were considered to be a capital lease because the energy improvements were a tax-exempt lease purchase. The payments cost the university \$629,878 in principal and interest for the fiscal years ended June 30, 2020 and 2019. Capital lease assets, net of accumulated depreciation totaled \$3,654,824 and \$4,176,941 for the years ended June 30, 2020 and 2019. Capital lease obligations totaled \$3,582,100 and \$4,019,250 for the years ended June 30, 2020 and 2019, respectively.

During 2018, the university leased machinery and equipment which were considered to have met capital lease criteria. The payments cost the university \$17,734 for principal and interest for fiscal years 2020 and 2019. The capital lease ends in 2028. Capital lease assets, net of accumulated depreciation, totaled \$57,680 and \$86,520 for the years ended June 30, 2020 and June 30, 2019, respectively.

For more detailed information relating to operating and capital lease activity refer to Note 13 accompanying the basic financial statements.

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

	<i>2020</i>	<i>2019</i> <i>Restated</i>	<i>2018</i>
Operating revenues:			
Tuition and fees	\$ 116,055,084	\$ 114,269,850	\$ 111,057,593
Student financial aid (contra revenue)	(26,239,591)	(23,558,194)	(23,137,944)
Operating grants	24,848,570	23,029,402	21,621,193
Auxiliary enterprises	18,277,013	26,754,128	26,441,631
Other operating revenue	320,740	665,907	1,568,141
	<hr/>	<hr/>	<hr/>
Total operating revenues	133,261,816	141,161,093	137,550,614
Operating expenses:			
Instruction	82,919,590	80,252,755	74,638,309
Public service	2,420,144	2,623,570	2,876,939
Academic support	26,115,706	27,901,251	26,422,937
Student services	23,978,138	25,408,170	23,887,255
Institutional support	25,253,381	24,026,458	20,783,716
Operation and maintenance of plant	16,514,963	19,597,190	17,877,940
Scholarships and fellowships	10,243,910	9,197,097	9,033,031
Depreciation and amortization	9,990,722	10,235,666	10,126,813
Auxiliary enterprises	21,845,355	25,073,019	24,828,075
	<hr/>	<hr/>	<hr/>
Total operating expenses	219,281,909	224,315,176	210,475,015
	<hr/>	<hr/>	<hr/>
Net operating loss	\$ (86,020,093)	\$ (83,154,083)	\$ (72,924,401)

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

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

Financial Analysis of the University (Continued)

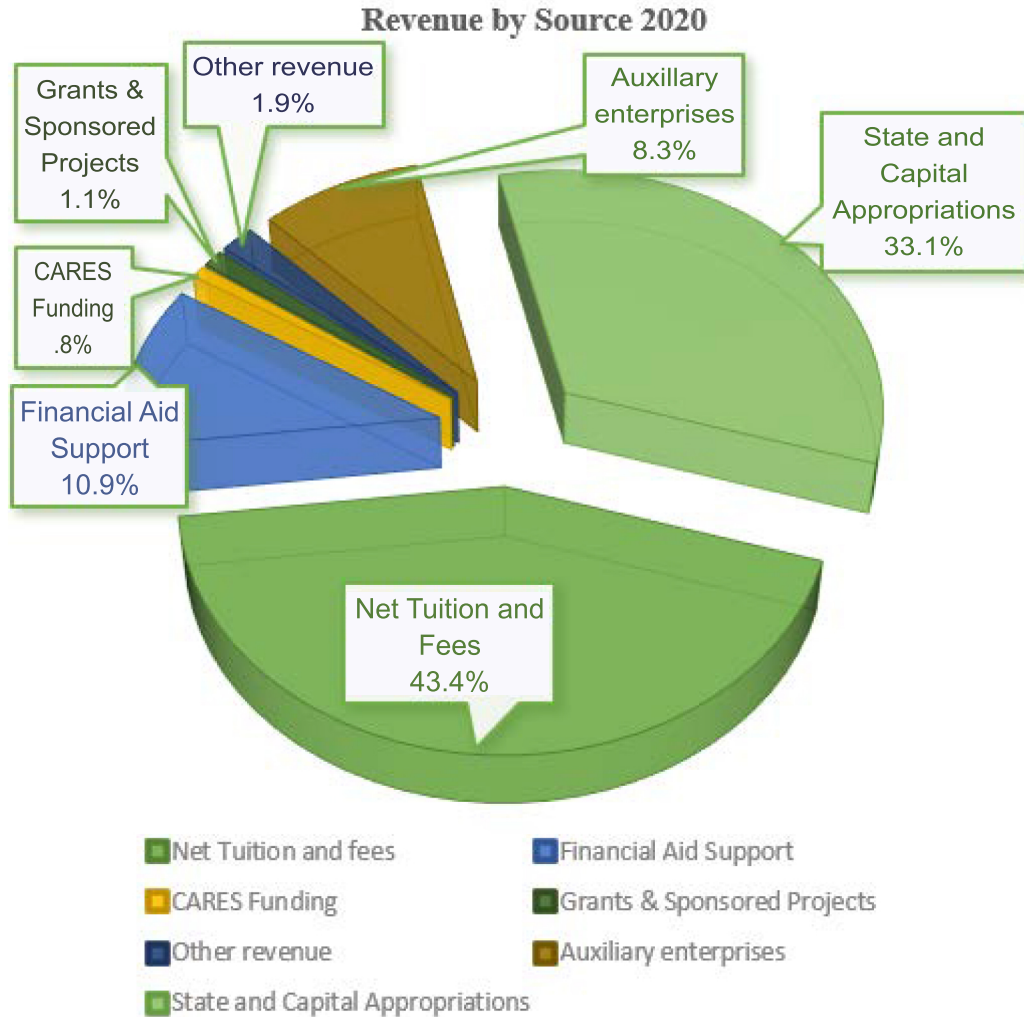
	<i>2020</i>	<i>2019</i> <i>Restated</i>	<i>2018</i>
Non-operating revenues (expenses):			
State appropriations, net	\$ 67,350,219	\$ 65,098,681	\$ 58,883,631
Gifts	1,902,763	1,279,525	1,282,307
CARES Act funds	1,668,952		-
Investment income	236,611	216,454	80,447
Interest expense	(561,181)	(620,695)	(721,117)
Other non-operating revenues (expenses)	<u>1,419,741</u>	<u>1,596,671</u>	<u>1,815,909</u>
Net non-operating revenues (expenses)	<u>72,017,105</u>	<u>67,570,636</u>	<u>61,341,177</u>
Net income (loss) before capital appropriations	(14,002,988)	(15,583,447)	(11,583,224)
Capital appropriations	<u>1,218,148</u>	<u>644,614</u>	<u>605,394</u>
Total increase (decrease) in net position	(12,784,840)	(14,938,833)	(10,977,830)
Net position, beginning of year	<u>7,156,336</u>	<u>22,095,169</u>	<u>33,072,999</u>
Net position, end of year	\$ <u>(5,628,504)</u>	\$ <u>7,156,336</u>	\$ <u>22,095,169</u>

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

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

Financial Analysis of the University (Continued)



Approximately 43.4% of the revenues are derived from tuition and fees, 33.1% are from state and capital appropriations, 8.8% are fees and other auxiliary revenues, 10.9% of revenues are derived from financial aid student support, 1.9% is other revenue which is comprised of gifts, investment income and other non-operating revenue, 1.1% is federal, state and private grants, and 0.8% of non-operating federal CARES funding recognized. See Note 20 for further detail on State and capital appropriations.

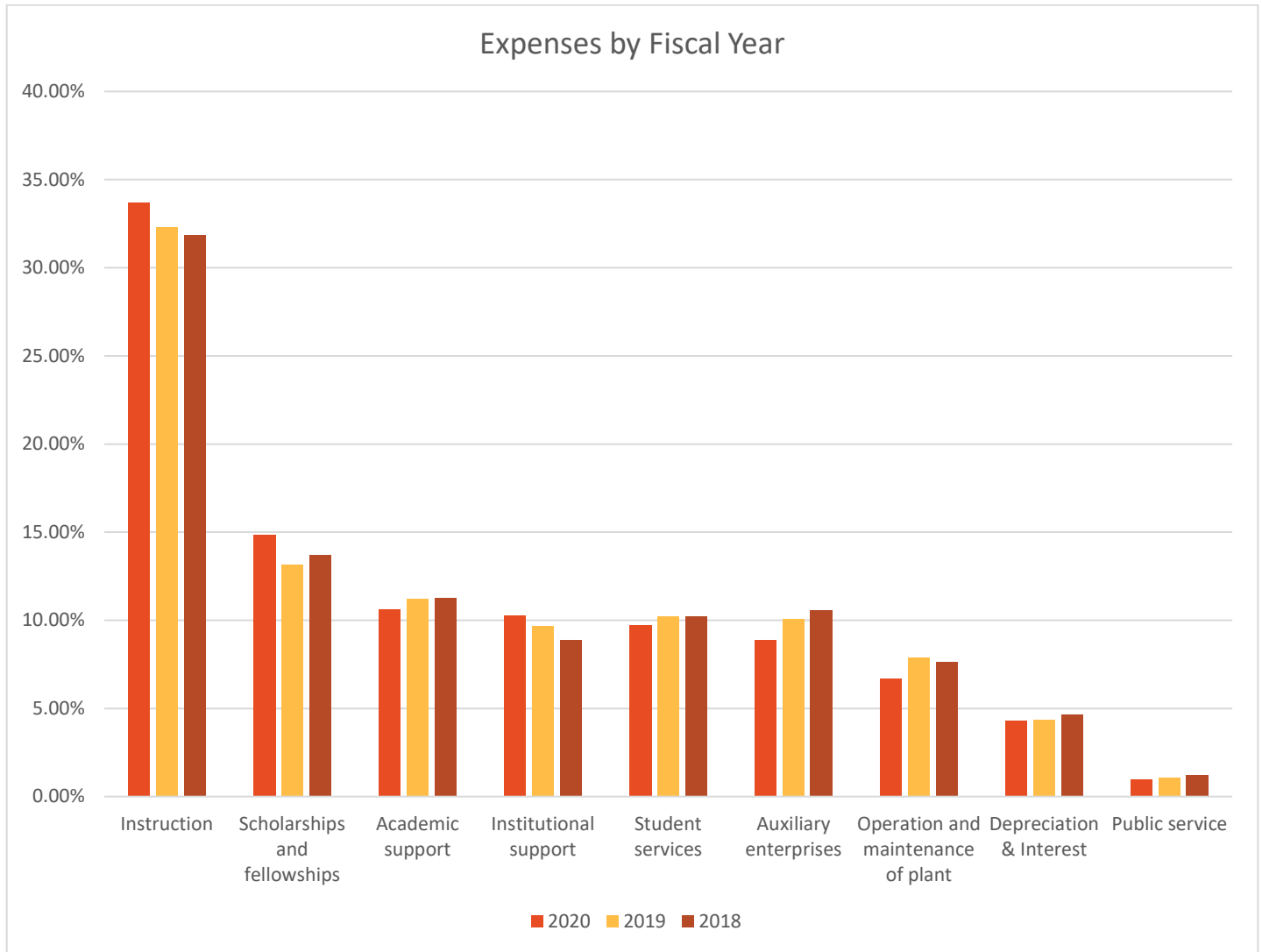
View text version of chart.

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

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

Financial Analysis of the University (Continued)



Expenses for student support continue to remain a focus of the university. The percentage of expenses supporting instruction and scholarships/fellowships have increased by 10.4% for student support when comparing 2018 to 2020. The graph demonstrates cost savings due to the impact of COVID-19 from the shift from residence life and housing and online learning. Institutional support has remained relatively stable, excluding the impact of GASB 68 and 75 (which this chart shows the growing impact of those standards). The university's expense mix illustrates a focus on programs supporting student success.

[View text version of chart.](#)

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

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

State Appropriations

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

	2020	2019	2018
Gross Commonwealth appropriations	\$ 50,175,136	\$ 48,624,086	\$ 44,027,865
Plus: Fringe benefits***	17,232,591	16,536,120	14,938,546
	67,407,727	65,160,206	58,966,411
Less: Tuition remitted	(57,508)	(61,525)	(82,780)
	\$ 67,350,219	\$ 65,098,681	\$ 58,883,631

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

Grant and Contract Revenue

The university received \$26,517,522, \$23,029,402 and \$21,621,193 in grant and contract revenues for the fiscal years ended June 30, 2020, 2019 and 2018, respectively. Below presents the primary grants and contracts received for the following fiscal years ended June 30:

	2020	2019	2018
Operating Grants:			
Federal			
Pell grant	\$ 15,379,861	\$ 15,619,878	\$ 14,532,866
Federal work study	316,985	441,938	441,938
Federal SEOG	360,084	327,590	262,494
Teach grant	69,284	58,830	46,633
State			
Mass grants	3,059,753	2,444,991	2,391,806
Tuition grants	1,937,558	1,903,880	1,867,118
Other	3,725,045	2,232,295	2,078,338
Total Operating Grants	24,848,570	23,029,402	21,621,193
Non-operating Grants:			
Cares Institutional Support	- 834,476	-	-
Cares Student Emergency Funds	- 834,476	-	-
Total Non-operating Grants	- 1,668,952	-	-
Total Grants	\$ 26,517,522	\$ 23,029,402	\$ 21,621,193

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

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

Enrollment

Enrollments at the university have remained relatively constant with a slight decrease this past academic year. The university's enrollment in fall 2019 was 10,881, which is a 1% decrease from 2018 fall enrollment of 10,990 and a 1.3% decrease from 2017 fall enrollment of 11,019.

Tuition and Fees

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

	<i>Tuition Resident</i>		<i>Tuition Non- Resident</i>		<i>Fees</i>		<i>Total Resident Tuition & Fees</i>		<i>Average Room & Board</i>		<i>Total Resident Average Cost</i>
<u>2020</u>											
Undergraduate	\$ 910	\$	7,050	\$	9,822	\$	10,732	\$	13,363	\$	24,095
Graduate	1,676		1,676		9,722		11,398		13,363		24,761
<u>2019</u>											
Undergraduate	\$ 910	\$	7,050	\$	9,458	\$	10,368	\$	13,003	\$	23,371
Graduate	1,676		1,676		9,358		11,034		13,003		24,037
<u>2018</u>											
Undergraduate	\$ 910	\$	7,050	\$	9,102	\$	10,012	\$	12,711	\$	22,723
Graduate	1,676		1,676		9,002		10,678		12,711		23,389

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

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

Factors Impacting Future Periods

Responding to the COVID-19 global pandemic and its effects on the Bridgewater State University community, President Frederick W. Clark Jr., Esq. launched the Safe Return Task Force. The Task Force was charged with planning and coordinating the safe return of students, faculty, librarians and staff to campus in fall 2020.

The Safe Return Task Force work was largely conducted by four subcommittees – Facilities and Logistics, Academic Continuity, Student Life and External Community Outreach and two working groups to focus on BSUs health response and on the safe return of employees to campus.

The Task Force discussed developments in higher education across the nation and the most up-to-date guidance provided by the U.S. Centers for Disease Control and Prevention and the Commonwealth of Massachusetts. More than a hundred individuals at the university were officially engaged in this work, with many others consulted along the way.

In the course of the Task Force's work, a set of guiding principles emerged to inform the work of the university as it reopens during the summer with an eye toward the start of the fall 2020 semester.

- Prioritize safety above all else.
- Ensure that science and data guide university decisions.
- Recognize that planning at BSU must be aligned with evolving state and federal guidance.
- Prioritize a high-quality educational experience and protect student progression while maintaining academic standards.
- Emphasize mutual accountability and collective responsibility for the wellbeing of one another as being essential to successfully navigating the challenges before us.
- Encourage creativity, flexibility and adaptability during this time of uncertainty.
- Provide effective and frequent communication, which is essential to a successful safe fall return.
- Consider the financial constraints and impacts of recommendations and decisions.
- Emphasize the need for the university to continue to work cross-divisionally to achieve the best possible outcomes.

The Health Response group worked in close coordination with the Division of Operations to assess the need for proper personal protective equipment (PPE), space utilization and cleaning protocols, as well as the associated instruction required for successful distribution of and adherence to guidance from the Centers for Disease Control and Prevention (CDC) and the Massachusetts Department of Public Health (MDPH). We have purchased personal protection equipment (PPE) including masks for all students, faculty and staff. We have redesigned our spaces to ensure 6-foot social distancing is maintained for all of its classrooms and labs. Our custodial staff is servicing and disinfecting these spaces a minimum of two times a day and disinfecting high touch points such as elevator buttons, handrails, and doorknobs throughout the university. We also provided "Bear Buckets" that are stocked with disinfectant, gloves, and paper towels to all classrooms, residence halls and office spaces on campus. We also purchased several electrostatic sprayers, which disperse disinfectant as a mist that clings to surfaces.

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

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

Factors Impacting Future Periods (Continued)

In order to provide for maximum safety of the BSU community, the university implemented an extensive surveillance testing program. BSU partnered with the world-renowned Broad Institute of Harvard University and the Massachusetts Institute of Technology to implement a rigorous testing system on campus. Under this program, all resident students are required to be tested upon first arriving at BSU and every two weeks thereafter. Testing will also be made available to commuter students, faculty, librarians and staff who are physically on the BSU campus. BSU is able to conduct up to 2,000 tests per week to help identify anyone who may have COVID-19 but is not showing symptoms, as we know the virus can be transmitted by individuals who are unaware they have the virus. Test results are returned to BSU within 24 hours, which allows staff to immediately commence isolation and contact tracing procedures if a person tests positive.

With the global outbreak of the novel corona virus (COVID-19), multiple factors have emerged that may impact future periods. The University has continuously assessed and monitored the health issues resulting from COVID-19. This assessment resulted in the decision to continue to deliver most academic programs online for the Fall, 2020 semester. The online decision resulted in reduced occupancy in the residence halls. This was not unwelcome based on the University's ability to better create physical distancing in the residential experience.

This reduced occupancy and the resulting Resident Life Trust Fund and Dining Trust Fund revenue decline was partially mitigated by refinancing/refunding of existing debt held by the Massachusetts State College Building Authority College (MSCBA). This action eliminated/reduced payments assessed to the University by MSCBA for fiscal year 2021. These assessment savings, which will provide some additional relief in fiscal year 2022, will not continue into future years after fiscal year 2022. Accordingly, occupancy in the residence halls are an important factor impacting future periods. The university has typically experienced occupancies of 96% to 100%. The Fall, 2020 occupancy is approximately 40%. Returning to prior occupancy levels will be a significant focus of BSU post-pandemic.

Enrollment continues to be a challenge for institutions of higher education. BSU's enrollment declined by 3.7% in Fall, 2020 mainly resulting from lower first-time freshman and lower transfer students. BSU achieved strong student retention in Fall 2020, which helped mitigate the decline in new students. Regional community colleges continue to experience enrollment challenges. The economic challenges resulting from the pandemic also appear to be impacting potential students' decision making to attend BSU. BSU will continue to focus efforts on both recruiting and retention to maintain a predictable student revenue stream. This focus includes development of a strategic enrollment plan, online degree programs including targeting adult learners (an underserved population in the Commonwealth of Massachusetts) and online Graduate Programs.

BSU also is facing uncertainty on the base state appropriation which supports the student's cost of attendance. The state has not approved the state budget as of the date of this report and indications are there will be some decrease in the appropriation. However, no specifics have been provided by the state to assist with financial planning.

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

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

Factors Impacting Future Periods (Continued)

The financial need of BSU students, as demonstrated through the Department of Education Free Application for Federal Student Aid (FAFSA), is also growing. BSU has grown our internally funded commitment in the form of financial aid and scholarships by over 41% in the last 5 years. The strategic plan goals include both advocacy at the state level to fund more financial aid and a fundraising campaign of approximately \$50 million to continue to address this urgent need for financial access to BSU's quality education program. This \$50 million fundraising campaign is being developed with the Bridgewater State University Foundation, the Alumni Association and the BSU Board of Trustees.

During this fiscal year, BSU was awarded an approximate \$1.4 million grant to obtain equipment to initiate a photonics engineering program. This grant couple with an investment of approximately \$600,000 in lab and classroom renovations. To help meet the needs of growing fields such as optics, biophysics and various types of engineering, the Bartlett College of Science & Mathematics has introduced a minor and a concentration in optics. We just received approval from the Massachusetts Board of Higher Education in October 2020, for our undergraduate degree program in optical engineering. It will include a 15-month, 30-credit certification program with apprenticeships at area tech companies. BSU's optics offerings will be the first engineering program available in the state university system – other than Massachusetts Maritime Academy's energy systems and marine engineering programs.

In fiscal year 2021, the university will be receiving fifteen bronze, bas-relief sculptures, which will be added to the Greg and Fay Wyatt Sculpture Garden. Greg Wyatt is a bronze sculptor whose works can be found in Italy, England, and the United States to name a few. He is the sculpture-in-residence at The Cathedral Church of St. John the Divine in NYC. On one side, the stelae have passages from literature that have inspired the artist to create the figures that are represented on the opposite side. In addition, there will be 4 sculptures of river goddesses as part of the garden. Each goddess represents a different cultural heritage that inspired the artist - Egyptian, Roman, Chinese, and Hindu. In May 2017, the University received a life-sized bronze sculpture of Mikhail Baryshnikov by Greg Wyatt. The sculpture had previously been displayed at Winthrop House Courtyard at Harvard University from 1990 to 2016. Bridgewater State University is fortunate to have these exquisite sculptures on campus right outside our Rondileau Student Union Center in the Greg and Fay Wyatt Sculpture Garden.

