Barry University, Inc.

Financial Statements as of and for the
Years Ended June 30, 2022 and 2021,
Supplemental Information as of and
for the Year Ended June 30, 2022, and
Independent Auditor's Report

BARRY UNIVERSITY, INC.

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Deloitte.

Deloitte & Touche LLP
Certified Public Accountants
1800 North Military Trail
Suite 200
Boca Raton, FL 33431-6386
USA

Tel:+1 561 962 7700
Fax:+1 561 962 7750
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Barry University, Inc.
Miami Shores, Florida

Opinion

We have audited the financial statements of Barry University, Inc. (the "University"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report

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

In performing an audit in accordance with GAAS, we:

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

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

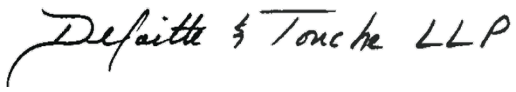
Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Supplemental Schedule – Title IV Strength Factor Score for the year ended June 30, 2022, as required by the Department of Education, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2022, on our consideration of the University's, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's, internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.



October 31, 2022

BARRY UNIVERSITY, INC.

STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
CASH AND CASH EQUIVALENTS	$ 36,434,661	$ 27,942,794
STUDENT ACCOUNTS RECEIVABLE—Net	9,410,162	9,980,664
CONTRIBUTIONS RECEIVABLE—Net	2,354,389	514,106
OTHER RECEIVABLES—Net of allowance for doubtful accounts of $237,632 and $95,768 for 2022 and 2021, respectively	2,519,368	3,333,239
PREPAID EXPENSES AND OTHER ASSETS	8,985,985	9,962,419
GOODWILL	278,198	311,919
LOANS AND NOTES RECEIVABLE—Net	7,583,142	7,364,665
INVESTMENTS	43,549,633	47,348,539
INVESTMENTS HELD FOR DEBT SERVICE RESERVE	3,145,186	6,786,854
EQUITY METHOD INVESTMENT	639,119	683,865
BENEFICIAL INTEREST IN PERPETUAL TRUST	4,727,758	5,709,328
PROPERTY, PLANT, AND EQUIPMENT—Net	110,497,428	113,578,818
TOTAL ASSETS	$230,125,029	$233,517,210
LIABILITIES AND NET ASSETS		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	$ 12,895,403	$ 17,509,506
STUDENT DEPOSITS, PREPAYMENTS AND STUDENT DEFERRED REVENUE	10,688,927	11,448,067
OTHER DEFERRED REVENUE	1,067,962	988,404
OTHER LIABILITIES	10,830,795	11,751,000
LOANS PAYABLE AND FINANCE LEASES	59,741,027	59,711,230
Total liabilities	95,224,114	101,408,207
NET ASSETS:		
Without donor restrictions	92,556,917	86,462,222
With donor restrictions	42,343,998	45,646,781
Total net assets	134,900,915	132,109,003
TOTAL LIABILITIES AND NET ASSETS	$230,125,029	$233,517,210

See accompanying notes to the financial statements.

BARRY UNIVERSITY, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
CHANGES IN NET ASSETS:			
Operating revenue:			
Tuition and fees—net of $57,252,219, financial aid and discounts	$ 112,718,979	$ -	$ 112,718,979
Private gifts and grants	368,303	5,446,501	5,814,804
In-kind contributions	90,000	-	90,000
Government grants and contracts	15,040,520	-	15,040,520
Other income	4,264,976	18,628	4,283,604
Podiatric clinic practice	1,880,629	-	1,880,629
Auxiliary enterprises	14,212,629	-	14,212,629
Net assets released from restrictions	3,222,469	(3,222,469)	-
Total operating revenue	151,798,505	2,242,660	154,041,165
Operating expenses:			
Academic departments and programs	63,549,226	-	63,549,226
Grants and contracts	6,011,409	-	6,011,409
Academic support	6,916,666	-	6,916,666
Student services	16,564,622	-	16,564,622
Institutional support	38,738,781	-	38,738,781
Podiatric clinical practice	2,110,153	-	2,110,153
Auxiliary expenses	14,585,286	-	14,585,286
Total operating expenses	148,476,143	-	148,476,143
Operating change in net assets	3,322,362	2,242,660	5,565,022
Nonoperating change in net assets:			
Investment income	173,912	1,084,193	1,258,105
Net realized and unrealized gains on investments	1,701,968	(6,629,636)	(4,927,668)
Rental income from investments	628,299	-	628,299
Earnings of an equity method investee	490,367	-	490,367
Loss on extinguishment of debt	(222,213)	-	(222,213)
Total nonoperating change in net assets	2,772,333	(5,545,443)	(2,773,110)
Total changes in net assets	6,094,695	(3,302,783)	2,791,912
NET ASSETS—Beginning of year	86,462,222	45,646,781	132,109,003
NET ASSETS—End of year	$ 92,556,917	$ 42,343,998	$ 134,900,915

See accompanying notes to the financial statements.