Based on a recommendation by the Student Government Association, the university has renamed the Rondileau Campus Center to the Rondileau Student Union. The renaming is entirely fitting as we shift the purpose of the building to a more student-centered mission emphasizing student development, growth and support. In front of the newly renamed Rondileau Student Union, we will be dedicating a new bear sculpture by Chris Williams, the same artist who created the bear in front of the Tinsley Center. This new sculpture, encouraged by student suggestions and paid for with private funds, will be dedicated to all BSU Bears past and present, and will also serve as a memorial to students that we have lost. The sculpture will be complete in fiscal year 2021.

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

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

Factors Impacting Future Periods (Continued)

The university collaborated on a state history book with focus on inclusion, the Massachusetts Chronicles features more than 60 newspaper-style stories covering the 1613 Wampanoag ceremonies marking the coming of spring, the region's resiliency after the Boston Marathon bombings, and many other events. Aquinnah Wampanoag tribe member Linda Coombs and United Kingdom journalist Mark Skipworth co-wrote the book, which includes pieces on Indigenous, women's and Black history. Every public school in Massachusetts is receiving a class set (32 copies) of the book and a wallchart of a timeline of historical events. The donation is possible thanks to the generosity of BSU benefactors Mr. & Mrs. Bartlett. The project puts Bridgewater State University in the center of civics education in this state at a critical time.

The year 2020 marks the 400th anniversary of the Mayflower voyage, the founding of Plymouth Colony and the historic interaction between the Wampanoag and English peoples. The legacy of the Pilgrims spans four Nations. The shared history with England, where the Pilgrims began their lives, to the Netherlands where they sought refuge for half a generation, to Wampanoag territory where they landed, and encountered Native people who were integral to their survival. Through an unlikely series of events the Pilgrims established a successful community in what would become The United States of America. In commemoration of this historic event, there will be several events held throughout 2020 including a signature Plymouth 400 event, an Indigenous History Conference sponsored by Bridgewater State University, Plymouth 400, Inc., and the Wampanoag Advisory Council. *"Here it Began: 2020 Hindsight or Foresight"* will inspire educators to learn about creation histories and traditional life, colonization and its aftermath; and the continued resilience and life of New England Natives today. This conference in October 2020 furthers the university's commitment to the development and sharing of a more inclusive and factual history of this region and state.

To address capital renewal needs of the campus, The Massachusetts Division of Capital Asset Management and Maintenance (DCAMM), through state bond financing, is funding an essential infrastructure need of BSU a primary electrical switchgear upgrade to the west side of campus, the total construction in progress on this project is \$7.2 million as of June 30, 2020. This project is expected to be completed in October 2020 for a total project cost of \$9.1 million. Additionally the university is funding an approximate \$3.1 million project, named the Bear Paw Pavilion, to replace our antiquated athletic locker room adjacent to the main athletic fields. This project is expected to be completed in November, 2020.

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

Management's Discussion and Analysis

June 30, 2020 and 2019
(Unaudited)

Economic Factors and Next Year's Tuition and Student Fee Rates

As the COVID-19 pandemic has created a serious financial strain on students, the university did not increase student fees for the 2020-2021 academic year in order to assist students in continuing or starting their college careers.

In March 2020, an increase for the 2020-2021 academic year for residence hall rates was approved by the university's Board of Trustees, which were proposed by the MSCBA and adopted by the Massachusetts Board of Higher Education.

In response to changing student expectations, the university continues to modify its meal plan options. Some of the meal plan improvements include increased flexibility, longer hours of operation, and more variety. The university did not increase meal plan rates in FY21.

The table below illustrates the FY21 meal plan options, and rates per semester:

	<i>Per Semester Rates</i>		
	<i>Base</i>	<i>Dining</i>	<i>Proposed</i>
	<i>Meals</i>	<i>Dollars</i>	<i>Cost</i>
Platinum	\$ 1,646	\$ 780	\$ 2,426
Gold	1,754	370	2,124
Silver	1,517	550	2,067
Bronze	29	200	229

Costs at residence halls for 2020-2021, which reflect the MSCBA value-pricing, increased an average of 2.1%, as follows:

Great Hill Apartments, \$9,604 from \$9,425; Miles-DiNardo Hall, \$8,831 from 8,265; Pope and Scott Halls, \$8,554 from \$7,948; Shea-Durgin Hall, \$8,554 from \$7,948; Woodward Hall, \$8,100 from \$7,948; Stonehouse Hall, \$9,560 from \$9,368 for singles; \$8,610 from \$8,452 for doubles; Crimson, \$9,770 from \$9,584 for singles; \$8,690 from \$8,531 for doubles; Weygand, \$10,024 from \$9,584 for singles; \$8,950 from \$8,788 for doubles.

Requests for Information

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



Bridgewater State University, the only accredited baccalaureate flight training program in New England, provides students opportunities in high demand private or commercial pilot and aviation management careers.

In fiscal year 2020, BSU received a Massachusetts Skills Capital Equipment grant to support the acquisition of two aircraft, three new flight simulators and upgrades to plane avionics.

Bridgewater State University is collaborating with high schools and regional vocational schools in the area to develop articulation, dual enrollment and early college career pathway opportunities.

Matt Elkins, pictured above, completed his degree and flight training at Bridgewater State University. He served as a Flight Team captain as a student and went on to become a BSU Flight Instructor after graduation.

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

Statements of Net Position

June 30, 2020 and 2019

Assets and Deferred Outflows of Resources

	Primary Government		Component Units	
	2020 University	<i>Restated</i> 2019 University	2020 Combined	2019 Combined
Assets				
Current assets:				
Cash and equivalents	\$ 47,681,297	\$ 41,825,475	\$ 922,111	\$ 142,073
Deposits held by State Treasurer	7,024,949	6,074,616	-	-
Cash held by State Treasurer	497,921	997,855	-	-
Deposits held by MSCBA	-	490,017	-	-
Restricted cash and equivalents	1,058,467	1,702,147	-	-
Contributions receivable, net	-	-	447,086	310,703
Accounts receivable, net	7,752,703	7,368,916	30,100	13,744
Prepaid expenses and other assets	<u>838,308</u>	<u>1,056,188</u>	<u>12,789</u>	<u>18,598</u>
Total current assets	<u>64,853,645</u>	<u>59,515,214</u>	<u>1,412,086</u>	<u>485,118</u>
Non-current assets:				
Investments	-	-	45,369,743	45,004,939
Contributions receivable, net	-	-	61,140	285,443
Debt service reserve fund	348,226	382,406	-	-
Cash surrender value of life insurance	-	-	-	41,708
Properties held for resale	-	-	5,390,000	5,390,000
Capital assets, net	<u>157,846,728</u>	<u>156,043,332</u>	<u>4,366,829</u>	<u>4,266,631</u>
Total non-current assets	<u>158,194,954</u>	<u>156,425,738</u>	<u>55,187,712</u>	<u>54,988,721</u>
Total assets	<u>223,048,599</u>	<u>215,940,952</u>	<u>56,599,798</u>	<u>55,473,839</u>
Deferred outflows of resources				
Deferred outflows of resources related to pension	15,641,930	19,881,626	-	-
Deferred outflows of resources related to OPEB	<u>28,355,112</u>	<u>31,969,473</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>43,997,042</u>	<u>51,851,099</u>	<u>-</u>	<u>-</u>

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

Statements of Net Position (Continued)

June 30, 2020 and 2019

Liabilities, Deferred Inflows of Resources and Net Position

	Primary Government		Component Units	
	2020 University	<i>Restated</i> 2019 University	2020 Combined	2019 Combined
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	3,237,698	4,699,030	1,693,332	255,618
Accrued payroll	9,971,506	10,266,389	-	-
Accrued workers' compensation	229,227	301,261	-	-
Accrued compensated absences	7,638,317	7,167,379	-	-
State funds payable	26,171	179,510	-	-
Unearned revenues	17,550,865	6,534,541	8,700	1,685
Other current liabilities	-	-	22,733	12,112
Current portion of capital lease obligations	461,849	437,151	-	-
Current portion of bonds and notes payable	<u>1,392,012</u>	<u>1,329,048</u>	<u>24,488</u>	<u>23,471</u>
Total current liabilities	<u>40,507,645</u>	<u>30,914,309</u>	<u>1,749,253</u>	<u>292,886</u>
Non-current liabilities:				
Accrued workers' compensation	1,009,836	1,074,361	-	-
Accrued compensated absences	3,762,156	3,530,202	-	-
Capital lease obligation	3,120,251	3,582,100	-	-
Bonds and notes payable	10,988,430	12,387,616	550,228	574,259
Net pension liability	60,911,032	60,039,220	-	-
Net OPEB liability	<u>114,827,620</u>	<u>131,377,242</u>	<u>-</u>	<u>-</u>
Total non-current liabilities	<u>194,619,325</u>	<u>211,990,741</u>	<u>550,228</u>	<u>574,259</u>
Total liabilities	<u>235,126,970</u>	<u>242,905,050</u>	<u>2,299,481</u>	<u>867,145</u>
Deferred inflows of resources				
Service concession arrangement	-	270,000	-	-
Deferred inflows of resources related to pension	6,905,359	5,889,211	-	-
Deferred inflows of resources related to OPEB	<u>30,641,816</u>	<u>11,571,454</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>37,547,175</u>	<u>17,730,665</u>	<u>-</u>	<u>-</u>
Net position				
Net investment in capital assets	135,056,626	138,909,840	3,792,113	3,668,901
Restricted:				
Nonexpendable, scholarships and fellowships	23,000	23,000	20,994,125	20,241,934
Expendable, scholarships and grants	1,564,983	1,219,637	7,039,026	7,488,114
Unrestricted	<u>(142,273,113)</u>	<u>(132,996,141)</u>	<u>22,475,053</u>	<u>23,207,745</u>
Total net position	<u>\$ (5,628,504)</u>	<u>\$ 7,156,336</u>	<u>\$ 54,300,317</u>	<u>\$ 54,606,694</u>

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

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

Statements of Revenues and Expenses

For the Years Ended June 30, 2020 and 2019

	<i>Primary Government</i>		<i>Component Units</i>	
	<i>2020</i>	<i>Restated</i>	<i>2020</i>	<i>2019</i>
	<i>University</i>	<i>University</i>	<i>Combined</i>	<i>Combined</i>
Operating revenues:				
Tuition and fees	\$ 116,055,084	\$ 114,269,850	\$ -	\$ -
Less: scholarships and fellowships	<u>(26,239,591)</u>	<u>(23,558,194)</u>	<u>-</u>	<u>-</u>
Net tuition and fees	89,815,493	90,711,656	-	-
Gifts and contributions	-	-	2,279,244	2,408,838
Federal, state and private grants and contracts	24,848,570	23,029,402	-	-
Auxiliary enterprises	18,277,013	26,754,128	-	-
Other operating revenues	<u>320,740</u>	<u>665,907</u>	<u>2,377,841</u>	<u>2,262,411</u>
Total operating revenues	<u>133,261,816</u>	<u>141,161,093</u>	<u>4,657,085</u>	<u>4,671,249</u>
Operating expenses:				
Educational and general:				
Instruction	82,919,590	80,252,755	-	-
Gifts and contributions	-	-	2,533,192	1,667,511
Public service	2,420,144	2,623,570	-	-
Academic support	26,115,706	27,901,251	-	-
Student services	23,978,138	25,408,170	-	-
Institutional support	25,253,381	24,026,458	2,736,961	2,584,212
Operation and maintenance of plant	16,514,963	19,597,190	-	-
Scholarships and fellowships	10,243,910	9,197,097	-	-
Depreciation and amortization	9,990,722	10,235,666	93,397	92,072
Auxiliary enterprises	<u>21,845,355</u>	<u>25,073,019</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>219,281,909</u>	<u>224,315,176</u>	<u>5,363,550</u>	<u>4,343,795</u>
Net operating income (loss)	<u>(86,020,093)</u>	<u>(83,154,083)</u>	<u>(706,465)</u>	<u>327,454</u>
Non-operating revenues (expenses):				
State appropriations, net	67,350,219	65,098,681	-	-
Gifts	1,902,763	1,279,525	-	-
CARES Act funds	1,668,952	-	-	-
Investment income	236,611	216,454	265,873	1,850,674
Interest expense	(561,181)	(620,695)	-	-
Rental income	-	-	134,215	139,441
Other non-operating revenues (expenses)	<u>1,419,741</u>	<u>1,596,671</u>	<u>-</u>	<u>-</u>
Net non-operating revenues (expenses)	<u>72,017,105</u>	<u>67,570,636</u>	<u>400,088</u>	<u>1,990,115</u>
Increase (decrease) in net position before capital appropriations	(14,002,988)	(15,583,447)	(306,377)	2,317,569
Capital appropriations	<u>1,218,148</u>	<u>644,614</u>	<u>-</u>	<u>-</u>
Total increase (decrease) in net position	<u>\$ (12,784,840)</u>	<u>\$ (14,938,833)</u>	<u>\$ (306,377)</u>	<u>\$ 2,317,569</u>

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

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

Statements of Changes in Net Position

For the Years Ended June 30, 2020 and 2019

	<i>Primary Government</i>				
	<i>Net Investment in Capital Assets</i>	<i>Restricted Nonexpendable</i>	<i>Restricted Expendable</i>	<i>Unrestricted</i>	<i>Total</i>
Balance at June 30, 2018	\$ 141,246,371	\$ 23,000	\$ 1,039,875	\$ (120,214,077)	\$ 22,095,169
Changes in net position, as previously reported	(2,336,531)	-	179,762	(8,305,308)	(10,462,077)
Balance at June 30, 2019, as previously reported	138,909,840	23,000	1,219,637	(128,519,385)	11,633,092
Prior period adjustment - See Note 2	-	-	-	(4,476,756)	(4,476,756)
Balance at June 30, 2019, as restated	138,909,840	23,000	1,219,637	(132,996,141)	7,156,336
Changes in net position	(3,853,214)	-	345,346	(9,276,972)	(12,784,840)
Balance at June 30, 2020	\$ 135,056,626	\$ 23,000	\$ 1,564,983	\$ (142,273,113)	\$ (5,628,504)
	<i>Component Units</i>				
	<i>Net Investment in Capital Assets</i>	<i>Restricted Nonexpendable</i>	<i>Restricted Expendable</i>	<i>Unrestricted</i>	<i>Total</i>
Balance at June 30, 2018	\$ 3,738,870	\$ 19,583,281	\$ 7,323,951	\$ 21,643,023	\$ 52,289,125
Changes in net position, as previously reported	(69,969)	658,653	164,163	1,564,722	2,317,569
Balance at June 30, 2019, as previously reported	3,668,901	20,241,934	7,488,114	23,207,745	54,606,694
Prior period adjustment - See Note 2	-	-	-	-	-
Balance at June 30, 2019, as restated	3,668,901	20,241,934	7,488,114	23,207,745	54,606,694
Changes in net position	123,212	752,191	(449,088)	(732,692)	(306,377)
Balance at June 30, 2020	\$ 3,792,113	\$ 20,994,125	\$ 7,039,026	\$ 22,475,053	\$ 54,300,317

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

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

Statements of Cash Flows

For the Years Ended June 30, 2020 and 2019

	<i>Primary Government</i>	
	<i>2020</i>	<i>Restated</i>
	<i>University</i>	<i>2019</i>
		<i>University</i>
Cash flows from operating activities:		
Tuition and fees	\$ 89,944,816	\$ 91,292,570
Grants and contracts	27,962,301	22,399,677
Payments to employees	(121,289,861)	(120,429,797)
Payments to suppliers and vendors	(27,389,415)	(22,519,136)
Payments to students	(10,243,910)	(9,197,097)
Auxiliary enterprises charges	(21,845,355)	(25,073,019)
Auxiliary enterprises	18,277,013	26,754,128
Other operating revenues	829,577	51,677
Other non-operating revenues	<u>1,419,741</u>	<u>1,596,671</u>
Net cash used in operating activities	<u>(42,335,093)</u>	<u>(35,124,326)</u>
Cash flows from non-capital financing activities:		
State appropriations	50,117,628	48,562,561
CARES Act funds	1,668,952	-
Gifts	<u>1,551,088</u>	<u>829,725</u>
Net cash provided by non-capital financing activities	<u>53,337,668</u>	<u>49,392,286</u>
Cash flows from capital financing activities:		
Capital appropriation	7,945,455	1,628,170
Purchase of capital assets	(11,711,743)	(5,770,085)
Principal paid on capital leases	(437,151)	(413,777)
Payments of capital debt	(1,336,222)	(1,370,283)
Change in debt service reserve	34,180	105,510
Interest paid on capital debt and leases	<u>(561,181)</u>	<u>(620,695)</u>
Net cash used in capital financing activities	<u>(6,066,662)</u>	<u>(6,441,160)</u>
Cash flows from investing activity:		
Interest on investments	<u>236,611</u>	<u>216,454</u>
Net cash provided by investing activity	<u>236,611</u>	<u>216,454</u>
Net increase in cash and equivalents	5,172,524	8,043,254
Cash and equivalents, beginning of year	<u>51,090,110</u>	<u>43,046,856</u>
Cash and equivalents, end of year	<u>\$ 56,262,634</u>	<u>\$ 51,090,110</u>

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

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

Statements of Cash Flows (Continued)

For the Years Ended June 30, 2020 and 2019

	<i>Primary Government</i>	
	<i>2020</i>	<i>Restated</i>
	<i>University</i>	<i>2019</i>
		<i>University</i>
Reconciliation of net operating loss to net cash used in operating activities:		
Net operating loss	\$ (86,020,093)	\$ (83,154,083)
Adjustments to reconcile net operating loss to net cash used in operating activities:		
Depreciation and amortization	9,990,722	10,235,666
Bad debts	50,224	17,762
Fringe benefits provided by Commonwealth	17,232,591	16,536,120
Other non-operating revenues	1,419,741	1,596,671
Deferred outflows for pension	4,239,696	179,566
Deferred inflows from pension	1,016,148	100,349
Deferred outflows for net other-post employment benefit obligation	3,614,361	(14,605,412)
Deferred inflows for net other-post employment benefit obligation	19,070,362	(873,055)
Changes in assets and liabilities:		
Accounts and loan receivable, net	(434,011)	(953,639)
Prepaid expenses and other assets	217,180	(187,409)
Accounts payable and accrued expenses	(1,614,671)	2,038,355
Accrued payroll and benefits	271,450	2,627,518
Unearned revenues	4,289,017	422,702
Net pension liability	871,812	5,532,719
Net OPEB liability	(16,549,622)	25,361,844
	\$ (42,335,093)	\$ (35,124,326)

Cash Flow Information

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

Cash and equivalents	\$ 47,681,297	\$ 41,825,475
Deposits held by State Treasurer	7,024,949	6,074,616
Cash held by State Treasurer	497,921	997,855
Deposits held by MSCBA	-	490,017
Restricted cash and equivalents	1,058,467	1,702,147
	\$ 56,262,634	\$ 51,090,110

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

Fringe benefits provided by the state	\$ 17,232,591	\$ 16,536,120
Acquisition of capital assets through capital appropriations	1,186,688	615,865
Acquisition of capital assets through capital leases	-	-
Acquisition of donated artwork	81,675	9,300
Capital grants - amortization of deferred inflows of resources - service concession arrangements	270,000	440,500

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

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

Combining Statements of Net Position of Major Component Units

June 30, 2020 and 2019

Assets and Deferred Outflows of Resources

	<u>2020</u>			<u>2019</u>		
	<i>Foundation</i>	<i>Alumni Association</i>	<i>Combined</i>	<i>Foundation</i>	<i>Alumni Association</i>	<i>Combined</i>
Assets						
Current assets:						
Cash and equivalents	\$ 818,256	\$ 103,855	\$ 922,111	\$ 92,228	\$ 49,845	\$ 142,073
Deposits held by State Treasurer	-	-	-	-	-	-
Cash held by State Treasurer	-	-	-	-	-	-
Deposits held by MSCBA	-	-	-	-	-	-
Restricted cash and equivalents	-	-	-	-	-	-
Contributions receivable, net	447,086	-	447,086	310,703	-	310,703
Accounts receivable, net	23,962	6,138	30,100	6,285	7,459	13,744
Prepaid expenses and other assets	<u>119</u>	<u>12,670</u>	<u>12,789</u>	<u>16,518</u>	<u>2,080</u>	<u>18,598</u>
Total current assets	<u>1,289,423</u>	<u>122,663</u>	<u>1,412,086</u>	<u>425,734</u>	<u>59,384</u>	<u>485,118</u>
Non-current assets:						
Investments	40,115,844	5,253,899	45,369,743	39,781,132	5,223,807	45,004,939
Contributions receivable, net	61,140	-	61,140	285,443	-	285,443
Debt service reserve fund	-	-	-	-	-	-
Cash surrender value of life insurance	-	-	-	41,708	-	41,708
Properties held for resale	5,390,000	-	5,390,000	5,390,000	-	5,390,000
Capital assets, net	<u>4,366,829</u>	<u>-</u>	<u>4,366,829</u>	<u>4,266,631</u>	<u>-</u>	<u>4,266,631</u>
Total non-current assets	<u>49,933,813</u>	<u>5,253,899</u>	<u>55,187,712</u>	<u>49,764,914</u>	<u>5,223,807</u>	<u>54,988,721</u>
Total assets	<u>51,223,236</u>	<u>5,376,562</u>	<u>56,599,798</u>	<u>50,190,648</u>	<u>5,283,191</u>	<u>55,473,839</u>
Deferred outflows of resources						
Deferred outflows of resources related to pension	-	-	-	-	-	-
Deferred outflows of resources related to OPEB	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

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

June 30, 2020 and 2019

Liabilities, Deferred Inflows of Resources and Net Position

	2020			2019		
	<i>Foundation</i>	<i>Alumni Association</i>	<i>Combined</i>	<i>Foundation</i>	<i>Alumni Association</i>	<i>Combined</i>
Liabilities						
Current liabilities:						
Accounts payable and accrued expenses	1,535,782	157,550	1,693,332	214,253	41,365	255,618
Accrued compensated absences	-	-	-	-	-	-
State funds payable	-	-	-	-	-	-
Unearned revenues	8,525	175	8,700	-	1,685	1,685
Other current liabilities	22,733	-	22,733	12,112	-	12,112
Current portion of capital lease obligations	-	-	-	-	-	-
Current portion of bonds and notes payable	24,488	-	24,488	23,471	-	23,471
	<u>1,591,528</u>	<u>157,725</u>	<u>1,749,253</u>	<u>249,836</u>	<u>43,050</u>	<u>292,886</u>
Total current liabilities						
Non-current liabilities:						
Accrued workers' compensation	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Capital lease obligations	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-
Bonds and notes payable	550,228	-	550,228	574,259	-	574,259
	<u>550,228</u>	<u>-</u>	<u>550,228</u>	<u>574,259</u>	<u>-</u>	<u>574,259</u>
Total non-current liabilities						
Total liabilities	<u>2,141,756</u>	<u>157,725</u>	<u>2,299,481</u>	<u>824,095</u>	<u>43,050</u>	<u>867,145</u>
Deferred inflows of resources						
Service concession arrangement	-	-	-	-	-	-
Deferred outflows of resources related to pension	-	-	-	-	-	-
Deferred inflows of resources related to OPEB	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources						
Net position						
Net investment in capital assets	3,792,113	-	3,792,113	3,668,901	-	3,668,901
Restricted:						
Nonexpendable: scholarships and fellowships	19,734,988	1,259,137	20,994,125	18,997,217	1,244,717	20,241,934
Expendable: scholarships and grants	5,585,938	1,453,088	7,039,026	5,987,929	1,500,185	7,488,114
Unrestricted	19,968,441	2,506,612	22,475,053	20,712,506	2,495,239	23,207,745
	<u>19,968,441</u>	<u>2,506,612</u>	<u>22,475,053</u>	<u>20,712,506</u>	<u>2,495,239</u>	<u>23,207,745</u>
Total net position	<u>\$ 49,081,480</u>	<u>\$ 5,218,837</u>	<u>\$ 54,300,317</u>	<u>\$ 49,366,553</u>	<u>\$ 5,240,141</u>	<u>\$ 54,606,694</u>

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

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

Combining Statements of Revenues and Expenses of Major Component Units

For the Years Ended June 30, 2020 and 2019

	2020			2019		
	Foundation	Alumni Association	Combined	Foundation	Alumni Association	Combined
Operating revenues:						
Tuition and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: scholarships and fellowships	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net tuition and fees						
Gifts and contributions	2,159,480	119,764	2,279,244	2,199,060	209,778	2,408,838
Federal, state and private grants and contracts	-	-	-	-	-	-
Auxiliary enterprises	-	-	-	-	-	-
Other operating revenues	<u>1,508,757</u>	<u>869,084</u>	<u>2,377,841</u>	<u>1,392,475</u>	<u>869,936</u>	<u>2,262,411</u>
Total operating revenues	<u>3,668,237</u>	<u>988,848</u>	<u>4,657,085</u>	<u>3,591,535</u>	<u>1,079,714</u>	<u>4,671,249</u>
Operating expenses:						
Educational and general:						
Instruction	-	-	-	-	-	-
Gifts and contributions	2,390,162	143,030	2,533,192	1,516,838	150,673	1,667,511
Public service	-	-	-	-	-	-
Academic support	-	-	-	-	-	-
Student services	-	-	-	-	-	-
Institutional support	1,838,748	898,213	2,736,961	1,675,108	909,104	2,584,212
Operation and maintenance of plant	-	-	-	-	-	-
Other	-	-	-	-	-	-
Scholarships and fellowships	-	-	-	-	-	-
Depreciation and amortization	<u>93,397</u>	<u>-</u>	<u>93,397</u>	<u>92,072</u>	<u>-</u>	<u>92,072</u>
Total operating expenses	<u>4,322,307</u>	<u>1,041,243</u>	<u>5,363,550</u>	<u>3,284,018</u>	<u>1,059,777</u>	<u>4,343,795</u>
Net operating income	<u>(654,070)</u>	<u>(52,395)</u>	<u>(706,465)</u>	<u>307,517</u>	<u>19,937</u>	<u>327,454</u>
Non-operating revenues (expenses):						
State appropriations, net	-	-	-	-	-	-
Gifts	-	-	-	-	-	-
Investment income, net	234,782	31,091	265,873	1,670,707	179,967	1,850,674
Interest expense	-	-	-	-	-	-
Rental income	134,215	-	134,215	139,441	-	139,441
Other non-operating expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net non-operating revenues (expenses)	<u>368,997</u>	<u>31,091</u>	<u>400,088</u>	<u>1,810,148</u>	<u>179,967</u>	<u>1,990,115</u>
Increase in net position before capital appropriations	<u>(285,073)</u>	<u>(21,304)</u>	<u>(306,377)</u>	<u>2,117,665</u>	<u>199,904</u>	<u>2,317,569</u>
Capital appropriations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total increase (decrease) in net position	<u>\$ (285,073)</u>	<u>\$ (21,304)</u>	<u>\$ (306,377)</u>	<u>\$ 2,117,665</u>	<u>\$ 199,904</u>	<u>\$ 2,317,569</u>

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



FULBRIGHT

AWARD

JORGELINA URIBE, '13, G'19

Jorgelina Uribe, '13, G'19, who works in a Peruvian school, has received a prestigious Fulbright English Teaching Assistantship. She will serve in a Brazilian teacher's college starting in early 2021.

Her own story showcases the diversity the United States is known for. An immigrant from the Dominican Republic, she was the only English language learner in her fourth-grade class. The native Spanish speaker became fluent in English by middle school and has studied Latin, Portuguese and Mandarin.

At BSU, she earned a bachelor's degree in Spanish and a master's degree in teaching English to speakers of other languages. She expanded her horizons by studying abroad and meeting students of various nationalities. She also taught in Mozambique through the Peace Corps.

Uribe is among five Bridgewater graduates who have received a Fulbright award in recent years.

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

Notes to Financial Statements

June 30, 2020 and 2019

Note 1 - Summary of Significant Accounting Policies

Organization

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

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

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

Operations

On March 11, 2020, the World Health Organization declared the global outbreak of the novel coronavirus (COVID-19) as a pandemic. On March 23, 2020, the university transitioned students to a distance learning environment for the completion of the 2020 spring semester, and the 2020 summer semester was taught online. The university refunded a total of \$9,328,555 before June 30, 2020 to students for a pro-rata share of the housing, meal plan fees, and parking fees charged for the period from when the university transitioned students to a distance learning environment to the completion of the 2020 spring semester.

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

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Operations (Continued)

As of June 30, 2020, the university expended \$834,476 for emergency grants to students and recognized \$834,476 in matching revenue, which was recorded in non-operating federal grants. The university deferred \$3,582,355 for institutional costs from the HEERF funds. In conjunction with CARES Act regulations, the university must spend these funds by April 27, 2021.

The university was also awarded Higher Education Emergency Relief Funds (HEERF) Strengthening Institutions Program funds in the amount of \$433,027. The university deferred these funds until fiscal year 2021. The university must spend these funds by June 1, 2021.

Basis of Presentation and Accounting

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

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

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Direct expenses are those that are clearly identifiable within a specific function. The university's policies for defining operating activities in the Statements of Revenues and Expenses are those that generally result from exchange transactions such as tuition and fees, grants and contracts, auxiliary enterprise revenues as well as expenses for salaries, wages, fringe benefits, utilities, supplies and services, depreciation and amortization.

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

Classification of Assets and Liabilities

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

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Position

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

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

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

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

Unrestricted: All other categories of net position. Unrestricted net position may be designated by actions of the university's Board of Trustees.

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

Cash and Equivalents

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

Investments

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

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

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

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

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

Level 2 Inputs to the valuation methodology include:

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

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

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

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

Allowances on Accounts Receivable

Accounts receivable are reported at the amount management expects to collect in the future on balances outstanding at year end. Management estimates allowances for losses based on the history of collections and the knowledge acquired about specific items. Adjustments to the allowance are charged to bad debt expense. Interest is not charged on accounts receivable. Uncollectible amounts are written off against the reserve when deemed uncollectible; recoveries are recorded when received. An amount is considered uncollectible when reasonable efforts to collect the account have been exhausted.

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital Assets

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

Real estate assets, including improvements, are generally stated at cost. Furnishings, equipment and collections items are stated at cost at date of acquisition. Capital assets received with service concession arrangements and donated collection items are measured at the acquisition date value, the price that would be paid to acquire an asset with equivalent service potential in a similar market transaction. In accordance with the Commonwealth's capitalization policy, non-collection items with a unit cost of \$50,000 or more are capitalized. Land and collection items are capitalized, regardless of cost. Interest costs on debt related to capital assets are capitalized during the construction period and then depreciated over the life of the project. University capital assets, with the exception of land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives, which range from 3 to 40 years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Bond Premiums

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

Pension Plan

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

Postemployment Benefits Other Than Pensions ("OPEB")

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

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Fringe Benefits

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

Compensated Absences

Employees earn the right to be compensated during absences for vacation leave, sick leave and accrued compensatory time. Accrued vacation is the amount earned by all eligible employees through June 30, 2020 and 2019. The accrued sick leave balance represents 20% of amounts earned by those employees with ten or more years of state service at June 30, 2020 and 2019. Upon retirement, these employees are entitled to receive payment for this accrued balance.

Unearned Revenues

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

Student Fees

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

Tax Status

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant management estimates included in the financial statements relate to the allowances for accounts, useful lives of capital assets and pension and OPEB liabilities.

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Adoption of New Accounting Pronouncements

The university adopted GASB Statement 83 – *Certain Asset Retirement Obligations* (“AROs”). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The implementation of this Statement did not have a material effect on the financial statements.

The university adopted GASB Statement 84 – *Fiduciary Activities*. The objective of this Statement is to establish criteria for identifying and reporting of fiduciary activities. The implementation of this Statement did not have a material effect on the financial statements.

The university adopted GASB Statement 88 – *Certain Disclosures Related to Debt, Including Direct Borrowings and Placements*. Implementation of this Standard required additional disclosures in the notes to the financial statements related to debt. The implementation of this Standard did not have a material effect on the financial statements.

New Government Accounting Pronouncements

GASB Statement 87, *Leases* is effective for periods beginning after June 15, 2021. Implementation of this Standard will require lessees to recognize on their statement of net position the rights and obligations resulting from leases categorized as operating leases as assets, liabilities, or deferred inflows/outflows of resources. It provides for an election on leases with terms of less than twelve months to be excluded from this Standard. The university is in the process of evaluating this Statement and expects an impact to the financial accounting and reporting framework.

GASB Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* is effective for periods beginning after December 15, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The university is in the process of evaluating this Statement and does not currently expect a material impact.

GASB Statement 90, *Majority Equity Interests*, an amendment of GASB Statements 14 and 61 is effective for reporting periods beginning after December 15, 2019. The objective of this Statement is to improve the consistency of reporting a government’s majority equity interest in a legally separate organization. A majority equity interest should be recognized using the equity method if the government’s holding of the equity interest represents an investment. The university is in the process of evaluating this Statement and does not currently expect a material impact.

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

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

New Government Accounting Pronouncements (Continued)

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

GASB Statement 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* is effective for reporting periods beginning after June 15, 2022. The objective of this Statement is to provide accounting and financial reporting guidance for arrangements in which the governmental entity (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset. Management has not completed its review of the requirements of this Standard and its applicability.

GASB Statement 96 – *Subscription-Based Information Technology Arrangements (SBITA)* is effective for reporting periods beginning after June 15, 2022. The objective of this Statement is to provide accounting and financial reporting guidance for transactions in which a governmental entity contracts with another party for the right to use their software. A right-to-use asset and a corresponding liability would be recognized for SBITAs. Management has not completed its review of the requirements of this Standard and its applicability.

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

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported change in net position for the year ended June 30, 2019.

Subsequent Events

For purposes of determining the effects on these financial statements, Management has evaluated events subsequent to June 30, 2020 and through November 23, 2020, the date which the financial statements were available to be issued and determined that, except as noted below, there were no additional unrecognized or undisclosed matters requiring recognition or disclosure to the accompanying financial statements.

The COVID-19 crisis has created volatility in the financial markets and a significant decrease in the overall economy. The full adverse impact and duration of COVID-19 on the university's finances and operations cannot be determined.

Subsequent to June 30, 2020, the university announced that approximately 96% of their courses in the 2020 fall semester will be taught online. As a result of the crisis, billed credits and the number of students living in the dormitories for the 2020 fall semester decreased by 3.8% and 60.4% from the 2019 fall semester, respectively.

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Subsequent Events (Continued)

After an extensive bidding process, the university entered into a new service concession agreement with Sodexo Operations LLC (Sodexo) effective July 1, 2020 for a period of ten years through June 30, 2030. Upon expiration, the university has the option to extend the agreement for up to two additional five-year periods for a maximum contract term of no more than twenty years.

As compensation for the services provided, the university shall pay Sodexo a management fee of 2.5% and a general support services allowance of 3.95%, each applied to authorized expenses defined within the agreement excluding amortization.

Due to the circumstances and uncertainties of the economic impact of COVID-19, the parties have elected not to implement an incentive fee program until the university's dining program returns to normal pre-COVID-19 levels.

On July 1, 2020 the MSCBA closed on Refunding Revenue Bonds Series 2020A for the purpose of providing budgetary relief to the university. The refunding included several of the university's bonds which will result in no principal payments due for fiscal year 2021 and an additional reduction in principal payments for fiscal year 2022. It is also anticipated the refunding will reduce fiscal year 2021's assessment due to the MSCBA for the university's use of the dormitories.

Note 2 - Prior Period Adjustment

Management of the university was notified of an error in the calculation of OPEB from the State Comptroller's office for the year ended June 30, 2019. The error did not have an effect on the calculation of OPEB as of June 30, 2018.

The following presents the effects of the corrections made to the previously issued financial statements:

	<u>As Previously Reported at June 30, 2019</u>	<u>Correction of an Error</u>	<u>As Restated at June 30, 2019</u>
Statements of Net Position:			
Deferred outflows of resources related to OPEB	\$ 31,843,639	125,834	\$ 31,969,473
Deferred inflows of resources related to OPEB	\$ 32,889,282	(21,317,828)	\$ 11,571,454
Net OPEB liability	\$ 105,456,824	25,920,418	\$ 131,377,242
Unrestricted net position	\$ (128,519,385)	(4,476,756)	\$ (132,996,141)
Statements of Revenues and Expenses:			
Operating expenses	\$ 219,838,420	4,476,756	\$ 224,315,176

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 3 - Cash and Equivalents

Custodial credit risk is risk associated with the failure of a depository financial institution. At June 30, 2020 and 2019, the university's deposits were either insured or fully collateralized, with the exception of amounts held by the Massachusetts Municipal Depository Trust ("MMDT"). At June 30, 2020 and 2019, the carrying amount of the university's deposits, net of deposits and disbursements in transit, was \$48,739,764 and \$43,527,622, respectively. Of the carrying amount, \$3,875 and \$8,869,031 were held by MMDT at June 30, 2020 and 2019, respectively. The university deposited those funds into the university bank accounts as the interest rate dropped from 2.54% to 0.41%.

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

Note 4 - Cash Held by State Treasurer

Accounts payable, accrued salaries and outlays for future capital projects to be funded from state-appropriated funds totaled \$497,921 and \$997,855 at June 30, 2020 and 2019, respectively. The university has recorded a comparable dollar amount of cash held by State Treasurer for the benefit of the university, which will be subsequently utilized to pay for such liabilities. The cash is held in the State Treasurer's pooled cash account.

Note 5 - Restricted Cash and Equivalents

Restricted cash and equivalents are as follows:

	<i>2020</i>	<i>2019</i>
Construction	\$ 314,938	\$ 926,200
Debt service funds	718,653	751,136
Other	24,876	24,811
	\$ 1,058,467	\$ 1,702,147

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 6 - Investments - Component Units

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

	<i>2020</i>	<i>2019</i>
Equity mutual funds	\$ 33,115,604	\$ 32,495,415
Mutual funds	126,249	105,494
Real asset mutual funds	1,152,929	1,196,085
Fixed income bond mutual funds	<u>10,974,961</u>	<u>11,207,945</u>
Total investments	<u>\$ 45,369,743</u>	<u>\$ 45,004,939</u>

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020.

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

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

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 6 - Investments - Component Units (Continued)

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

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

Annuities Payable: Valued at the present value of future cash flows expected to be paid to the donor based upon the life expectancy of the respective donor. Annuities payable are recorded as accounts payable for presentation in the Statement of Net Position.

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

Note 7 - Fair Value Measurements - Component Units

Within the fair value hierarchy, the component units' investment assets are all deemed to be level 1 investments at June 30, 2020 and 2019. Annuities payable for the component units are deemed to be level 3 investments at June 30, 2020 and 2019.

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

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 8 - Accounts Receivable, Net

Accounts receivable is comprised of the following at June 30:

	<i>2020</i>	<i>2019</i>
Students	\$ 6,960,372	\$ 6,372,466
Grants	1,433,821	905,803
Other	<u>1,996,894</u>	<u>2,678,807</u>
	10,391,087	9,957,076
Less: allowance for doubtful accounts	<u>(2,638,384)</u>	<u>(2,588,160)</u>
Net accounts receivable	<u>\$ 7,752,703</u>	<u>\$ 7,368,916</u>

Note 9 - Contributions Receivable - Component Units

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

Contributions receivable are as follows as of June 30:

	<i>2020</i>	<i>2019</i>
Amounts due in:		
Less than one year	\$ 447,086	\$ 326,860
One to five years	<u>63,845</u>	<u>317,130</u>
	510,931	643,990
Less: unamortized discounts	(1,005)	(17,844)
Less: allowance for uncollectible accounts	<u>(1,700)</u>	<u>(30,000)</u>
Net contributions receivable	508,226	596,146
Less: current portion	<u>447,086</u>	<u>310,703</u>
Non-current contributions receivable	<u>\$ 61,140</u>	<u>\$ 285,443</u>

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 10 - Capital Assets

Capital asset activity for the year ended June 30, 2020 is as follows:

	<i>Estimated Lives (in Years)</i>	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Reclassifications</i>	<i>Ending Balance</i>
Capital assets not depreciated:						
Land		\$ 2,971,396	\$ -	\$ -	\$ -	\$ 2,971,396
Artwork		807,590	81,675	-	-	889,265
Construction in progress		2,843,135	9,289,328	(124,696)	(1,786,488)	10,221,279
Total not depreciated		<u>6,622,121</u>	<u>9,371,003</u>	<u>(124,696)</u>	<u>(1,786,488)</u>	<u>14,081,940</u>
Capital assets depreciated:						
Buildings, including improvements (including assets held under capital lease)	11-40	259,562,118	1,246,712	-	1,786,488	262,595,318
Furnishings and equipment	3-10	17,359,774	1,236,690	-	-	18,596,464
Library materials	5	530,354	63,709	-	-	594,063
Total depreciated		<u>277,452,246</u>	<u>2,547,111</u>	<u>-</u>	<u>1,786,488</u>	<u>281,785,845</u>
Total capital assets		<u>284,074,367</u>	<u>11,918,114</u>	<u>(124,696)</u>	<u>-</u>	<u>295,867,785</u>
Less accumulated depreciation:						
Buildings, including improvements		117,250,865	8,217,257	-	-	125,468,122
Furnishings and equipment		10,611,303	1,713,359	-	-	12,324,662
Library materials		168,867	59,406	-	-	228,273
Total accumulated depreciation		<u>128,031,035</u>	<u>9,990,022</u>	<u>-</u>	<u>-</u>	<u>138,021,057</u>
Capital assets, net		\$ <u>156,043,332</u>	\$ <u>1,928,092</u>	\$ <u>(124,696)</u>	\$ <u>-</u>	\$ <u>157,846,728</u>

Capital asset activity for the year ended June 30, 2019 is as follows:

	<i>Estimated Lives (in Years)</i>	<i>Beginning Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Reclassifications</i>	<i>Ending Balance</i>
Capital assets not depreciated:						
Land		\$ 2,606,589	\$ -	\$ -	\$ 364,807	\$ 2,971,396
Artwork		798,290	9,300	-	-	807,590
Construction in progress		1,410,423	2,682,219	(389,683)	(859,824)	2,843,135
Total not depreciated		<u>4,815,302</u>	<u>2,691,519</u>	<u>(389,683)</u>	<u>(495,017)</u>	<u>6,622,121</u>
Capital assets depreciated:						
Buildings, including improvements (including assets held under capital lease)	11-40	256,824,660	2,242,441	-	495,017	259,562,118
Furnishings and equipment	3-10	16,232,686	1,127,088	-	-	17,359,774
Library materials	5	422,334	108,020	-	-	530,354
Total depreciated		<u>273,479,680</u>	<u>3,477,549</u>	<u>-</u>	<u>495,017</u>	<u>277,452,246</u>
Total capital assets		<u>278,294,982</u>	<u>6,169,068</u>	<u>(389,683)</u>	<u>-</u>	<u>284,074,367</u>
Less accumulated depreciation:						
Buildings, including improvements		108,611,624	8,639,241	-	-	117,250,865
Furnishings and equipment		9,068,613	1,542,690	-	-	10,611,303
Library materials		115,832	53,035	-	-	168,867
Total accumulated depreciation		<u>117,796,069</u>	<u>10,234,966</u>	<u>-</u>	<u>-</u>	<u>128,031,035</u>
Capital assets, net		\$ <u>160,498,913</u>	\$ <u>(4,065,898)</u>	\$ <u>(389,683)</u>	\$ <u>-</u>	\$ <u>156,043,332</u>

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 10 - Capital Assets (Continued)

At June 30, 2020 and 2019, capital assets held under capital lease totaled \$10,586,555. Assets held under capital lease had a carrying value, net of accumulated depreciation, of \$3,712,504 and \$4,263,462 at June 30, 2020 and 2019, respectively.