BARRY UNIVERSITY, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
CHANGES IN NET ASSETS:			
Operating revenue:			
Tuition and fees—net of $57,563,952 financial aid and discounts	$ 118,276,247	$ -	$ 118,276,247
Private gifts and grants	357,348	4,033,815	4,391,163
In-kind contributions	357,595	-	357,595
Government grants and contracts	9,248,158	-	9,248,158
Other income	3,461,224	1,500	3,462,724
Podiatric clinic practice	1,323,679	-	1,323,679
Auxiliary enterprises	9,513,164	-	9,513,164
Net assets released from restrictions	2,095,220	(2,095,220)	-
Total operating revenue	144,632,635	1,940,095	146,572,730
Operating expenses:			
Academic departments and programs	61,378,963	-	61,378,963
Grants and contracts	7,961,833	-	7,961,833
Academic support	6,668,543	-	6,668,543
Student services	14,934,378	-	14,934,378
Institutional support	37,383,367	-	37,383,367
Podiatric clinical practice	1,872,066	-	1,872,066
Auxiliary expenses	12,513,610	-	12,513,610
Total operating expenses	142,712,760	-	142,712,760
Operating change in net assets	1,919,875	1,940,095	3,859,970
Nonoperating change in net assets:			
Investment income	369,471	706,041	1,075,512
Net realized and unrealized gains on investments	1,768,699	7,330,914	9,099,613
Gain on sale of property and equipment	201,787	-	201,787
Rental income from investments	621,976	-	621,976
Earnings of an equity method investee	475,708	-	475,708
Loss on extinguishment of debt	(71,662)	-	(71,662)
Total nonoperating change in net assets	3,365,979	8,036,955	11,402,934
Total changes in net assets	5,285,854	9,977,050	15,262,904
NET ASSETS—Beginning of year	81,176,368	35,669,731	116,846,099
NET ASSETS—End of year	$ 86,462,222	$ 45,646,781	$ 132,109,003

See accompanying notes to the financial statements.

BARRY UNIVERSITY, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$ 2,791,912	$ 15,262,904
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	9,423,601	9,133,892
Amortization of bond premiums and discounts	(76,788)	(79,746)
Amortization of bond issuance costs	54,329	54,808
Provision for uncollectible student accounts receivable	3,430,338	2,317,006
Change in fair value of interest rate swap	-	(117,934)
Change in cash surrender value of life insurance policies	(2,912)	(5,614)
Gifts restricted for long-term purposes	(236,430)	(238,267)
Gain on sale of property and equipment	-	(201,787)
Earnings of an equity method investee	(490,367)	(475,708)
Net realized and unrealized (gain) loss on investments	4,219,024	(7,851,369)
Net realized and unrealized loss (gain) on beneficial interest in trust	981,569	(1,248,244)
Loss on extinguishment of debt	222,213	71,662
Non cash contributions	(65,000)	(337,210)
Changes in operating assets and liabilities:		
Decrease in student accounts receivable—net	(2,859,837)	(4,112,494)
Decrease (increase) in other receivables	813,871	(975,605)
Increase in contributions receivable	(1,840,283)	(20,135)
Decrease in prepaid expenses and other assets	979,345	755,295
(Decrease) Increase in accounts payable and accrued expenses	(4,614,103)	5,039,382
(Decrease) Increase in student deposits and student deferred revenue	(759,140)	1,074,433
Increase (Decrease) in other deferred revenue	79,558	(67,448)
Decrease in other liabilities	(920,205)	(1,995,185)
Net cash provided by operating activities	11,130,695	15,982,636
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(14,525,382)	(8,495,596)
Proceeds from sales and maturities of investments	17,746,934	8,588,546
Acquisition and construction of capital assets	(5,942,788)	(3,849,100)
Proceeds from sale of capital assets	-	277,189
Dividends from an equity method investee	535,114	534,843
Disbursement of loans to students	(651,549)	(1,284,418)
Collections on loans from students	433,072	1,253,237
Net cash used in investing activities	(2,404,599)	(2,975,299)

(Continued)