For the years ended June 30, 2020 and 2019, the university recorded amortization expense of \$700 related to capitalized interest on assets held under capital lease.

Note 11 - Unearned Revenues

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

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

	<i>2020</i>	<i>2019</i>
Tuition and fees	\$ 6,003,880	\$ 5,183,536
Unearned capital appropriations	7,790,108	1,062,801
Grants	3,750,860	109,111
Other	<u>6,017</u>	<u>179,093</u>
Total unearned revenues	\$ <u>17,550,865</u>	\$ <u>6,534,541</u>

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

Note 12 - Deferred Inflows of Resources – Service Concession Arrangement

A component of deferred inflows of resources at June 30, 2020 and 2019 in the amounts of \$0 and \$270,000, respectively, consists of the unamortized balances of a food service agreement with an outside party. The vendor has contributed a total of \$6,250,000 over fiscal years 2008 to 2018, to upgrade the food service facilities and for the installation of an air conditioning system in the food service facility. The contributions are being amortized at a rate of \$760,000 per year through fiscal year 2018, with amortization of \$440,500 and \$270,000 in fiscal years 2019 and 2020, respectively. The university reports the carrying value of the capital assets related to the service concession arrangement at approximately \$2,800,000 and \$3,197,000 at June 30, 2020 and 2019, respectively.

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 13 - Long-Term Liabilities

Long-term liabilities of the university at June 30, 2020 consist of:

	<i>(Restated)</i> <i>Beginning</i> <i>Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending</i> <i>Balance</i>	<i>Current</i> <i>Portion</i>
Capital leases and bonds payable:					
Bonds payable	\$ 13,716,664	\$ -	\$ 1,336,222	\$ 12,380,442	\$ 1,392,012
Capital lease obligations	4,019,251	-	437,151	3,582,100	461,849
	<u>17,735,915</u>	<u>-</u>	<u>1,773,373</u>	<u>15,962,542</u>	<u>1,853,861</u>
Other long-term liabilities:					
Accrued worker's compensation	1,375,622	1,239,063	1,375,622	1,239,063	229,227
Accrued compensated absences	10,697,581	11,400,473	10,697,581	11,400,473	7,638,317
Net pension liability	60,039,220	60,911,032	60,039,220	60,911,032	-
Net OPEB liability	131,377,242	114,827,620	131,377,242	114,827,620	-
	<u>203,489,665</u>	<u>188,378,188</u>	<u>203,489,665</u>	<u>188,378,188</u>	<u>7,867,544</u>
Total long-term liabilities	\$ <u>221,225,580</u>	\$ <u>188,378,188</u>	\$ <u>205,263,038</u>	\$ <u>204,340,730</u>	\$ <u>9,721,405</u>

Long-term liabilities of the university at June 30, 2019 consist of:

	<i>Beginning</i> <i>Balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>(Restated)</i> <i>Ending</i> <i>Balance</i>	<i>Current</i> <i>Portion</i>
Capital leases and bonds payable:					
Bonds payable	\$ 15,086,947	\$ -	\$ 1,370,283	\$ 13,716,664	\$ 1,329,048
Capital lease obligations	4,433,028	-	413,777	4,019,251	437,151
	<u>19,519,975</u>	<u>-</u>	<u>1,784,060</u>	<u>17,735,915</u>	<u>1,766,199</u>
Other long-term liabilities:					
Accrued worker's compensation	1,425,859	1,375,622	1,425,859	1,375,622	301,261
Accrued compensated absences	10,431,480	10,697,581	10,431,480	10,697,581	7,167,379
Net pension liability	54,506,501	60,039,220	54,506,501	60,039,220	-
Net OPEB liability	106,015,398	131,377,242	106,015,398	131,377,242	-
	<u>172,379,238</u>	<u>203,489,665</u>	<u>172,379,238</u>	<u>203,489,665</u>	<u>7,468,640</u>
Total long-term liabilities	\$ <u>191,899,213</u>	\$ <u>203,489,665</u>	\$ <u>174,163,298</u>	\$ <u>221,225,580</u>	\$ <u>9,234,839</u>

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 13 - Long-Term Liabilities (Continued)

Bonds Payable

	<i>2020</i>	<i>2019</i>
Tinsley Center Bonds through MHEFA at variable interest between 6.50% and 6.45%, maturing 1/15/2023	\$ 1,722,920	\$ 2,287,482
Parking lot Bonds through MSCBA at average interest of 4.3%, maturing 5/1/2026	528,207	573,359
Athletic field Bonds through MSCBA at average interest of 4.6%, maturing 5/1/2030	2,896,018	3,134,956
University Park Bonds through MSCBA at average interest of 3.9%, maturing 5/1/2032	685,559	729,444
Campus Center Bonds through MSCBA at average interest of 3.6%, maturing 2/21/2032	3,637,694	3,884,049
Welcome Center Bonds through MSCBA at average interest of 3.6%, maturing 5/1/2032	<u>2,910,044</u>	<u>3,107,374</u>
	<u>\$ 12,380,442</u>	<u>\$ 13,716,664</u>

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

Interest expense on bonds payable for the years ended June 30, 2020 and 2019 was \$350,721 and \$386,154, respectively.

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 13 - Long-Term Liabilities (Continued)

Bonds Payable (Continued)

Maturities of the bonds payable subsequent to June 30, 2020 are as follows:

<i>Fiscal Years Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2021	\$ 1,392,012	\$ 486,624	\$ 1,878,636
2022	1,465,918	412,398	1,878,316
2023	1,466,032	343,309	1,809,341
2024	929,663	282,288	1,211,951
2025	958,059	249,870	1,207,929
2026-2030	4,795,055	758,628	5,553,683
2031-2032	<u>1,373,703</u>	<u>59,847</u>	<u>1,433,550</u>
	<u>\$ 12,380,442</u>	<u>\$ 2,592,964</u>	<u>\$ 14,973,406</u>

Operating and Capital Leases

The university leases certain premises under operating lease agreements for satellite and office space locations in New Bedford, Bridgewater, and Attleboro. Original lease terms range from 1 year to 20 years. The leases are set to expire in fiscal years 2021, 2027, and 2028, respectively. The Attleboro premise lease contains a clause passing through increases in operating costs. The university also leases certain other facilities from time to time on a short-term basis. The Bridgewater operating lease is leased from the Foundation.

The university also leases certain assets under capital lease arrangements including leases for machinery and tax-exempt financing leases for various energy improvements.

The following schedule summarizes future minimum payments under non-cancellable leases subsequent to June 30, 2020:

<i>Fiscal Years Ending June 30,</i>	<u><i>Capital Leases</i></u>		<i>Operating Leases</i>	<i>Total</i>
	<i>Principal</i>	<i>Interest</i>		
2021	\$ 461,849	\$ 185,763	\$ 256,522	\$ 904,134
2022	487,946	159,666	196,522	844,134
2023	515,521	132,090	196,522	844,133
2024	544,659	102,953	196,522	844,134
2025	575,449	72,163	196,522	844,134
2026-2028	<u>996,676</u>	<u>49,396</u>	<u>529,566</u>	<u>1,575,638</u>
	<u>\$ 3,582,100</u>	<u>\$ 702,031</u>	<u>\$ 1,572,176</u>	<u>\$ 5,856,307</u>

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 13 - Long-Term Liabilities (Continued)

Operating and Capital Leases (Continued)

Interest expense on capital leases payable for the years ended June 30, 2020 and 2019 was \$210,461 and \$233,834, respectively. Rental expense for operating leases was \$870,972 and \$751,952 for the years ended June 30, 2020 and 2019, respectively.

Note 14 - Pension Plan

Plan Description

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

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

Benefit Provisions

MSERS provides retirement, disability, survivor and death benefits to plan members and their beneficiaries. Massachusetts General Laws ("MGL") establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, group creditable service and group classification. The authority for establishing and amending these provisions rests with the Massachusetts Legislature, Chapter 32A of the General Laws of the Commonwealth of Massachusetts.

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 14 - Pension Plan (Continued)

Benefit Provisions (Continued)

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

Contributions

The MSERS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MSERS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets. Member contributions for MSERS vary depending on the most recent date of membership:

<u>Hire Date</u>	<u>Percentage of Compensation</u>
Prior to 1975	5% of regular compensation
1975 to 1983	7% of regular compensation
1984 to June 30, 1996	8% of regular compensation
July 1, 1996 to present	9% of regular compensation except for State Police which is 12% of regular compensation
1979 to present	An additional 2% of regular compensation in excess of \$30,000

The university is not required to contribute from its appropriation allocation or other university funds to MSERS for employees compensated from state appropriations. For university employees covered by MSERS but compensated from a trust fund or other source, the university is required to contribute an amount determined as a percentage of compensation in accordance with a fringe benefit rate determined by the Commonwealth. The rate was 14.08%, 12.06% and 11.78% of annual covered payroll for the fiscal years ended June 30, 2020, 2019 and 2018, respectively. The university contributed \$4,766,502, \$4,144,835 and \$4,149,937 for the fiscal years ended June 30, 2020, 2019 and 2018, respectively, equal to 100% of the required contributions for the year. Annual covered payroll was approximately 78%, 80% and 77% of total related payroll for fiscal years ended 2020, 2019 and 2018, respectively.

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 14 - Pension Plan (Continued)

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

At June 30, 2020 and 2019, the university reported a net pension liability of \$60,911,032 and \$60,039,220, respectively, for its proportionate share of the net pension liability related to its participation in MSERS. The fiscal year ended June 30, 2020 net pension liability was measured as of June 30, 2019, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019, rolled forward to June 30, 2019. The fiscal year ended June 30, 2019 net pension liability was measured as of June 30, 2018, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018 rolled forward to June 30, 2018. The university's proportion of the net pension liability was based on its share of the Commonwealth's collective pension amounts allocated on the basis of actual fringe benefit charges assessed to the university for the fiscal years 2019 and 2018. The university's proportionate share was based on actual employer contributions to the MSERS for fiscal years 2019 and 2018, relative to total contributions of all participating employers for those fiscal years. At June 30, 2019 and 2018, the university's proportion was .416% and .454%, respectively. For the years ended June 30, 2020 and 2019, the university recognized pension expense of \$6,127,656 and \$5,812,634, respectively.

At June 30, 2020 and 2019, the university reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	2020	2019
Deferred Outflows of Resources Related to Pension		
Change in plan actuarial assumptions	\$ 4,514,990	\$ 6,084,602
Contributions subsequent to the measurement date	4,766,502	4,144,835
Difference between expected and actual experience	2,022,868	1,903,935
Change in proportion due to internal allocation	4,230,030	7,586,330
Change in proportion from Commonwealth	107,540	161,924
Total deferred outflows of resources related to pension	\$ <u>15,641,930</u>	\$ <u>19,881,626</u>
 Deferred Inflows of Resources Related to Pension		
Net differences between projected and actual investment earnings on plan investments	\$ 908,571	\$ 2,086,901
Difference between expected and actual experience	792,179	1,223,602
Change in proportion due to internal allocation	5,201,515	2,567,296
Change in proportion from Commonwealth	3,094	11,412
Total deferred inflows of resources related to pension	\$ <u>6,905,359</u>	\$ <u>5,889,211</u>

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 14 - Pension Plan (Continued)

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

The university's contributions of \$4,766,502 and \$4,144,835 reported as deferred outflows of resources related to pensions resulting from the university contributions in fiscal years 2020 and 2019, respectively, subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the year ended June 30, 2021 and 2020, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase/(reduction) in pension expense as follows:

<i>Fiscal Years</i>	
<i>Ending June 30,</i>	
2021	\$ 2,279,827
2022	(97,602)
2023	804,775
2024	925,568
2025	<u>57,501</u>
Total	\$ <u>3,970,069</u>

Actuarial Assumptions

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

	<u>2020</u>	<u>2019</u>
Measurement date	June 30, 2019	June 30, 2018
Inflation on the first \$13,000 of allowance	3.00%	3.00%
Salary increases	4.00% to 9.00%	4.00% to 9.00%
Investment rate of return	7.25%	7.35%
Interest rate credited to annuity saving fund	3.50%	3.50%

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 14 - Pension Plan (Continued)

Actuarial Assumptions (Continued)

For measurement dates June 30, 2019 and 2018, mortality rates were based on:

- Pre-retirement - reflects RP-2014 Blue Collar Employees table projected generationally with Scale MP-2016 set forward 1 year for females
- Post-retirement - reflects RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2016 set forward 1 year for females
- Disability - For measurement date June 30, 2019 - reflects RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2016, set forward 1 year, for measurement date June 30, 2018 - reflects RP-2000 Healthy Annuitant Table projected generationally with Scale BB and a base year of 2015 (gender distinct)

The 2020 pension liability for the June 30, 2019, measurement date was determined by an actuarial valuation as of January 2019 and rolled forward to June 30, 2019. The 2019 pension liability for the June 30, 2018, measurement date was determined by an actuarial valuation as of January 2018 and rolled forward to June 30, 2018.

Investment assets of MSERS are with the Pension Reserves Investment Trust (“PRIT”) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund’s target assets allocation as of June 30, 2020 and 2019, are summarized in the following table:

<i>Asset Class</i>	<u>Target Allocation</u>		<u>Long-term Expected Rate of Return</u>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
Global equity	39.00%	39.00%	4.90%	5.00%
Core fixed income	15.00%	12.00%	1.30%	0.90%
Private equity	13.00%	12.00%	8.20%	6.60%
Real estate	10.00%	10.00%	3.60%	3.80%
Value added fixed income	8.00%	10.00%	4.70%	3.80%
Portfolio completion strategies	11.00%	13.00%	3.90%	3.70%
Timber/Natural resources	4.00%	4.00%	4.10%	3.40%
	100.00%	100.00%		

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 14 - Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25% and 7.35% for the fiscal years ended June 30, 2020 and 2019, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the pension plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table illustrates the sensitivity of the net pension liability calculated using the discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate for the measurement years ended June 30, 2019 and 2018.

<i>Measurement Year</i> <i>Ended June 30 2019</i>	<i>1% Decrease</i> <i>to 6.25%</i>	<i>Current Discount</i> <i>Rate 7.25%</i>	<i>1% Increase</i> <i>to 8.25%</i>
	\$ 81,074,558	\$ 60,911,032	\$ 43,682,266
 <i>Measurement Year</i> <i>Ended June 30 2018</i>	 <i>1% Decrease</i> <i>to 6.35%</i>	 <i>Current Discount</i> <i>Rate 7.35%</i>	 <i>1% Increase</i> <i>to 8.35%</i>
	\$ 80,922,832	\$ 60,039,220	\$ 41,194,977

Note 15 - Postemployment Benefits Other Than Pensions ("OPEB") - Restated

Plan Description

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

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

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 15 - Postemployment Benefits Other Than Pensions ("OPEB") - Restated (Continued)

Plan Description (Continued)

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

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

Benefits Provisions

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

Contributions

Employer and employee contribution rates are set by the Massachusetts General Law. The Commonwealth recognizes its share of the costs on an actuarial basis. As of June 30, 2020 and 2019, and as of the valuation date (January 1, 2019 and 2018), participants contributed 0% to 20% of premium costs, depending on the date of hire and whether the participant meets active, retired, or survivor status. As part of the fiscal year 2010 General Appropriation Act, all active employees pay an additional 5% of premium costs.

The Massachusetts General Laws governing employer contributions to SRBT determine whether entities are billed for OPEB costs. Consequently, SRBT developed an effective contribution methodology which allocates total actual contributions amongst the employers in a consistent manner (based on an employer's share of total covered payroll). The university is required to contribute based on Massachusetts General Laws; the rate was 7.29%, 8.79% and 8.92% of annual covered payroll for the fiscal year ended June 30, 2020, 2019 and 2018, respectively. The university contributed \$2,469,166, \$3,022,392 and \$3,141,996 for the fiscal years ended June 30, 2020, 2019 and 2018, respectively, equal to 100% of the required contribution for the year.

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 15- Postemployment Benefits Other Than Pensions ("OPEB") - Restated (Continued)

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

At June 30, 2020 and 2019, the university reported a liability of \$114,827,620 and \$131,377,242, respectively, for its proportionate share of the net OPEB liability related to its participation in SRBT. The net OPEB liability was measured as of June 30, 2019 and 2018, respectively, the measurement date, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019 and 2018, respectively, rolled forward to June 30, 2019 and 2018. The university's proportion of the net OPEB liability was based on its share of the Commonwealth's collective OPEB amounts allocated on the basis of an effective contribution methodology which allocates total actual contributions amongst the employers in a consistent manner based on the university's share of total covered payroll for the fiscal year 2019. The university's proportionate share was based on the actual employer contributions to the SRBT for fiscal year 2019 relative to total contributions of all participating employers for the fiscal year. At June 30, 2020 and 2019, the university's proportion was .628% and .707%, respectively.

For the year ended June 30, 2020 and 2019, the university recognized OPEB expense of \$6,135,100 and \$9,883,378, respectively. The university reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30:

	2020	<i>Restated</i> 2019
Deferred Outflows of Resources Related to OPEB:		
Contributions subsequent to the measurement date	\$ 2,469,166	\$ 3,022,392
Changes in proportion from Commonwealth	279,987	338,908
Difference between expected and actual experience	4,605,123	1,280,867
Change in plan actuarial assumptions	88,355	125,834
Changes in proportion due to internal allocation	<u>20,912,481</u>	<u>27,201,472</u>
Total deferred outflows of resources related to OPEB	<u>\$ 28,355,112</u>	<u>\$ 31,969,473</u>
Deferred Inflows of Resources Related to OPEB:		
Net differences between projected and actual investment earnings on OPEB plan investments	\$ 52,811	\$ 263,327
Differences between expected and actual experience	147,045	225,091
Changes in proportion due to internal allocation	13,174,837	-
Change in plan actuarial assumptions	<u>17,267,123</u>	<u>11,083,036</u>
Total deferred inflows of resources related to OPEB	<u>\$ 30,641,816</u>	<u>\$ 11,571,454</u>

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 15 - Postemployment Benefits Other Than Pensions ("OPEB") - Restated (Continued)

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

The university's contribution of \$2,469,166 and \$3,022,392 reported as deferred outflows of resources related to OPEB resulting from university contributions in fiscal year 2020 and 2019, respectively, subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability for the year ended June 30, 2021 and 2020, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as an increase/(reduction) in OPEB expense as follows:

Fiscal Years <u>Ending June 30,</u>	
2021	\$ (1,902,480)
2022	(1,902,480)
2023	(1,296,240)
2024	761,530
2025	<u>(416,200)</u>
	<u>\$ (4,755,870)</u>

Actuarial Assumptions

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

Measurement date	June 30, 2019	June 30, 2018
Inflation	2.50%	3.00%
Salary increases	4.0% per year	4.0% per year
Investment rate of return	7.25%, net of OPEB plan investment expense, including inflation	7.35%, net of OPEB plan investment expense, including inflation
Health care cost trend rates	7.5%, decreasing by 0.5% each year to an ultimate rate of 5.5% in 2023 and 2024 then decreasing 0.5% each year to an ultimate rate of 4.5% in 2026 for Medical; 5.0% for EGWP; 5.0% for administrative costs	8.0%, decreasing by 0.5% each year to an ultimate rate of 5.5% in 2023 then decreasing 0.25% each year to an ultimate rate of 5.0% in 2025 for Medical; 5.0% for EGWP; 5.0% for administrative costs

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 15 - Postemployment Benefits Other Than Pensions ("OPEB") - Restated (Continued)

Actuarial Assumptions (Continued)

The mortality rate was in accordance with RP 2014 Blue Collar Mortality Table projected with scale MP-2016 from the central year, with females set forward one year.

The participation rates are actuarially assumed as below:

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

	<u>Retirement Age</u>	
	<u>Under 65</u>	<u>Age 65+</u>
Indemnity	25.0%	85.0%
POS/PPO	60.0%	0.0%
HMO	15.0%	15.0%

The actuarial assumptions used in the January 1, 2019 and 2018 valuation rolled forward to June 30, 2019 and 2018 were based on the results of an actuarial experience study for the periods ranging July 1, 2017 and 2016 through December 31, 2018 and 2017, depending upon the criteria being evaluated. As a result of this actuarial experience study, the mortality assumption was adjusted in the January 1, 2018 and 2017 actuarial valuation to more closely reflect actual experience as a result of the recent experience study completed by the Public Employee Retirement Administration Commission ("PERAC").

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

The SRBT is required to invest in the Pension Reserves Investment Trust ("PRIT") Fund. Consequently, information about SRBT's target asset allocation and long-term expected real rate of return as of June 30, 2020 and 2019, are the same as discussed in Note 14.

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 15 - Postemployment Benefits Other Than Pensions ("OPEB") - Restated (Continued)

Discount Rate

The discount rates used to measure the total OPEB liability was 3.63% and 3.92% for the years ended June 30, 2020 and 2019, respectively. These rates were based on a blend of the Bond Buyer Index rates of 3.51% and 3.87%, respectively, as of the measurement dates June 30, 2019 and 2018, and the expected rates of return. The OPEB plan's fiduciary net position was not projected to be available to make all projected future benefit payments for current plan members. The projected "depletion date" when projected benefits are not covered by projected assets is 2023 for the fiscal years ended June 30, 2020 and 2019, respectively. Therefore, the long-term expected rate of return on OPEB plan investments of 7.25% and 7.35% per annum, respectively, was not applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2020 and 2019.

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

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

Measurement Year Ended June 30,	1.00% Decrease 2.63%	Discount Rate 3.63%	1.00% Increase 4.63%
2019	\$ 137,067,067	\$ 114,827,620	\$ 97,243,976

Measurement Year Ended June 30,	1.00% Decrease 2.92%	Discount Rate 3.92%	1.00% Increase 4.92%
2018	\$ 156,165,777	\$ 131,377,242	\$ 111,712,456

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 15 - Postemployment Benefits Other Than Pensions ("OPEB") - Restated (Continued)

Discount Rate (Continued)

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

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

<u>Measurement Year Ended June 30,</u>	<u>1.00% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
2019	\$ 94,632,466	\$ 114,827,620	\$ 141,472,967

<u>Measurement Year Ended June 30,</u>	<u>1.00% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
2018	\$ 111,133,898	\$ 131,377,242	\$ 156,968,176

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 16 - Restricted Net Position

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

	<i>2020</i>	<i>2019</i> <i>Restated</i>
Restricted - nonexpendable:		
Scholarships and fellowships	\$ <u>23,000</u>	\$ <u>23,000</u>
Restricted - expendable:		
Grants	\$ <u>1,564,983</u>	\$ <u>1,219,637</u>

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

Note 17 - Contingencies

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

During 2015, certain allegations were made relative to abuse by a former employee associated with the university's day care center. This matter is currently ongoing and there could be further issues, litigation, or other matters that raise issue relative to these concerns. The impact of these matters, if any, cannot presently be determined.

The vast majority of higher educational institutions transitioned to distance learning during the 2020 spring semester due to the COVID-19 crisis. Many higher educational institutions have been served with a class action lawsuit due to this decision. The plaintiffs' claim that they have suffered academic harm after the 2020 spring semester transitioned to distance learning. Since the lawsuits are in the early stages, there has been no settlements or court decisions on this matter. The university has not been served with a lawsuit related to COVID-19. Management believes that any potential future adverse outcome is possible, but unlikely, and, would not be material to the university.

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

See Independent Auditors' Report.

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 17 - Contingencies (Continued)

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

Note 18 - Operating Expenses

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

	<i>2020</i>	<i>2019</i> <i>Restated</i>
Compensation and benefits	\$ 151,056,659	\$ 155,289,447
Supplies and services	47,990,618	49,592,966
Depreciation and amortization	9,990,722	10,235,666
Scholarships and fellowships	<u>10,243,910</u>	<u>9,197,097</u>
	<u>\$ 219,281,909</u>	<u>\$ 224,315,176</u>

Note 19 - Interest Expense

Interest expense for the years ended June 30, 2020 and 2019, is comprised of the following:

	<i>2020</i>	<i>2019</i>
Interest on capital leases	\$ 210,461	\$ 233,834
Interest on bonds payable	350,720	386,154
Perkins interest	<u>-</u>	<u>707</u>
Total interest expense	<u>\$ 561,181</u>	<u>\$ 620,695</u>

Note 20 - Massachusetts Management Accounting and Reporting System

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

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 20 - Massachusetts Management Accounting and Reporting System (Continued)

The amounts reported on MMARS agree to the university's records at June 30, 2020 and 2019. Management believes the amounts reported on MMARS meet the guidelines of the Comptroller's *Guide for Higher Education Audited Financial Statements*.

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

	<i>2020</i>	<i>2019</i>
Direct unrestricted appropriations	\$ 50,175,136	\$ 48,624,086
Add: Fringe benefits for benefited employees on the state payroll	17,232,591	16,536,120
Less: Day school tuition remitted to the state and included in tuition and fee revenue	<u>(57,508)</u>	<u>(61,525)</u>
Total unrestricted appropriations	67,350,219	65,098,681
Capital appropriations	<u>1,218,148</u>	<u>644,614</u>
Total appropriations	\$ <u>68,568,367</u>	\$ <u>65,743,295</u>

Note 21 - State Controlled Accounts

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

The estimated amounts of funding attributable for the Commonwealth's retirement system contribution and the employer's share of health care premiums for the years ended June 30, 2020 and 2019 were as follows (see State appropriations under Note 20).

	<i>2020</i>	<i>2019</i>
Commonwealth's retirement system contributions	\$ 7,436,048	\$ 6,313,016
Employer's share of health care premium	<u>9,796,543</u>	<u>10,223,104</u>
Fringe benefits provided by the Commonwealth	\$ <u>17,232,591</u>	\$ <u>16,536,120</u>

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 22 - Fringe Benefits for Current Employees and Postemployment Obligations - Pension and Non-pension

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

Group Insurance Commission

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

The GIC is a quasi-independent state agency governed by a seventeen-member body (the "Commission") appointed by the Governor. The GIC is located administratively within the Executive Office of Administration and Finance, and is responsible for providing health insurance and other benefits to the Commonwealth's employees and retirees and their survivors and dependents. During the fiscal years June 30, 2020 and June 30, 2019, the GIC provided health insurance for its members through indemnity, PPO, and HMO plans. The GIC also administered carve-outs for pharmacy, mental health and substance abuse benefits for certain health plans. In addition to health insurance, the GIC sponsors life insurance, long-term disability insurance (for active employees only), dental and vision coverage (for employees not covered by collective bargaining), a retiree discount vision plan and retiree dental plan, and finally, a pre-tax health care spending account and dependent care assistance program (for active employees only).

Other Retirement Plans

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

Note 23 - Pass-through Loans

The university distributed \$55,408,567 and \$54,816,021 for student loans through the U.S. Department of Education Federal Direct Lending Program for the years ended June 30, 2020 and 2019, respectively. The university also distributed private alternative loans of \$4,423,271 and \$4,516,722 through the Massachusetts Educational Financing Authority, and \$13,946,089 and \$13,670,833 through Elm Resources for the years ended June 30, 2020 and 2019, respectively. The university distributed \$327,574 and \$313,810 through the Massachusetts No Interest Loan Program for the years ended June 30, 2020 and 2019, respectively. These distributions and related funding sources facilitate the payment of tuition and fees incurred by students and thus are not included as expenses and revenues or as cash disbursements or cash receipts in the accompanying financial statements.

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

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Note 24 - Massachusetts State College Building Authority

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

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

The Revenue Assessments for the residence halls for the years ended June 30, 2020 and 2019 were \$16,970,361 and \$17,019,192, respectively. All facilities and obligations of the MSCBA are included in the financial statements of the Massachusetts State College Building Authority.

The MSCBA provided the university with funds in an effort to help provide budgetary relief in June 2020, which were considered an advance refunding from the refunding, as discussed in Note 1. The proceeds, of approximately \$695,000, are included as auxiliary revenue on the Statements of Revenues and Expenses.



BEAR PAW

PAVILION



Demolition of the 45-year-old Swenson Field Blockhouse will be replaced by the Bear Paw Pavilion, a 6,500 square foot facility. The new facility will feature two locker rooms, equipment storage and a laundry area as well as an athletic training examining room. Completion of the new facility is expected in Fall 2020.

BSU held a ceremony for the destruction of the 45-year old building. Attendees included President Fred Clark '83, Chairman of the Board of Trustees, Gene Durgin, Head Football Coach and BSU Athletics Hall of Famer, Joe Verria '81, Head Track & Field Coach, Connor Foley '15, BSU Hall of Famer Richie Florence '74 and Vice President of Student Affairs and Enrollment Management, Dr. Joseph Oravec.

Pete Mazzaferro, BSU's head football coach from 1968-2004, is a regular visitor to the press box to watch the team practice and play games. Under Mazzaferro, the Bears won or shared seven New England Football Conference championships, went to the NCAA Division 3 tournament in '99 and '00 and appeared in ECAC postseason games in '89 and '92.



STUDY ABROAD

CAMBODIA WINTER TRAVEL COURSE

Dr. Kevin Curry and Dan Rezendes continued a decade long tradition to lead a travel course to Cambodia as part of the Global Justice Program in January 2020.

BSU students worked with Samlei Chhoun and Cambodian students from Pannasastra University in Siem Reap to install a community water treatment system for a school in Phnom Srok, Banteay Meanchey Province.

Samlei coordinates community service projects or PUC Siem Reap and partners with BSU so all the students get an international community service project experience.

The system provides drinking water for middle school and high school students in this rural community about 1.5 hours from Siem Reap. We also partnered with Water for Cambodia in Siem Reap to build and install household biosand filters in three different villages in Siem Reap Province.





BRIDGEWATER

STATE UNIVERSITY

REQUIRED

S U P P L E M E N T A L

I N F O R M A T I O N

BRIDGEWATER STATE UNIVERSITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

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

Massachusetts State Employees' Retirement System

Year ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2014
Valuation date	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015	January 1, 2014	January 1, 2014
University's proportion of the collective net pension liability	0.416%	0.454%	0.425%	0.398%	0.457%	0.457%	0.337%
University's proportionate share of the collective net pension liability	\$ 60,911,032	\$ 60,039,220	\$ 54,506,501	\$ 54,936,179	\$ 52,075,634	\$ 52,075,634	\$ 25,037,497
University's covered payroll	65,853,418	59,884,685	63,303,324	62,138,172	54,976,688	54,976,688	46,647,839
University's proportionate share of the net pension liability as a percentage of its covered payroll	92.49%	100.26%	86.10%	88.41%	94.72%	94.72%	53.67%
Plan fiduciary net position as a percentage of the total pension liability	66.28%	67.91%	67.21%	63.48%	67.87%	67.87%	76.32%

Notes:

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

See accompanying notes to the required supplementary information.

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

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

Massachusetts State Employees' Retirement System

For the Years Ended June 30,

	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 9,176,946	\$ 7,941,922	\$ 7,054,416	\$ 6,298,681	\$ 5,872,057	\$ 5,712,078
Contributions in relation to the statutorily required contribution	<u>(9,176,946)</u>	<u>(7,941,922)</u>	<u>(7,054,416)</u>	<u>(6,298,681)</u>	<u>(5,872,057)</u>	<u>(5,712,078)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll	\$ 65,177,175	\$ 65,853,418	\$ 59,884,685	\$ 63,303,324	\$ 62,138,172	\$ 54,976,688
Contributions as a percentage of covered payroll	14.08%	12.06%	11.78%	9.95%	9.45%	10.39%

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

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

See accompanying notes to the required supplementary information.

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

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

Pension Schedules

Note 1 - Changes of Assumptions

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

Assumptions:

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

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

Assumptions:

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

The mortality rate assumptions were changed as follows:

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

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

Change of Benefits:

Chapter 79 of the Acts of 2014 established an early retirement (“ERI”) program for certain members of the MSERS plan. As a result, the total pension liability of MSERS increased by approximately \$10 million as of June 30, 2017.

Assumptions:

The mortality rates were changed as follows:

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

These mortality rate changes resulted in an increase of approximately \$304 million in the total pension liability of MSERS as of June 30, 2017.

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

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

Pension Schedules

Note 1 - Changes of Assumptions (Continued)

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

Change of Benefits:

Chapter 176 of the Acts of 2011 created a one-time election for eligible members of the Optional Retirement Plan ("ORP") to transfer into the MSERS and purchase service for the period while members of the ORP. As a result, the total pension liability of MSERS increased by approximately \$400 million as of June 30, 2016.

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

Change of Benefits:

Chapter 19 of the Acts of 2015 established an ERI program for certain members of the MSERS plan. As a result, the total pension liability of MSERS increased by approximately \$230 million as of June 30, 2015.

Assumptions:

The discount rate to calculate the pension liability decreased from 7.75% to 7.5%. This change resulted in an increase of approximately \$933 million in the total pension liability of MSERS as of June 30, 2015.

The mortality rates were changed as follows:

- Pre-retirement – was changed from RP-2000 Employees table projected 20 years with Scale AA (gender distinct) to RP-2000 Employees table projected generationally with Scale BB and a base year of 2009 (gender distinct)

- Post-retirement – was changed from RP-2000 Healthy Annuitant table projected 15 years with Scale AA (gender distinct) to RP-2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2009 (gender distinct)

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

These mortality changes resulted in an increase of approximately \$1.397 billion in the total pension liability of MSERS as of June 30, 2015.

Fiscal year June 30, 2015 (measurement date June 30, 2014)

Assumptions:

An updated experience study encompassed the period January 1, 2006 to December 31, 2011. The study reviewed salary increases and rates of retirement, disability, turnover and mortality. This study adjusted the mortality assumption which resulted in an increase of approximately \$102 million in the total pension liability as of June 30, 2014.

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

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

State Retirees' Benefit Trust

Year ended	June 30, 2020	<i>Restated</i>		June 30, 2017
		June 30, 2019	June 30, 2018	
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Valuation date	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016
University's proportion of the collective net OPEB liability	0.628%	0.707%	0.600%	0.516%
University's proportionate share of the collective net OPEB liability	\$ 114,827,620	\$ 131,377,242	\$ 106,015,398	\$ 97,744,075
University's covered payroll	65,853,418	59,884,685	63,303,324	62,138,172
University's proportionate share of the net OPEB liability as a percentage of its covered payroll	174.37%	219.38%	167.47%	157.30%
Plan fiduciary net position as a percentage of the total OPEB liability	6.96%	6.01%	5.39%	4.37%

Notes:

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

See accompanying notes to the required supplementary information.

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

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

State Retirees' Benefit Trust

For the Years Ended June 30,

	2020	<i>Restated</i> 2019	2018	2017
Statutorily required contribution	\$ 4,751,416	\$ 5,788,515	\$ 5,341,714	\$ 5,811,245
Contributions in relation to the statutorily required contribution	<u>(4,751,416)</u>	<u>(5,788,515)</u>	<u>(5,341,714)</u>	<u>(5,811,245)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll	\$ 65,177,175	\$ 65,853,418	\$ 59,884,685	\$ 63,303,324
Contributions as a percentage of covered payroll	7.29%	8.79%	8.92%	9.18%

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

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

See accompanying notes to the required supplementary information.

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

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

OPEB Schedules

Note 1 - Changes of Assumptions

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

Assumptions:

The healthcare trend rate decreased from 8.0% to 4.5%, which impacts the high cost of excise tax.

Mortality assumption changes were made in the January 1, 2018 Actuarial Valuation for disabled members that reflects the same assumptions as for superannuation retirees, but with an age set forward of one year.

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

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

Assumptions:

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

Mortality assumption changes were made in the January 1, 2018 Actuarial Valuation for disabled members that reflects the same assumptions as for superannuation retirees, but with an age set forward of one year.

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

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

Assumptions:

The discount rate was increased to 3.63% based upon a blend of the Bond Buyer Index rate as of the measurement date as required by GASB Statement 74. The June 30, 2016 discount rate was calculated to be 2.88%. This increase in the discount rate resulted in a decrease in the net OPEB liability for the Commonwealth of Massachusetts of approximately \$2.39 billion as of June 30, 2017.



YALI

For the fourth consecutive year, the U.S. Department of State-sponsored Mandela Washington Fellowship for Young African Leaders (YALI) chose BSU to host some of the continent's brightest emerging leaders. Bridgewater was the only college or university in New England – and one of just 27 across the country – selected as an institute partner.

BSU welcomed 25 fellows in summer 2019 for a six-week leadership in public management institute. The program is designed for those who work or hope to work in government, regional or international organizations, or other fields of public service. Fellows, who range in age from 25 to 35, learn about U.S. public management models and best practices.

The fellows toured a high-tech simulator program at Boston Children's Hospital, visited the homelessness assistance and prevention organization Father Bill's & MainSpring, and saw a demonstration of drones. They also participated in summertime life in Massachusetts by walking in Bridgewater's Independence Day parade and enjoying a Cape Cod clambake hosted by Trustee Mark Oliari.



COVID-19, an infectious disease caused by a novel coronavirus was declared by the World Health Organization as a global pandemic on March 11, 2020. In addition, Governor Charlie Baker declared a State of Emergency in Massachusetts to support the Commonwealth's response to the outbreak of the global COVID-19 pandemic on March 10, 2020.

As a result, the university moved all classes to online instruction, its academic and other student support services to remote delivery, and most of its staff to telecommuting within a matter of two weeks. The institution's prior and ongoing investments in technology enabled BSU to shift its service delivery model efficiently and effectively.

A Message from the President

March 15, 2020

Dear BSU Students,

Following additional COVID-19 guidance specifically for public higher education provided by Governor Charlie Baker this evening, and consistent with our efforts over the past week, **BSU will move to a fully online course delivery mode of instruction for all courses when classes resume on Monday, March 23. The online delivery of courses will continue until Sunday, April 5.** I anticipate that we may need to extend that time period, but further guidance will be forthcoming.

Our faculty have been preparing diligently and collaboratively for this eventuality. For the remainder of this week, faculty will be working with Academic Affairs, our College Deans, Academic Department Chairs, and the Teaching and Technology Center to accomplish this important task.

As promised, I will send a more detailed email to the campus community at the end of the day tomorrow with further information. In the meantime, please refer to bridgew.edu/covid-19.

Thank you for your patience and understanding, but especially for being such amazing Bears during this challenging period.

With warmest regards,

Fred Clark

Frederick W. Clark Jr., Esq.





THE BEARS GO ONLINE

BSU
ADAPTS
AMID A
PANDEMIC



"The COVID-19 outbreak presents us with daunting challenges, but I continue to witness the "we've got this" BSU spirit boldly confronting this crisis every day. Our BSU heroes are everywhere, and we will accomplish our goals and succeed. We are, after all, BSU Bears, and..."

'WE'VE GOT THIS'

- President Clark



STATE GRANT

PHOTONICS

During this fiscal year, BSU was awarded a \$1.4 million state grant from the Massachusetts Manufacturing Innovation Initiative to obtain equipment to support a photonics engineering program. This grant coupled with an investment of approximately \$600,000 in lab and classroom renovations will help meet the needs of the growing fields such as optics, biophysics and various types of engineering.

We just received approval from the Massachusetts Board of Higher Education in October 2020, for our undergraduate degree program in optical engineering. It will include a 15-month, 30-credit certification program with apprenticeships at area tech companies. BSU's optics offerings will be the first engineering program available in the state university system – other than Massachusetts Maritime Academy's energy systems and marine engineering programs.



Lt. Gov. Karyn Polito on a tour of one of BSU's undergraduate research labs featuring laser technology on Tuesday, October 29, 2019. The tour came after her announcing a grant award to the university to further photonics research, which uses technology such as lasers to transfer information and energy via light.



BRIDGEWATER

STATE UNIVERSITY

STATISTICAL SECTION

BRIDGEWATER STATE UNIVERSITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT



FIELD HOCKEY

The field hockey team was one of 147 NCAA Division III programs to earn the 2019 Zag Sports/ National Field Hockey Coaches Association (NFHCA) National Academic Team Award.



TABLE OF CONTENTS

This section of the Comprehensive Annual Financial Report provides additional information as a context for understanding what the information in the financial statements and note disclosures say about the university's and the Commonwealth of Massachusetts overall financial health.

FINANCIAL TRENDS	106-111
These schedules contain trend information to help the reader understand how the university's financial performance and well-being have changed over time.	
DEBT CAPACITY	112
These schedules display information to help the reader assess the affordability of the university's current level of outstanding debt, and assess the university's ability to issue additional debt in the future.	
OPERATING INFORMATION	113-123
These schedules contain service and capital asset data to help the reader understand how the information in the university's financial report relates to the services the university provides and the activities it performs.	
DEMOGRAPHIC AND ECONOMIC INFORMATION	124-129
These schedules offer demographic and economic indicators to help the reader understand the environment within which the university's and State's financial activities takes place.	