BARRY UNIVERSITY, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of indebtedness	$ 35,352,000	$ -
Repayments of principal on indebtedness	(34,716,000)	(3,060,000)
Finance lease payments	(815,781)	(897,412)
Melbourne Wickham loan payments	(23,665)	(68,003)
Gifts restricted for long-term purposes	236,430	238,267
Bond issuance cost	(267,213)	-
Net cash used in financing activities	(234,229)	(3,787,148)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	8,491,867	9,220,189
CASH AND CASH EQUIVALENTS—Beginning of year	27,942,794	18,722,605
CASH AND CASH EQUIVALENTS—End of year	$ 36,434,661	$ 27,942,794
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION—Cash paid for interest	$ 2,927,691	$ 3,048,695
NONCASH TRANSACTIONS:		
Property, plant, and equipment acquired through finance leases	$ 300,702	$ 195,895
Write-off of student accounts receivable	$ 59,337	$ 449,059

See accompanying notes to the financial statements. (Concluded)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization—Founded in 1940, Barry University is a four-year Catholic university sponsored by the Dominican Sisters of Adrian, Michigan, and is governed by an independent, self-perpetuating board of trustees (the "Board of Trustees"). Barry University, whose main campus is located in Miami Shores, Florida, offers approximately 100 undergraduate, graduate, professional, and doctoral programs to approximately 8,717 full and part-time students at multiple sites throughout the state of Florida and the Bahamas.

The University holds a 35% equity investment in the South Florida Instructional Television, Inc. (SFITV), which holds licenses for educational broadband service channels. The University acquired this interest in 1985 for no initial investment.

Basis of Presentation—The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, and gains or losses are classified into two categories of net assets based on the existence or absence of donor-imposed restrictions. The two net asset categories reflected in the accompanying financial statements are as follows:

- ***Net Assets without Donor Restriction***—Net assets which are free of donor-imposed restrictions; all revenues, gains, and losses that are not changes in net assets with donor restrictions. Additionally, gifts, grants, and contributions received without donor restrictions, and those donor restricted gifts whose restrictions were met during the same fiscal year, are included in net assets without donor restrictions.

- ***Net Assets with Donor Restriction***—Net assets whose use by the University is limited by donor-imposed stipulations that either expire by the passage of time or that can be fulfilled or removed by actions of the University pursuant to those stipulations and net assets whose use by the University is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Management relies on historical experience and on other assumptions believed to be reasonable under the circumstances in making its judgments and estimates. Actual results could differ from those estimates.

Risks and Uncertainties—On March 11, 2020, the World Health Organization declared the global outbreak of the novel corona virus (COVID-19) as a pandemic. The spread of COVID-19 has caused significant volatility in financial markets and the overall global economy. The resolution and impact of these ongoing events is highly uncertain. The University has implemented precautionary measures to

continue its operations consistent with the guidance of local and national governmental leaders. The operational and financial performance of the University depends on future developments, including the duration and spread of the outbreak, and such uncertainty may in turn impact the University's operations and the valuation of its investments. Accordingly, the University is unable to predict to what extent the pandemic response may impact the subsequent financial results and operations of the University, or those of benefit plans in which it is a participating employer.

In response to the COVID-19 national emergency, the federal government established and funded a Higher Education Emergency Relief Fund (HEERF). The HEERF allocations provided funding for both students (student Share) as well as for the higher education institution (institutional Share).

In March 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) created HEERF I.

- HEERF I Student Share grants are to provide emergency financial aid grants to students for expenses related to the disruption of campus operations due to the COVID-19 crisis

- HEERF I Institutional Share is intended to cover costs incurred by the University including costs associated with significant changes to the delivery of instruction due to the coronavirus.

- In December 2020, HEERF II was authorized by the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSAA").

- HEERF II Student Share may be used for any component of the student's cost of attendance or for emergency costs that arise due to coronavirus, such as tuition, food, housing, health care (including mental health care), or child care. The CRRSAA requires that institutions prioritize students with exceptional need.

- HEERF II Institutional Share allowable uses include:

    a) Defraying expenses associated with coronavirus (including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings, and payroll);

    b) Carrying out student support activities authorized by the Higher Education Act of 1965, as amended, that address needs related to coronavirus; and

    c) Making additional emergency financial aid grants to students.

In March 2021, the American Rescue Plan ("ARP") provided funding for HEERF III.