SCHEDULE OF REVENUES BY SOURCE

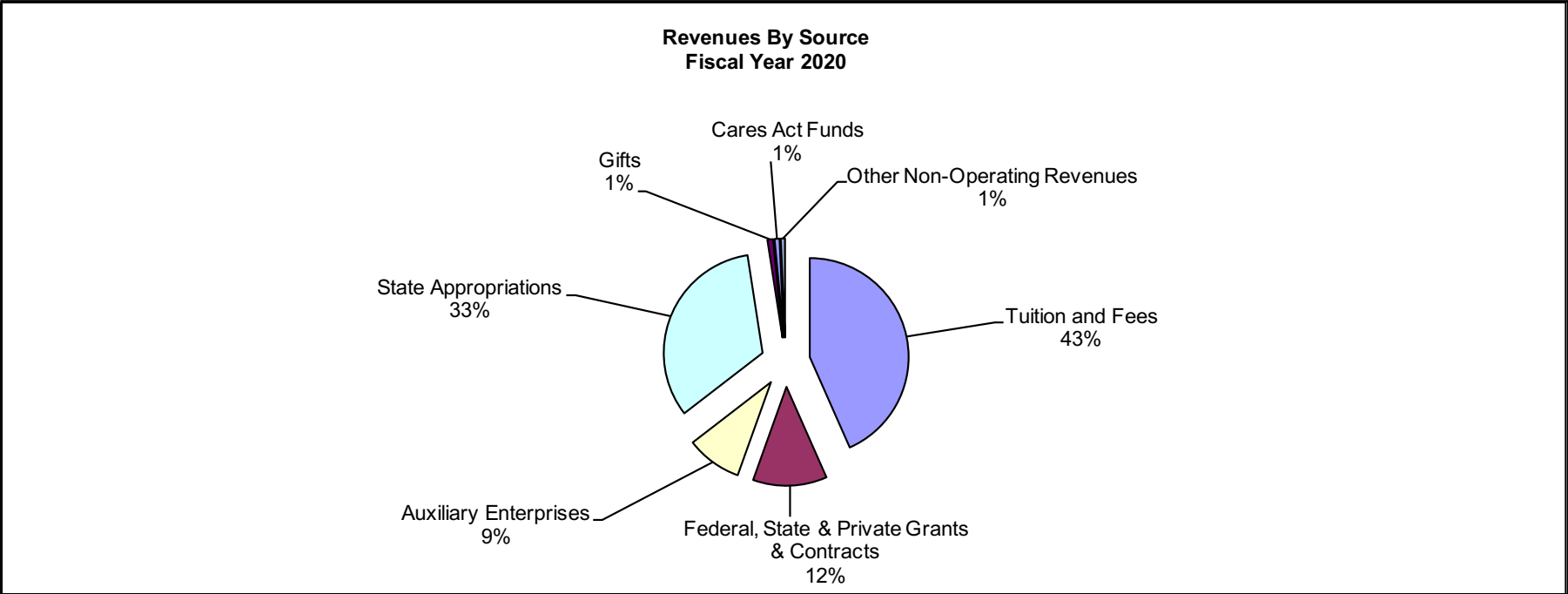
For the Year Ended June 30,

	2020	2019 (Restated)	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Operating Revenues:										
Tuition and Fees (net of scholarships and fellowships)	\$ 89,815,493	\$ 90,711,656	\$ 96,365,646	\$ 90,078,676	\$ 82,971,448	\$ 76,714,808	\$ 75,267,479	\$ 75,584,928	\$ 70,154,895	\$ 64,926,171
Federal, state and private grants and contracts	24,848,570	23,029,402	21,621,193	20,467,984	19,966,803	20,405,558	19,420,622	17,822,377	18,416,139	24,485,470
Auxiliary enterprises	18,277,013	26,754,128	26,441,631	26,706,122	26,814,973	26,147,322	24,623,224	21,771,366	21,047,033	21,507,908
Other Operating Revenue	320,740	665,907	1,568,141	1,863,742	2,201,100	1,073,329	1,078,624	583,889	338,680	310,288
Total Operating Revenues	\$ 133,261,816	\$ 141,161,093	\$ 145,996,611	\$ 139,116,524	\$ 131,954,324	\$ 124,341,017	\$ 120,389,949	\$ 115,762,560	\$ 109,956,747	\$ 111,229,837
Non Operating Revenues										
State appropriations, net	\$ 67,350,219	\$ 65,098,681	\$ 58,883,631	\$ 58,090,595	\$ 55,286,190	\$ 52,109,583	\$ 49,493,966	\$ 43,784,687	\$ 43,483,203	\$ 43,198,973
Gifts	1,902,763	1,279,525	1,282,307	1,540,090	1,326,816	1,252,301	899,221	902,554	706,947	715,817
Cares Act Funds	1,668,952									
Investment income	236,611	216,454	80,447	47,290	54,704	24,946	1,483	10,801	81,963	166,138
Other non-operating revenues	1,419,741	1,596,671	1,815,909	2,090,213	1,779,210	1,815,620	2,493,850	3,885,460	3,849,895	3,744,983
Total Non Operating Revenues	\$ 72,578,286	\$ 68,191,331	\$ 62,062,294	\$ 61,768,188	\$ 58,446,920	\$ 55,202,450	\$ 52,888,520	\$ 48,583,502	\$ 48,122,008	\$ 47,825,911
Total Revenues	\$ 205,840,102	\$ 209,352,424	\$ 208,058,905	\$ 200,884,712	\$ 190,401,244	\$ 179,543,467	\$ 173,278,469	\$ 164,346,062	\$ 158,078,755	\$ 159,055,748

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Operating Revenues:										
Tuition and Fees (net of scholarships and fellowships)	43%	43%	46%	45%	44%	43%	43%	46%	44%	41%
Federal, State & Private Grants & Contracts	12%	11%	10%	10%	10%	11%	11%	11%	12%	15%
Auxiliary Enterprises	9%	13%	13%	13%	14%	15%	14%	13%	13%	14%
Other Operating Revenue	0%	0%	1%	1%	1%	1%	1%	0%	0%	0%
Total Operating Revenues	64%	67%	70%	69%	69%	69%	69%	70%	70%	70%
Non Operating Revenues										
State Appropriations, net	33%	31%	28%	29%	29%	29%	29%	27%	28%	27%
Gifts	1%	1%	1%	1%	1%	1%	1%	1%	0%	0%
Cares Act Funds	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Investment Income	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Non-Operating Revenues	1%	1%	1%	1%	1%	1%	1%	2%	2%	2%
Total Non Operating Revenues	36%	33%	30%	31%	31%	31%	31%	30%	30%	30%
Total Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Bridgewater State University Annual Financial Statements

SCHEDULE OF REVENUES BY SOURCE



Source: Bridgewater State University Annual Financial Statements

SCHEDULE OF EXPENSES BY USE

For the Year Ended June 30, 2020

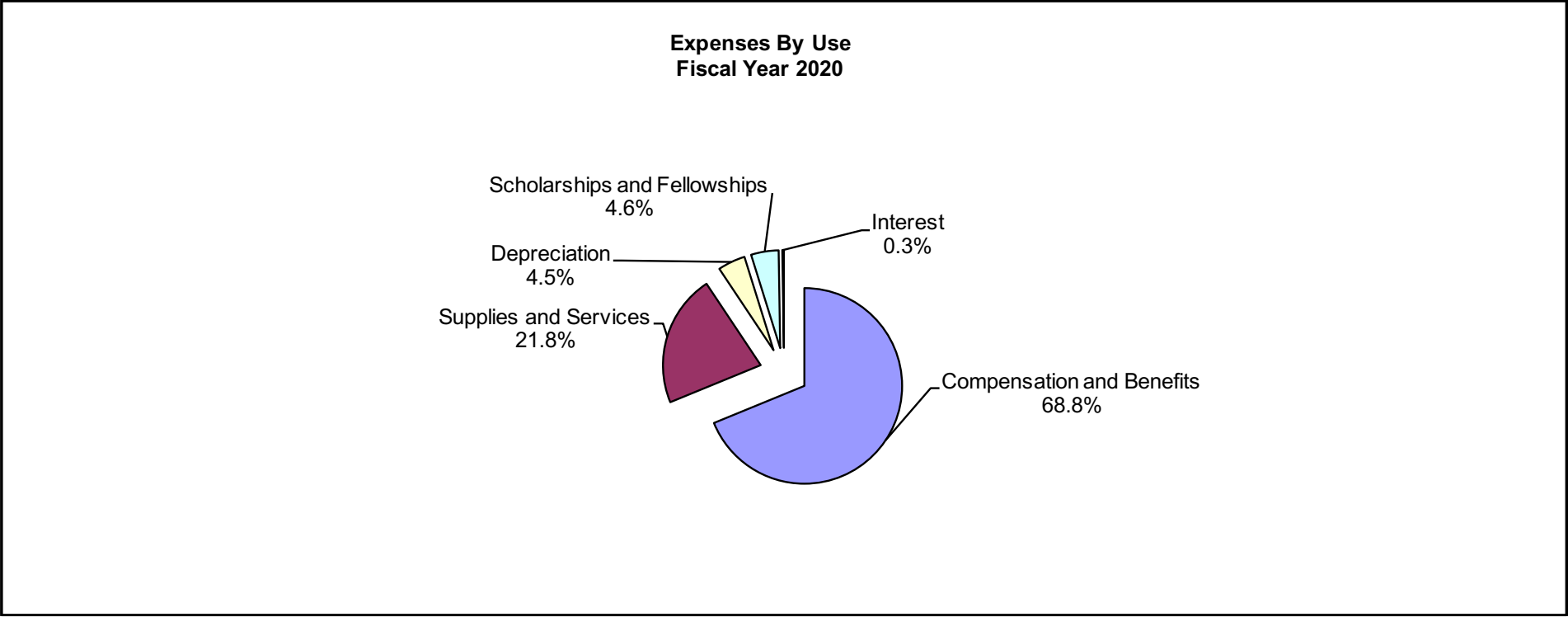
Expenses:	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating Expenses:		(Restated)								
Compensation and benefits	\$ 151,056,659	\$ 155,289,447	\$ 144,031,337	\$ 135,259,364	\$ 127,430,767	\$ 116,177,960	\$ 108,697,916	\$ 100,412,505	\$ 99,275,344	\$ 93,926,185
Supplies and services	47,990,618	49,592,966	47,283,834	48,850,073	50,916,103	51,203,453	48,026,031	46,900,069	44,121,129	43,075,167
Depreciation and amortization	9,990,722	10,235,666	10,126,813	10,125,133	11,991,495	11,699,185	6,073,134	5,598,456	5,185,166	4,751,225
Scholarships and fellowships	10,243,910	9,197,097	17,479,028	13,578,254	10,491,502	9,885,013	8,942,083	7,275,990	7,067,792	6,798,118
Total Operating Expenses	\$ 219,281,909	\$ 224,315,176	\$ 218,921,012	\$ 207,812,824	\$ 200,829,867	\$ 188,965,611	\$ 171,739,164	\$ 160,187,020	\$ 155,649,431	\$ 148,550,695
Non Operating Expenses:										
Interest expense	\$ 561,181	\$ 620,695	\$ 721,117	\$ 760,027	\$ 760,885	\$ 2,568,943	\$ 844,091	\$ 703,238	\$ 569,375	\$ 677,992
Total Non Operating Expenses	\$ 561,181	\$ 620,695	\$ 721,117	\$ 760,027	\$ 760,885	\$ 2,568,943	\$ 844,091	\$ 703,238	\$ 569,375	\$ 677,992
Total Expenses	\$ 219,843,090	\$ 224,935,871	\$ 219,642,129	\$ 208,572,851	\$ 201,590,752	\$ 191,534,554	\$ 172,583,255	\$ 160,890,258	\$ 156,218,806	\$ 149,228,687

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

Expenses:	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating Expenses:										
Compensation and benefits	68.8%	69.1%	65.7%	64.8%	63.2%	60.7%	63.0%	62.4%	63.5%	62.9%
Supplies and services	21.8%	22.0%	21.5%	23.4%	25.3%	26.7%	27.8%	29.2%	28.2%	28.9%
Depreciation	4.5%	4.6%	4.6%	4.9%	5.9%	6.1%	3.5%	3.5%	3.3%	3.2%
Scholarships and fellowships	4.6%	4.0%	7.9%	6.5%	5.2%	5.2%	5.2%	4.5%	4.6%	4.6%
Total Operating Expenses	99.7%	99.7%	99.7%	99.6%	99.6%	98.7%	99.5%	99.6%	99.6%	99.6%
Non Operating Expenses:										
Interest expense	0.3%	0.3%	0.3%	0.4%	0.4%	1.3%	0.5%	0.4%	0.4%	0.4%
Total Non Operating Expenses	0.3%	0.3%	0.3%	0.4%	0.4%	1.3%	0.5%	0.4%	0.4%	0.4%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Bridgewater State University Annual Financial Statements

SCHEDULE OF EXPENSES BY USE



Source: Bridgewater State University Annual Financial Statements

SCHEDULE OF EXPENSES BY FUNCTION

For the Year Ended June 30,

	<u>2020</u>	<u>2019</u> (Restated)	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses:										
Instruction	\$ 82,919,590	\$ 80,252,755	\$ 74,638,309	\$ 70,057,550	\$ 64,991,488	\$ 61,139,211	\$ 58,453,791	\$ 53,182,575	\$ 51,869,664	\$ 49,031,497
Public service	2,420,144	2,623,570	2,876,939	2,774,925	2,775,815	2,187,039	1,846,410	2,262,099	1,997,803	2,267,800
Academic support	26,115,706	27,901,251	26,422,937	25,512,065	23,796,119	22,674,733	20,693,405	18,434,047	18,286,667	17,041,848
Student services	23,978,138	25,408,170	23,887,255	23,094,520	21,593,072	22,360,467	21,561,475	19,760,852	19,073,503	18,442,875
Institutional support	25,253,381	24,026,458	20,783,716	19,641,046	20,993,149	17,036,747	16,887,940	17,272,031	16,153,039	15,977,296
Operation and maintenance of plant	16,514,963	19,597,190	17,877,940	16,697,626	16,479,057	18,203,719	13,955,958	16,429,130	16,092,959	14,566,750
Scholarships and fellowships	10,243,910	9,197,097	17,479,028	13,578,254	12,668,115	9,885,013	8,942,083	7,275,990	7,067,792	6,798,118
Depreciation and amortization	9,990,722	10,235,666	10,126,813	10,125,133	11,991,495	11,699,185	6,073,134	5,598,456	5,185,166	4,751,225
Auxiliary enterprises, net of scholarship allowances	21,845,355	25,073,019	24,828,075	26,331,705	25,541,557	23,779,497	23,324,968	19,971,840	19,922,838	19,673,286
Total Expenses	\$ 219,281,909	\$ 224,315,176	\$ 218,921,012	\$ 207,812,824	\$ 200,829,867	\$ 188,965,611	\$ 171,739,164	\$ 160,187,020	\$ 155,649,431	\$ 148,550,695

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses:										
Instruction	37%	36%	34%	34%	32%	32%	34%	33%	33%	33%
Public service	1%	1%	1%	1%	1%	1%	1%	1%	1%	2%
Academic support	12%	12%	12%	12%	12%	12%	12%	12%	12%	11%
Student services	11%	11%	11%	11%	11%	12%	13%	12%	12%	12%
Institutional support	12%	11%	10%	9%	11%	9%	10%	11%	10%	11%
Operation and maintenance of plant	8%	9%	8%	8%	8%	10%	8%	10%	10%	10%
Scholarships and fellowships	5%	4%	8%	7%	6%	5%	5%	5%	5%	5%
Depreciation and amortization	5%	5%	5%	5%	6%	6%	4%	3%	3%	3%
Auxiliary enterprises, net of scholarship allowances	9%	11%	11%	13%	13%	13%	14%	12%	13%	13%
Total Expenses	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Bridgewater State University Annual Financial Statements

SCHEDULE OF NET POSITION AND CHANGES IN NET POSITION

For the Year Ended June 30,

	<u>2020</u>	<u>2019</u> (Restated)	<u>2018</u>	<u>2017</u> (Restated)	<u>2016</u>	<u>2015</u>	<u>2014</u> (Restated)	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total revenues (from schedule of revenues by source)	\$ 205,840,102	\$ 209,352,424	\$ 208,058,905	\$ 200,884,712	\$ 190,401,244	\$ 179,543,467	\$ 173,278,469	\$ 164,346,062	\$ 158,078,755	\$ 159,055,748
Total expenses (from schedule of expenses by use)	(219,843,090)	(224,935,871)	(219,642,129)	(208,572,851)	(201,590,752)	(191,534,554)	(172,583,255)	(160,890,258)	(156,218,806)	(149,228,687)
Income before other revenues	(14,002,988)	(15,583,447)	(11,583,224)	(7,688,139)	(11,189,508)	(11,991,087)	695,214	3,455,804	1,859,949	9,827,061
Capital appropriations	1,218,148	644,614	605,394	914,758	1,419,509	90,229,323	532,100	1,250,000	660,113	298,646
Total Increase (Decrease) in Net Position	(12,784,840)	(14,938,833)	(10,977,830)	(6,773,381)	(9,769,999)	78,238,236	1,227,314	4,705,804	2,520,062	10,125,707
Net position, beginning, as restated	7,156,336	22,095,169	33,072,999	39,846,380	144,691,666	66,453,430	65,226,116	85,454,175	82,934,113	72,808,406
Net position, ending	\$ (5,628,504)	\$ 7,156,336	\$ 22,095,169	\$ 33,072,999	\$ 134,921,667	\$ 144,691,666	\$ 66,453,430	\$ 90,159,979	\$ 85,454,175	\$ 82,934,113
Net investment in capital assets	\$ 135,056,626	\$ 138,909,840	\$ 141,246,371	\$ 144,779,892	\$ 148,546,166	\$ 158,830,877	\$ 78,067,452	\$ 77,805,764	\$ 71,417,430	\$ 66,526,441
Restricted:										
Nonexpendable	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Expendable	1,564,983	1,219,637	1,039,875	1,211,471	1,132,364	1,140,441	1,130,760	1,061,195	787,423	1,081,518
Unrestricted	(142,273,113)	(132,996,141)	(120,214,077)	(112,941,364)	(14,779,863)	(15,302,652)	(12,767,782)	11,270,020	13,226,322	15,303,154
Total Net Position	\$ (5,628,504)	\$ 7,156,336	\$ 22,095,169	\$ 33,072,999	\$ 134,921,667	\$ 144,691,666	\$ 66,453,430	\$ 90,159,979	\$ 85,454,175	\$ 82,934,113

Source: Bridgewater State University Annual Financial Statements

SCHEDULE OF RATIOS OF OUTSTANDING DEBT

For the Year Ended June 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Capital lease obligations	\$ 3,582,100	\$ 4,019,251	\$ 4,433,028	\$ 4,671,907	\$ 5,031,601	\$ 5,371,934	\$ 5,693,947	\$ 5,998,628	\$ 6,286,911	\$ 6,559,679
Notes and bonds payable	12,380,442	13,716,664	15,086,947	16,297,264	17,495,656	18,678,638	19,785,663	20,737,713	12,218,193	11,799,690
Total Outstanding Debt	\$ 15,962,542	\$ 17,735,915	\$ 19,519,975	\$ 20,969,171	\$ 22,527,257	\$ 24,050,572	\$ 25,479,610	\$ 26,736,341	\$ 18,505,104	\$ 18,359,369
Full-time equivalent students	8,976	9,047	9,086	9,054	9,176	9,214	9,230	9,201	9,067	8,912
Outstanding debt per student	\$ 1,778	\$ 1,960	\$ 2,148	\$ 2,316	\$ 2,455	\$ 2,610	\$ 2,761	\$ 2,906	\$ 2,041	\$ 2,060

Note: Outstanding debt per student is calculated using full-time equivalent enrollment data for the last ten years.

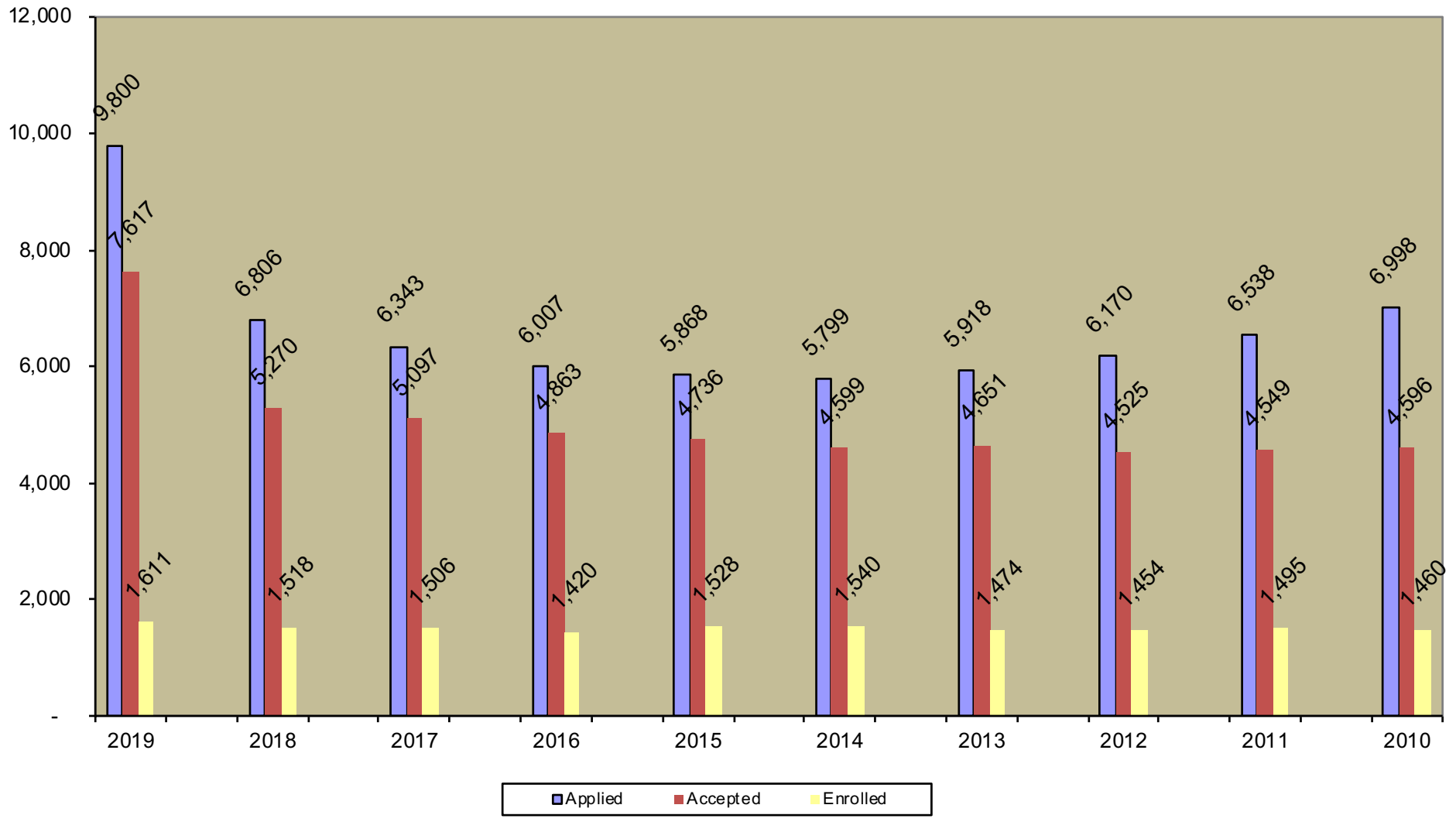
Source: Bridgewater State University Annual Financial Statements and Office of Institutional Research and Assessment