- Under ARP, any student enrolled at an institution of higher education on or after March 13, 2020 (the date of declaration of the national emergency due to the coronavirus) is eligible for emergency financial aid grants from the HEERF III, regardless of whether they completed a Free Application for Federal Student Aid (FAFSA) or are eligible for Title IV. The ARP requires that institutions prioritize students with exceptional need and the Department of Education encouraged institutions to prioritize domestic students, especially undergraduates, in allocating this funding. Domestic students include citizens, permanent residents, refugees, asylum seekers, DACA recipients, other DREAMers, and similar undocumented students. The allowable uses for HEERF III Student Share were the same as under HEERF II.

- For the HEERF III Institutional Share, a portion of the funds must be used towards:

  a) Implementing evidence-based practices to monitor and suppress coronavirus in accordance with public health guidelines; and

  b) Conducting direct outreach to financial aid applicants about the opportunity to receive a financial aid adjustment due to the recent unemployment of a family member or independent student, or other circumstances.

Other than these two new requirements, allowable uses for the HEERF III Institutional Share are similar to the allowable uses under HEERF II.

Total cumulative authorization of HEERF funding available to the University is $28.6 million. The breakout is $12 million related to student funding, $14.8 million for institutional share, and $1.8 million for Hispanic Serving Institution.

Following is a summary of the HEERF-related funding by the University during fiscal year 2022 and 2021:

Fiscal year 2022	**Emergency Grants to Students**	**Institutional Share**	**Hispanic Serving Institution**
Funding source:			
HEERF I	$ -	$ -	$ 62,815
HEERF II	-	3,768,724	82,502
HEERF III	2,405,200	5,667,313	-
Total HEERF grant fund utilization	$ 2,405,200	$ 9,436,037	$ 145,317

Fiscal year 2021	**Emergency Grants to Students**	**Institutional Share**	**Hispanic Serving Institution**
Funding source:			
HEERF I	$ 58,624	$ 2,513,699	$ 320,260
HEERF II	2,513,699	1,718,963	-
HEERF III	-	-	-
Total HEERF grant fund utilization	$ 2,572,323	$ 4,232,662	$ 320,260

HEERF Grant Fund totaled $11,986,554 in 2022 and $7,125,245 in 2021, which has been recorded in government grants and contracts in the accompanying statements of activities and changes in net assets.

Cash and Cash Equivalents—Cash and cash equivalents are comprised of highly liquid instruments with original maturities of three months or less from the date of purchase. The University generally maintains cash on deposit with financial institutions in excess of federally insured amounts.

Investments—Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying statements of financial position. As

described in Note 2, the University purchased certain properties as investments, consisting of the Sinai Plaza Nursing and Rehabilitation Center (the "Nursing and Rehabilitation Center"), and the residence of the University's current president.

The University is not in the business of leasing property or conducting nursing home activities. Based on such, the University has determined to account for these properties as investments and value the properties at fair value, consistent with all of its other investments.

Interest and dividends are included as investment income in the accompanying statements of activities and changes in net assets. Unrealized and realized gains and losses are recognized as changes in net assets in the accompanying statements of activities. Unless specifically identified, all investment income and unrealized and realized gains and losses are recorded in revenues, gains, and other support without donor restrictions.

Equity Method Investment—Equity method investment consist of an investment between 20-50% interests in investee. The University records an equity investment of the University's share of earnings in excess of cash received as an asset on the statements of financial position and adjusts the investment each reporting period through the nonoperating changes in net assets section of the statements of activities and changes in net assets.

Student Accounts Receivable—Student accounts receivable consist of amounts due from students for tuition, fees, and room and board for the current term and for prior completed terms adjusted for any scholarships and certain grant funds received. Recoveries of receivables previously written off are recorded in the period received. The allowance for doubtful accounts of student accounts receivable is based on the aging of the outstanding balance and historical collection rates. The University fully reserves all outstanding balances greater than 360 days, which it deems to be uncollectible and provides an additional allowance on balances that are greater than 120 days ranging from 10%-20%.

Loans and Notes Receivable—Loans and notes receivable consist primarily of amounts loaned to students through nursing faculty loan program sponsored by the federal government. The University fully reserves all outstanding balances greater than 360 days, which it deems to be uncollectible.

Property, Plant, and Equipment—The University's capitalization policy is $5,000 or greater with estimated useful life of more than one year. Property, plant, and equipment are recorded at cost, less accumulated depreciation and amortization. Expenditures that materially increase values, change capacities, or extend useful lives are capitalized, as are interest costs during the period of construction. Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the related assets. Donated assets are recorded at fair value at the time of receipt of the contributions. In the absence of donor-imposed restrictions on the use of the asset, gifts of long-lived assets are reported as support without donor restrictions.