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Admissions - Freshman										
Applications	9,800	6,806	6,343	6,007	5,868	5,799	5,918	6,170	6,538	6,998
Applications accepted	7,617	5,270	5,097	4,863	4,736	4,599	4,651	4,525	4,549	4,596
Accepted as a percentage of applications	78%	77%	80%	81%	81%	79%	79%	73%	70%	66%
Students enrolled	1,611	1,518	1,506	1,420	1,528	1,540	1,474	1,454	1,495	1,460
Enrolled as a percentage of accepted	21%	29%	30%	29%	32%	33%	32%	32%	33%	32%
SAT scores - total	1,064	1,070	1,063	990	991	993	993	1,010	1,016	1,023
Verbal	535	540	538	493	494	492	492	499	504	507
Math	529	530	525	497	497	501	501	511	512	516
Massachusetts average SAT score - total	1,120	1,125	1,106	1,047	1,045	1,047	1,044	1,043	1,040	1,038
U.S. average SAT score - total	1,059	1,067	1,060	1,002	1,006	1,010	1,010	1,010	1,011	1,017
Enrollment										
Undergraduate and graduate FTE	8,976	9,047	9,086	9,054	9,176	9,214	9,230	9,201	9,067	8,912
Undergraduate and graduate headcount	10,881	10,990	11,019	10,998	11,089	11,187	11,267	11,417	11,294	11,201
<u>Undergraduates</u>										
Percentage of Men	41%	41%	41%	41%	41%	41%	42%	42%	41%	41%
Percentage of Women	59%	59%	59%	59%	59%	59%	58%	58%	59%	59%
Percentage of Students of Color	27%	25%	25%	23%	21%	20%	18%	16%	16%	14%
<u>Graduates</u>										
Percentage of Men	26%	25%	27%	27%	29%	28%	27%	27%	28%	27%
Percentage of Women	74%	75%	73%	73%	71%	72%	73%	73%	72%	73%
Percentage of Students of Color	13%	11%	11%	10%	10%	10%	9%	8%	6%	6%
Degrees Earned										
Bachelor's	2036	2021	1994	2004	1942	1939	1914	1747	1680	1514
Master's	507	516	511	527	484	612	552	523	586	567

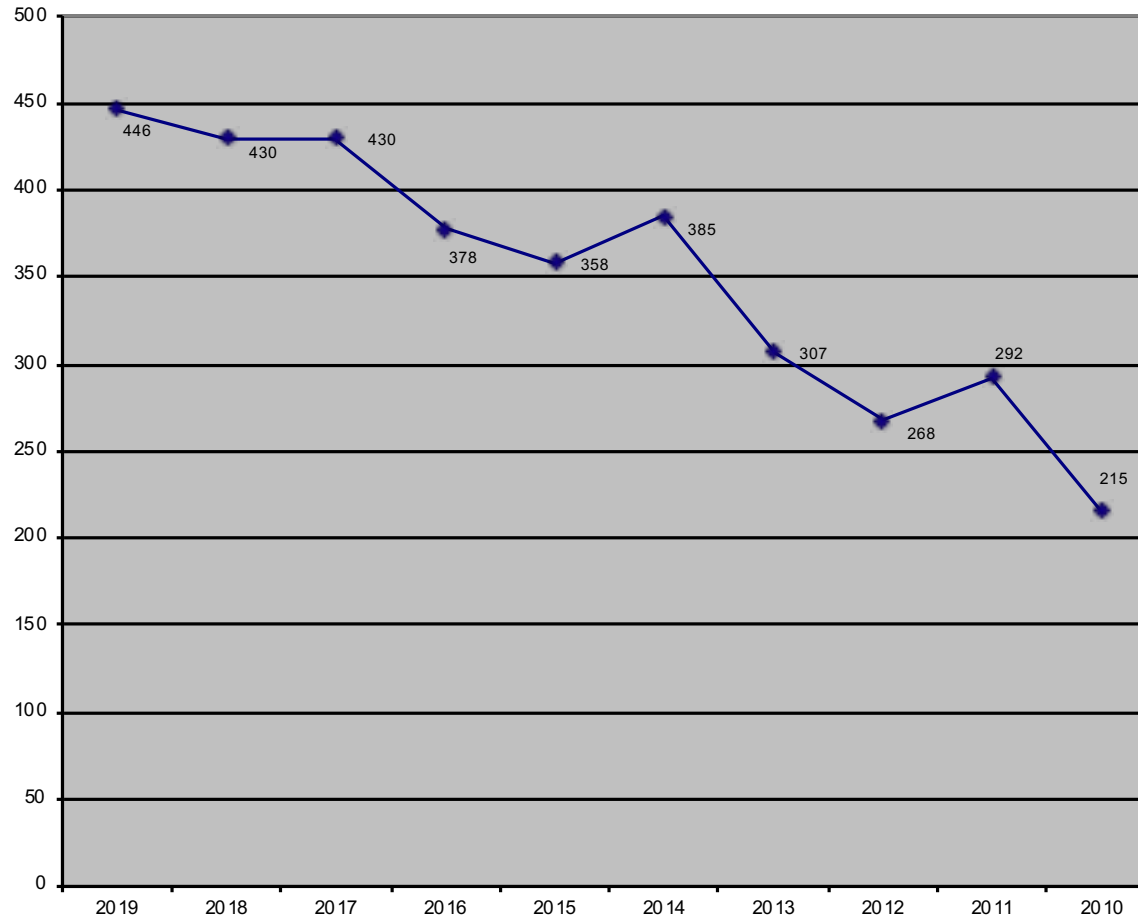
Source: Bridgewater State University Office of Institutional Research and Assessment

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



Source: Bridgewater State University Office of Institutional Research and Assessment

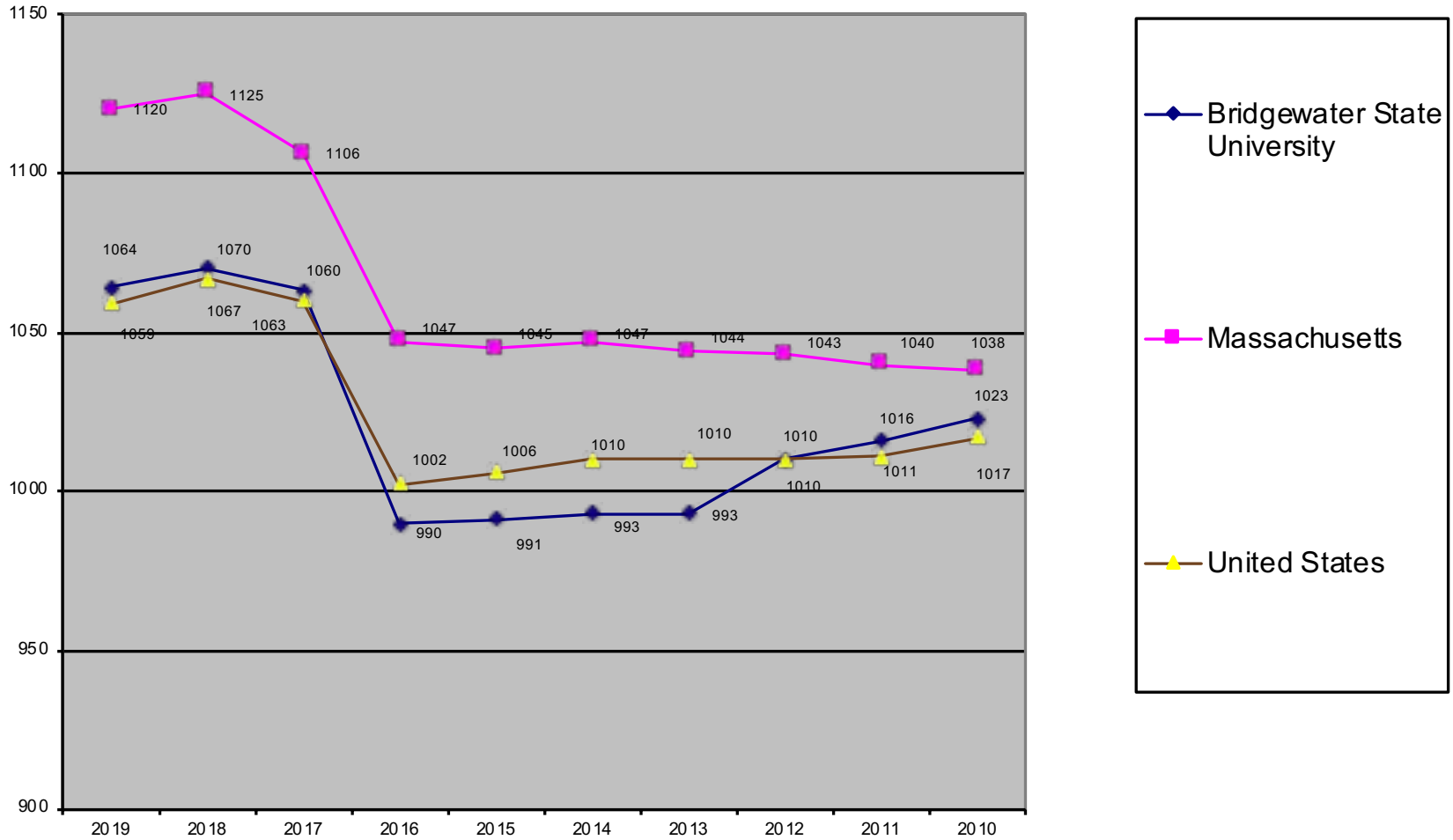
Bridgewater State University First Time Freshman Admissions Students of Color



Source: Bridgewater State University Office of Institutional Research and Assessment

[View text version of chart.](#)

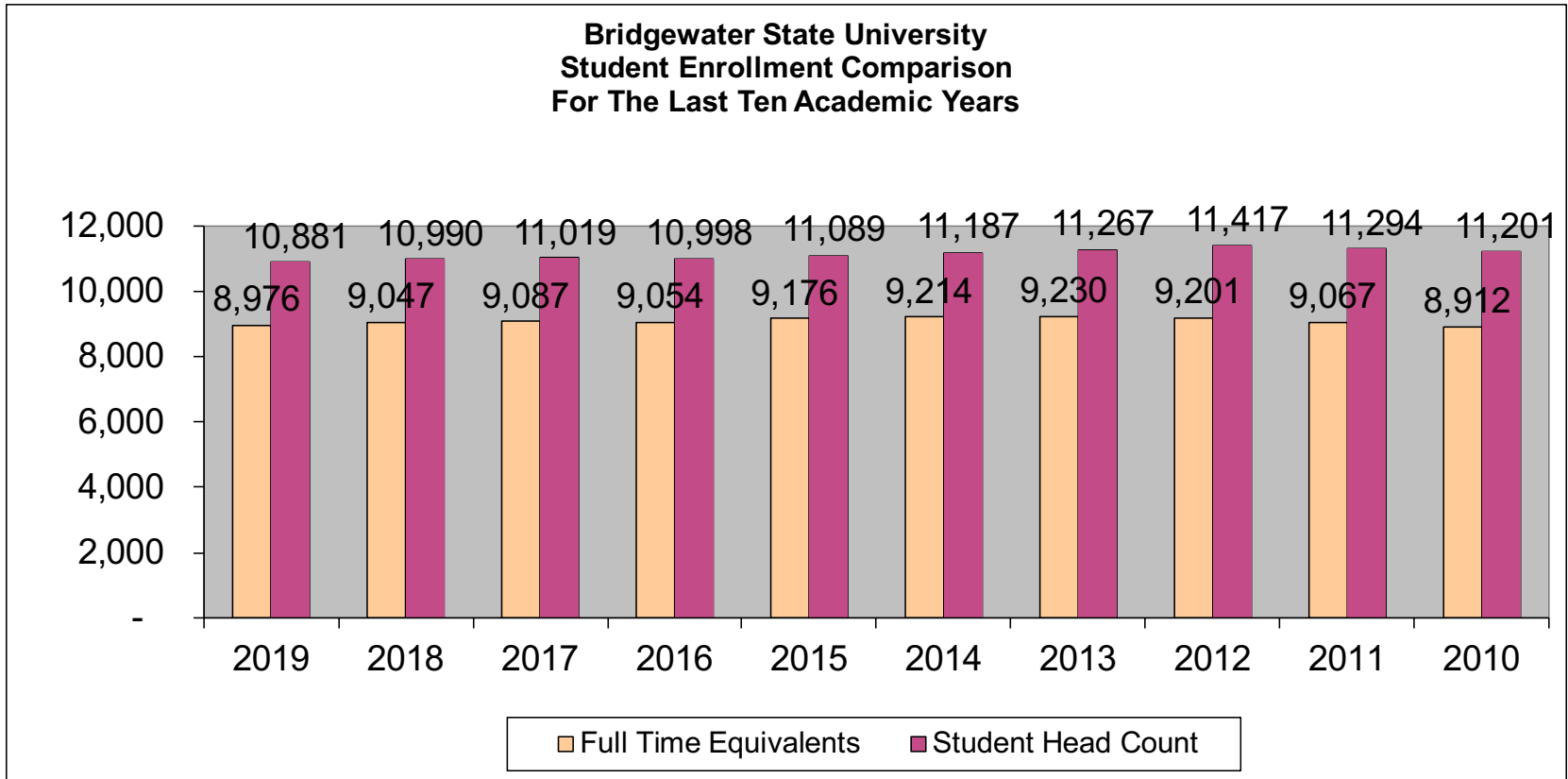
Bridgewater State University Average Combined SAT Scores For the Last Ten Years



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

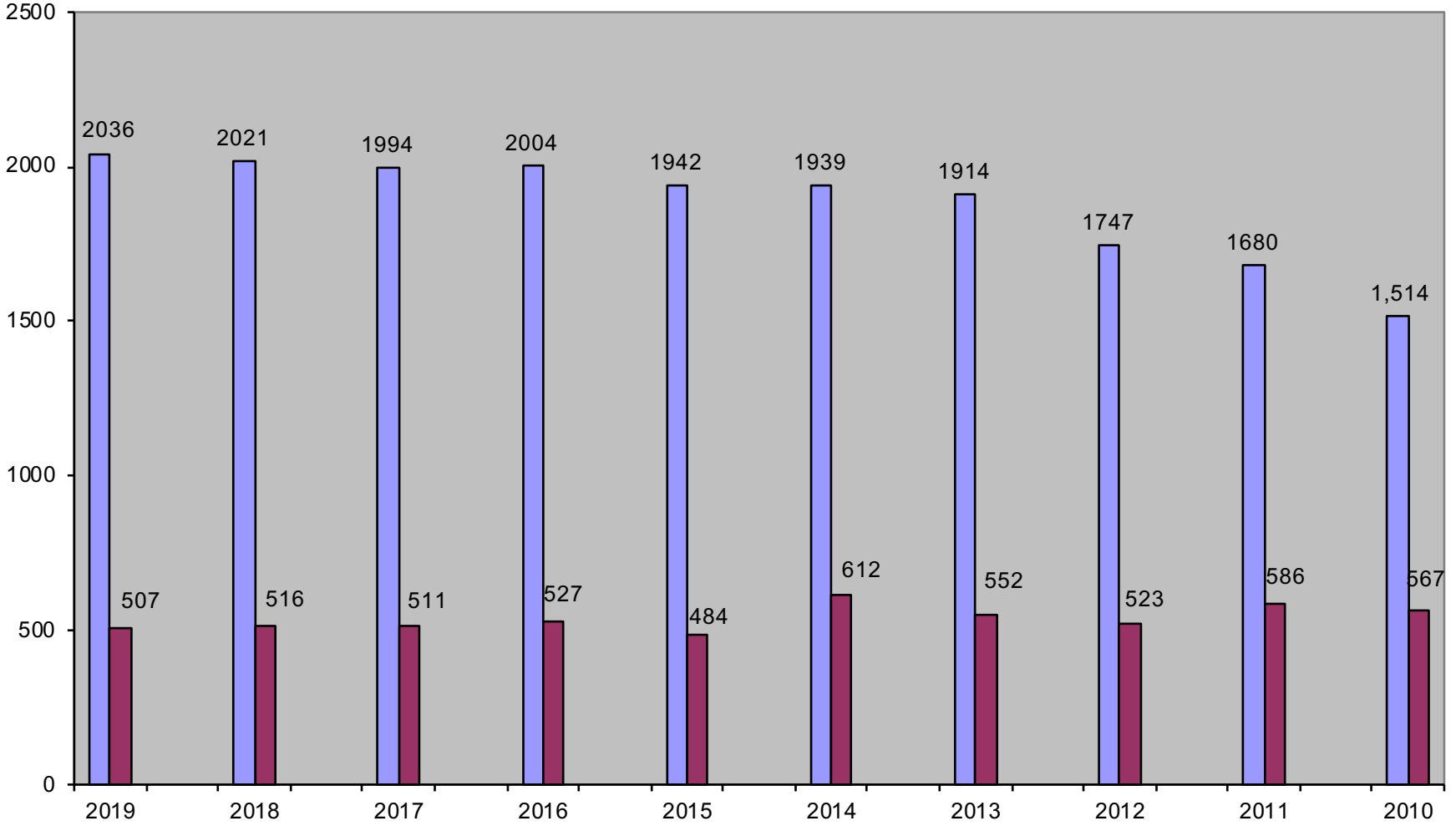
Source: Bridgewater State University Office of Institutional Research and Assessment

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



Source: Bridgewater State University Office of Institutional Research and Assessment

Bridgewater State University Degrees Earned For The Last Academic Ten Years



Source: Bridgewater State University Office of Institutional Research and Assessment

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

Academic Semester	Undergraduate (a)		Graduate (b)	
	Resident	Nonresident	Resident	Nonresident
Beginning in Fall				
2019	\$ 5,366	\$ 8,436	\$ 5,703	\$ 5,703
2018	5,185	8,255	5,567	5,567
2017	5,008	8,078	5,391	5,391
2016	4,814	7,884	5,196	5,196
2015	4,452	7,522	4,834	4,834
2014	4,177	7,247	4,559	4,559
2013	4,027	7,097	4,409	4,409
2012	4,027	7,097	4,409	4,409
2011	3,777	6,847	4,110	4,110
2010	3,527	6,597	3,859	3,859

Notes:

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

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

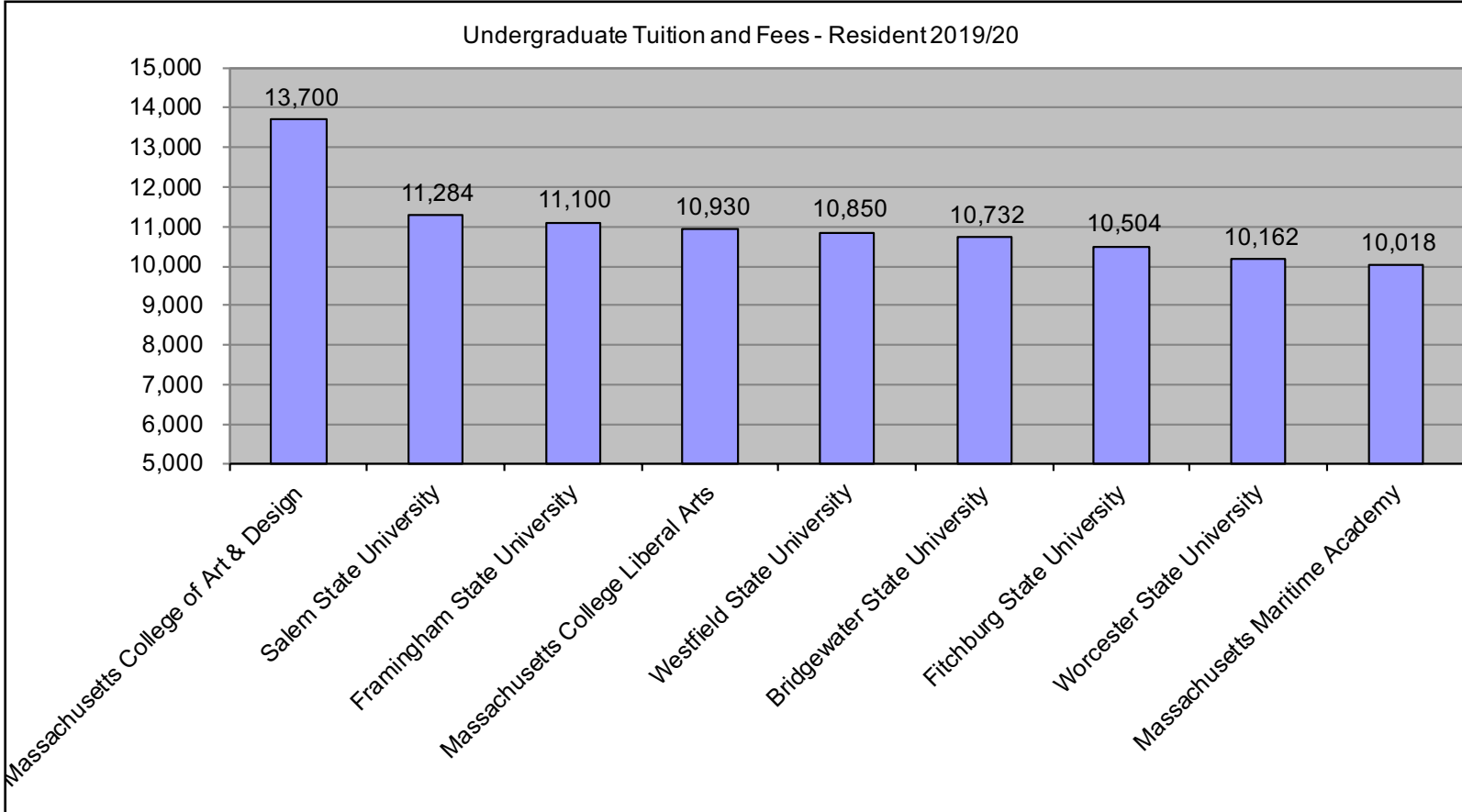
(b) Per credit-hour based on 12 Graduate Credits.

Source: Bridgewater State University Office of Student Accounts

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

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

Institution - Resident	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
Massachusetts College of Art & Design	13,700	13,200	12,700	12,200	11,724	11,224	10,400	10,400	9,700	9,000
Salem State University	11,284	10,882	10,278	9,736	9,246	8,646	8,130	8,110	7,730	7,230
Framingham State University	11,100	10,520	9,920	9,344	8,704	8,324	8,084	8,084	7,580	7,066
Massachusetts College Liberal Arts	10,930	10,560	10,136	9,876	9,476	8,976	8,526	8,526	8,076	7,576
Westfield State University	10,850	10,430	9,716	9,276	8,816	8,682	8,298	8,298	7,888	7,432
Bridgewater State University	10,732	10,368	10,012	9,628	8,928	8,354	8,054	8,054	7,554	7,054
Fitchburg State University	10,504	10,354	10,154	10,134	9,934	9,260	8,986	8,710	8,300	7,800
Worcester State University	10,162	10,162	9,532	9,202	8,858	8,558	8,158	8,158	7,654	7,156
Massachusetts Maritime Academy	10,018	9,728	8,398	8,006	7,630	7,258	7,190	7,206	6,840	6,610



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

FACULTY AND STAFF STATISTICS - Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Faculty										
Total Full-Time Faculty	361	355	357	362	335	332	328	321	316	309
Percentage Tenured	70%	67%	66%	67%	65%	68%	68%	68%	67%	71%
Faculty by Rank**										
Professor	139	129	124	117	118	117	115	110	112	114
Associate Professor	95	91	94	92	79	84	87	80	82	85
Assistant Professor	97	109	118	111	113	112	108	105	108	94
Instructor	1	1	1	3	3	2	1	1	1	4
By Terminal Degree**										
With Terminal Degree	318	316	337	313	302	302	298	283	289	278
Without Terminal Degree	14	14	10	10	11	13	13	13	14	19
By Gender**										
Male	156	153	150	152	152	147	152	148	156	154
Female	176	177	177	171	161	168	159	148	147	143
By Race/Ethnicity										
Faculty of Color**	63	61	64	55	54	55	53	48	45	42
Students per full-time faculty ratio	18.0:01	19.2:1	19.3:1	18.9:1	19.0:1	18.8:1	19.2:1	20.4:1	20.3:1	21.6:1
Employees										
Total Full-Time Employees	1130	1124	1119	1110	1085	1060	1033	999	964	959
By Category										
Faculty	361	355	357	362	335	332	328	321	316	309
Executive/Admin/Managerial	119	118	113	106	103	98	86	87	131	134
Other Professional	280	278	273	259	257	249	246	229	162	166
Technical/Paraprofessional	5	5	5	6	2	2	3	3	4	4
Secretarial/Clerical	175	176	173	169	176	177	170	173	168	166
Skilled Craft	28	29	33	37	39	39	37	36	36	36
Service Maintenance	162	163	165	171	173	163	163	150	147	144
By Gender										
Male	461	461	460	458	452	439	434	417	408	403
Female	669	663	659	652	633	621	599	582	556	556
By Race/Ethnicity										
Faculty & Staff of Color	145	136	139	135	135	134	129	114	100	94

**Of Tenure track faculty

Source: Bridgewater State University Office of Institutional Research and Assessment

SCHEDULE OF CAPITAL ASSET INFORMATION

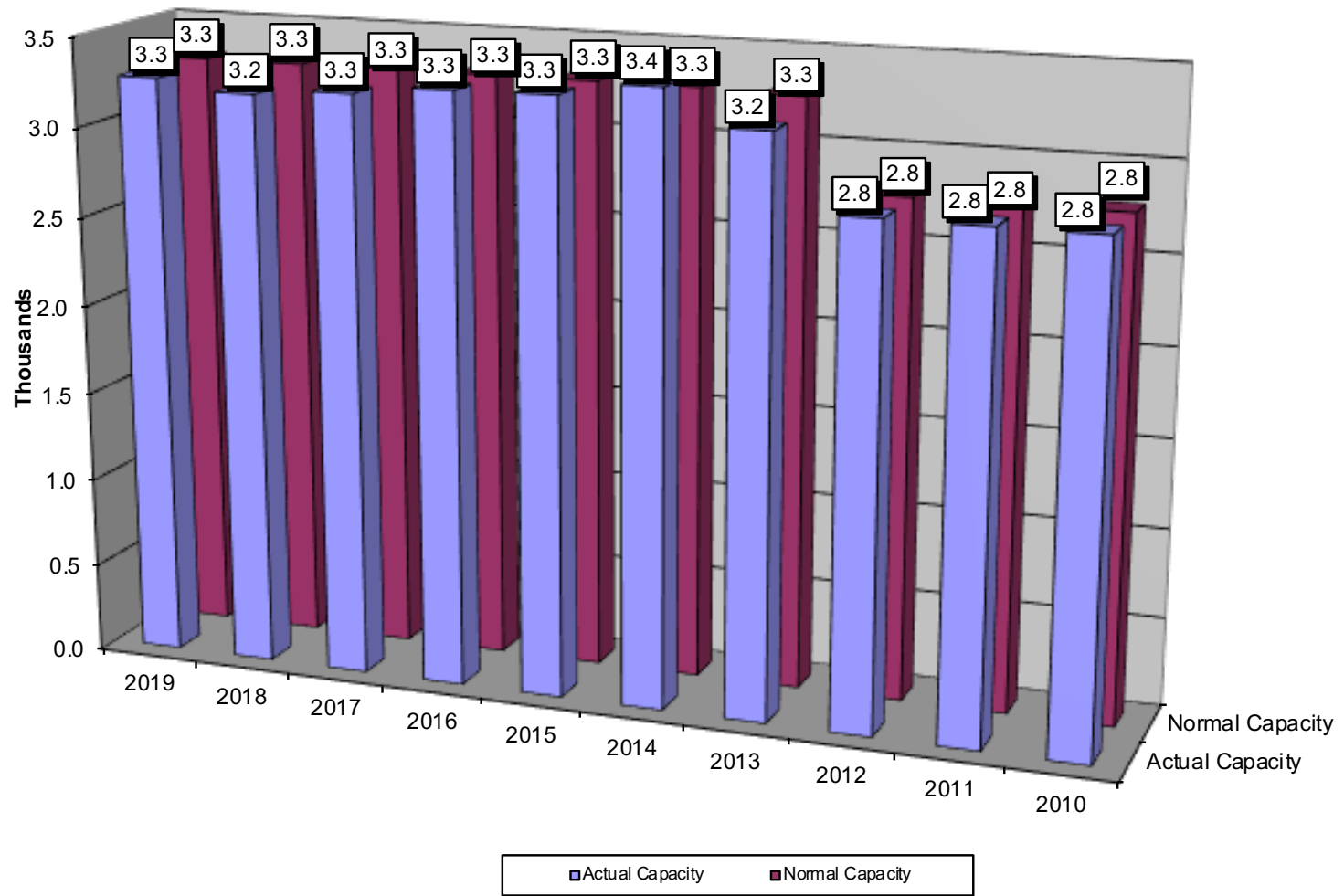
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Academic buildings										
Net Assignable square feet (in thousands)	403	403	403	403	403	403	301	301	301	370
Administrative, support and auxiliary buildings										
Net Assignable square feet (in thousands)	466	467	467	463	463	463	450	194	194	194
Library										
Net Assignable square feet (in thousands)	120	120	120	120	120	120	120	120	120	120
Student Housing:										
Residence halls	10	10	10	10	10	10	10	9	9	9
Apartments	1	1	1	1	1	1	1	1	1	1
Units design occupancy	3,294	3,294	3,295	3,295	3,295	3,295	3,281	2,781	2,781	2,781
Units actual occupancy	3,271	3,215	3,251	3,300	3,309	3,384	3,191	2,829	2,829	2,859
Percent occupancy	99%	98%	99%	100%	100%	103%	97%	102%	102%	103%
Dining facilities:										
Locations	4	4	4	4	4	4	4	4	4	4
Average daily customers	5,138	6,685	6,251	4,426	4,602	4,694	4,657	4,349	4,378	4,361
Parking facilities:										
Parking spaces available	4,630	4,630	4,621	4,621	4,656	4,656	4,604	4,369	4,232	4,449
Parking permits issued to students	6,670	6,325	6,724	6,881	6,722	6,622	6,601	7,256	7,550	7,610
Parking permits issued to faculty/staff	1,583	-	1,725	-	1,707	-	1,622	-	1576*	1,370

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

Sources:

Student Housing	Bridgewater State University Residence Life and Housing
Parking Facilities	Bridgewater State University Administrative Support Services
Dining Facilities	Bridgewater State University Administrative Support Services
Building Square Footage	Bridgewater State University Operations, Capital Planning

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



Source: Bridgewater State University Residence Life and Housing

Labor Force Estimates by Workforce Area

	Labor Force	Employed	Unemployed	Unemployment Rate %
Massachusetts	3,584,400	3,182,500	401,900	11.2%
Berkshire County	61,685	54,926	6,759	11.0%
Boston	381,731	332,569	49,162	12.9%
Bristol County	191,432	168,728	22,704	11.9%
Brockton	131,779	114,451	17,328	13.1%
Cape & Islands	131,248	118,399	12,849	9.8%
Central MA	307,967	274,881	33,086	10.7%
Franklin/Hampshire	125,768	114,151	11,617	9.2%
Greater Lowell	149,595	133,370	16,225	10.8%
Greater New Bedford	111,424	97,584	13,840	12.4%
Hampden County	211,245	182,517	28,728	13.6%
Lower Merrimack Valley	180,759	156,948	23,811	13.2%
Metro North	457,902	409,019	48,883	10.7%
Metro South/West	493,524	451,926	41,598	8.4%
North Central	132,240	117,487	14,753	11.2%
North Shore	226,830	199,810	27,020	11.9%
South Shore	289,309	255,744	33,565	11.6%

Source: Massachusetts Department of Workforce Development, Statewide Report on Labor Force and Unemployment rate, August 2020. Data is not seasonally adjusted.

Labor Force Estimates by City and Town

Geographic Area	Labor Force	Employed	Unemployed	Unemployment Rate
Brockton	131,779	114,451	17,328	13.1%
Abington	8,829	7,835	994	11.3%
Avon	2,673	2,335	338	12.6%
Bridgewater	14,308	12,787	1,521	10.6%
Brockton	49,106	40,566	8,540	17.4%
East Bridgewater	8,335	7,535	800	9.6%
Easton	13,685	12,433	1,252	9.1%
Hanson	6,122	5,531	591	9.7%
Stoughton	15,923	14,024	1,899	11.9%
West Bridgewater	3,805	3,378	427	11.2%
Whitman	8,993	8,027	966	10.7%

Source: Massachusetts Department of Workforce Development Area, Labor Force and Unemployment Rate, August 2020. Data is not seasonally adjusted.

DEMOGRAPHIC STATISTICS

State of Massachusetts Last Ten Calendar Years

Year	Population as of June 30 *	Total Personal Income **	Per Capita Income	Average Annual Unemployment Rate
2018	6,863	\$ 483,433	\$ 70,073	3.6%
2017	6,824	450,962	65,890	3.8%
2016	6,784	442,500	65,137	4.3%
2015	6,755	415,636	62,603	5.3%
2014	6,709	396,206	58,737	6.2%
2013	6,646	381,271	56,923	6.7%
2012	6,588	363,944	54,687	6.8%
2011	6,557	352,243	53,471	8.1%
2010	6,518	336,400	51,552	8.7%
2009	6,544	327,324	49,643	8.6%

* Amounts in thousands

**Amounts in millions

Source: Commonwealth of Massachusetts Comprehensive Annual Financial Report

LARGEST EMPLOYERS FOR THE COMMONWEALTH OF MASSACHUSETTS

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

2019	2010
Bay State Medical Center, Inc. Beth Israel Deaconess Medical Center Boston Medical Center Corporation Boston University Brigham and Women's Hospital, Inc. DeMoulas Supermarkets, Inc. EMC Corporation General Hospital Corporation Harvard University Massachusetts Institute of Technology Northeastern University Partners Healthcare Systems, Inc. Raytheon Company The Stop & Shop Supermarkets, Co. Shaw's Supermarkets, Inc. State Street Bank and Trust Company The Children's Hospital Corporation The TJX Companies, Inc. UMASS Memorial Medical Center, Inc.	Bay State Medical Center, Inc. Beth Israel Deaconess Medical Center Boston Medical Center Corporation Boston University Brigham and Women's Hospital, Inc. DeMoulas Supermarkets, Inc. EMC Corporation General Hospital Corporation Harvard University Massachusetts Institute of Technology Raytheon Company S & S Credit Company, Inc. Shaw's Supermarkets, Inc. Southcoast Hospitals Group State Street Bank and Trust Company The Children's Hospital Corporation Tufts University UMASS Memorial Medical Center, Inc.

Source: Commonwealth of Massachusetts Comprehensive Annual Financial Report

Note: According to the 2019 Commonwealth of Massachusetts Comprehensive Annual Financial Report - March 2019 survey, the following companies are all large Massachusetts employers, however they are headquartered outside of Massachusetts: CVS Pharmacy, Inc, Home Depot U.S.A., Target Corp, United Parcel Service, Inc., Wal-Mart Associates, Inc., and Whole Foods Market Group, Inc. Verizon New England is a subsidiary of Verizon Communications, headquartered in New York. The information is based on employers registered for unemployment insurance. The list may not include those employers who do business in Massachusetts under multiple legal corporations and those who register each store, facility or franchisee as a separate employer.

Brockton Area
Top 20 Employers

Company	City	# of Employees
BRIDGEWATER STATE UNIVERSITY	BRIDGEWATER	1,000-4,999
BROCKTON VA HOSPITAL MED CTR	BROCKTON	1,000-4,999
GOOD SAMARITAN MEDICAL CTR	BROCKTON	1,000-4,999
MASSASOIT OF NC INC	BROCKTON	1,000-4,999
NISOURCE INC	BROCKTON	1,000-4,999
SIGNATURE HEALTH CARE BROCKTON	BROCKTON	1,000-4,999
BRIDGEWATER RAYNHAM S D	BRIDGEWATER	500-999
BRIDGEWATER STATE HOSPITAL	BRIDGEWATER	500-999
BROCKTON HIGH SCHOOL	BROCKTON	500-999
NEW ENGLAND SINAI HOSPITAL	STOUGHTON	500-999
SHAW'S SUPERMARKETS INC	WEST BRIDGEWATER	500-999
BROCKTON SCHOOL DISTRICT	BROCKTON	250-499
CAMPANELLI STADIUM	BROCKTON	250-499
CORRECTIONS DEPARTMENT	BRIDGEWATER	250-499
CURA HEALTH HOSPITAL STOUGHTON	STOUGHTON	250-499
DESIGN COMMUNICATIONS LTD	AVON	250-499
IKEA	STOUGHTON	250-499
JP NOONAN TRANSPORTATION INC	WEST BRIDGEWATER	250-499
OLD COLONY CORRECTIONAL CTR	BRIDGEWATER	250-499
ROCHE BROS	NORTH EASTON / BRIDGEWATER	250-499

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

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

ACADMEMIC SUBJECT AREAS AND DEGREES OFFERED - FALL 2019

UNDERGRADUATE			GRADUATE		
Accounting and Finance	BS		Accounting and Finance	MSA	
Anthropology	BA	BS	Art	MAT	
Art	BA		Biological Sciences	MAT	
Aviation Science	BS		Communication Disorders	MS	
Biological Sciences	BA	BS	Computer Science	MS	
Chemical Sciences	BA	BS	Counselor Education	MEd	CAGS
Communication Studies	BA		Criminal Justice	MS	
Communication Disorders	BS		Elementary and Early Childhood Education	MEd	CAGS
Computer Science	BS		English	MA	MAT
Criminal Justice	BS		History	MAT	
Dance	BA		Mathematics	MAT	
Economics	BS		Movement Arts, Health Promotion & Leisure Studies	MEd	MS
Elementary and Early Childhood Education	BSE		Music	MAT	
English	BA		Physics	MAT	
Global Languages	BA		Political Science	MPA	
Geography	BA	BS	Psychology	MA	
Geological Sciences	BA	BS	Secondary Education and Professional Programs	MAT	MEd
History	BA		Social Work	MSW	
Management & Marketing	BS		Special Education	MEd	
Mathematics	BS		Teaching English to Speakers of Other Languages	MAT	
Movement Arts, Health Promotion & Leisure Studies	BA	BS			
Music	BA				
Philosophy	BA				
Physics	BA	BS			
Political Science	BA				
Psychology	BS				
Secondary Education and Professional Programs	BA				
Social Work	BS				
Sociology	BA				
Special Education	BSE				
Theater	BA				

- BA - Bachelor of Arts
- BS - Bachelor of Science
- BSE - Bachelor of Science in Education
- CAGS - Certificate of Advanced Graduate Study
- MA - Master of Arts
- MAT - Master of Arts in Teaching
- MEd - Master of Education
- MPA - Master of Public Administration
- MS - Master of Science
- MSA - Master of Science in Accountancy
- MSW - Master of Social Work

Source: Bridgewater State University Office of Institutional Research and Assessment



MISS

MASSACHUSETTS

SABRINA VICTOR

Sabrina Victor is in her element on stage. The Bridgewater State University employee is using her new title as Miss Massachusetts USA to give others a chance to discover themselves in the performing arts. Victor, a recruitment assistant in Human Resources and Talent Management who is also an actress, took home the Miss Massachusetts USA crown in just her second attempt in January 2020. The Miss USA Pageant was held in Memphis, Tennessee in November 2020.





BRIDGEWATER

STATE UNIVERSITY

S U P P L E M E N T A L

I N F O R M A T I O N

BRIDGEWATER STATE UNIVERSITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT



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

The Board of Trustees
Bridgewater State University
Bridgewater, Massachusetts

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Bridgewater State University (the “university”), and its discretely presented major component units, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the university's basic financial statements and have issued our report thereon dated November 23, 2020.

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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the university's internal control. Accordingly, we do not express an opinion on the effectiveness of the university's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the university's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

O'Connor and Drew, P.C.

Certified Public Accountants
Braintree, Massachusetts

November 23, 2020



Nearly 2,400 graduate and undergraduate students at Bridgewater State University completed their academic programs over the course of the 2019-2020 academic year.

The university's 179th Commencement Convocation for undergraduates and 12th Graduate Commencement Convocation were initially scheduled to be held in May 2020. The ceremonies were postponed by the university due to the COVID-19 pandemic and President Frederick W. Clark Jr., Esq. has pledged to the campus community to hold the ceremonies at a future date.





I vowed I would never
cancel a commencement.

I INTEND TO KEEP THAT

P R O M I S E .

Fred Clark

Frederick W. Clark Jr., Esq., '83

President, Bridgewater State University

APPENDIX

**First Time Freshman Admissions
Students of Color**

<u>Year</u>	<u>Students of Color</u>
2019	446
2018	430
2017	430
2016	378
2015	358
2014	385
2013	307
2012	268
2011	292
2010	215

Revenue by Source 2018 - 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Tuition and fees	43%	49%	50%
Financial Aid Support	11%	9%	9%
Grants & Sponsored Projects	2%	1%	1%
Other revenue	2%	2%	2%
Auxiliary enterprises	9%	11%	12%
State and Capital Appropriations	33%	28%	26%
	<hr/>	<hr/>	<hr/>
	100%	100%	100%

President's Division Organizational Chart

August 2020

- Board of Trustees
 - President
 - Provost and Vice Present for Academic Affairs
 - Vice President for Student Success & Diversity
 - Vice President for Planning and Strategy
 - Vice President for Student Affairs & Enrollment Management
 - Vice President for Human Resources/Talent Management
 - Vice President for Outreach and Engagement
 - Vice President for Marketing and Communications
 - Vice President for Finance Chief Development Officer
 - Vice President for Operations
 - Vice President for Information Technology/Chief Information Officer
 - Chief of Police
 - Chief of Staff
 - Equal Opportunity Office

Percentage of Total Expenses by Fiscal Year:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Instruction	33%	32%	32%
Scholarships and fellowships	15%	14%	14%
Academic support	11%	11%	11%
Institutional support	10%	10%	9%
Student services	10%	10%	10%
Auxiliary enterprises	9%	10%	11%
Operation and maintenance of plant	7%	8%	8%
Depreciation & Interest	4%	4%	4%
Public service	1%	1%	1%
	<hr/>	<hr/>	<hr/>
	100%	100%	100%

Credits Taken

<u>Year</u>	<u>Undergraduate</u>	<u>Graduate</u>	<u>Total Credits Taken</u>
2016	266,328	22,665	288,993
2017	261,042	23,614	284,656
2018	263,184	23,029	286,213
2019	263,026	23,628	286,654
2020	259,586	23,625	283,211

Chart on Page:		Refer to Page:	Notes:
107	>	106	Under Non Operation Revenues
109	>	108	Expenses: Operating Expenses
114	>	113	Admissions - Freshman
116	>	113	SAT Scores
117	>	113	Enrollment
118	>	113	Degrees Earned
123	>	122	Residence Hall Occupancy