	Useful Lives
Buildings	40 years
Roof and cooling towers	30 years
Elevators	25 years
Building and land improvements	20 years
HVAC/Chillers	20 years
Furniture, fixtures and equipment	7 years
Computer equipment	3 years

Long-lived assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is determined by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If the carrying value of the asset exceeds such cash flows, the asset is considered to be impaired. The impairment charge to be recognized is measured by the amount by which the carrying amount of the asset exceeds its estimated fair value. There were no impairments for the years ended June 30, 2022 and 2021.

Debt Issuance Costs and Discount on Bonds—Costs incurred in connection with bond issuances are being amortized using the straight line method over the life of the debt, which approximates the effective interest method. Amortization of debt issuance costs are included as interest expense in the accompanying statements of activities and changes in net assets. The related amortization totaled $54,329 and $54,808 for the years ended June 30, 2022 and 2021, respectively.

Premium on Bonds—Bond premiums are presented as a component of bonds payable in the accompanying statements of financial position. Premium on bonds are being amortized using the straight line method over the life of the debt, which approximates the effective interest method. Amortization of the premium on bonds is recorded as a component of interest expense in the accompanying statements of activities and changes in net assets. The related amortization totaled $76,788 and $79,746 for the years ended June 30, 2022 and 2021, respectively.

Insurance Programs and Policies—The University is a member of the Florida Independent Colleges and Universities Risk Management Association, LLC ("FICURMA"), which was formed in December 2003. A claims-made insurance program for FICURMA's members provides coverage for workers' compensation, general liability, property, and vehicle liability in addition to other exposures, such as hurricanes and wind. FICURMA's members make annual contributions into the program based on an independent actuarial valuation, which include a $400,000 retention level for workers' compensation and $400,000 retention level for general liability and vehicle liability and a $400,000 retention level for property. Claims in excess of self-insurance retention limits are covered under excess coverage policies with the program's carrier up to various aggregate limits. The deductible to members for workers' compensation and general liability claims is $0. The FICURMA risk pool also purchases coverage for matters such as cyber liability, environmental, excess crime, fiduciary and pension, drones, etc. FICURMA was fully funded by its members as of June 30, 2022 and 2021, and management believes that the program has the ability to cover the members' known and incurred but not reported claims exposures.

In April 2010 and 2009, FICURMA made payments to members for a return of premium based upon the experience of its members related to all claims resolved as of November 2009 and 2008, respectively. These amounts were recorded as a reduction to insurance expense; no payments have been made since April 2010. Pursuant to the return of premium, the University and other member institutions executed debenture notes with FICURMA to allow FICURMA to continue to work independently of its members. The University provided funds in the amount of $100,000 and $910,000 to FICURMA in 2010 and 2009, respectively. The notes are recorded as component of other assets in the accompanying statements of financial position. The notes bear interest at an annual rate equal to the annual aggregate rate of return on all of FICURMA's invested capital, which equates to 3.86% and 6.07% for years ended June 30, 2022 and 2021, respectively. In March 2022, FICURMA issued a payment of $455,000 to reduce the 2009 note. The principal amount of the $100,000 and $455,000 notes matured on April 30, 2020 and 2019, respectively. The University continues to receive the corresponding interest payments on these notes from FICURMA in a timely manner. The University believes that the principal balances of these notes are collectible.

Insurance expense related to the program totaled $3,810,969 and $3,533,324 in 2022 and 2021, respectively, and has been recorded in institutional support in the accompanying statements of activities and changes in net assets.

The University is the owner and beneficiary of several life insurance policies with a recorded cash surrender value of $608,542 and $605,631 as of June 30, 2022 and 2021, respectively. These policies are recorded in prepaid expenses and other assets in the accompanying statements of financial position.

Tuition and Fee Revenue—The University recognizes revenue as it is earned, when it is realizable, and all the related performance obligations are satisfied. Most of the University's revenue is derived from contracts with students (customers). It includes tuition and fees, financial aid, housing, and meal plan, all of which are contractual in nature and include performance obligations. These arrangements give rise to the contract assets, which represent the University's right to consideration for performance obligations. The contract assets are transferred to accounts receivable when the University's right to consideration is unconditional, which occurs upon completion of the academic term' s drop-add period for tuition and fees and upon the start of the academic term for housing and meal plan. These arrangements also give rise to contract liabilities, which the University records as deferred revenue when consideration has been received in advance of the satisfaction of related performance obligations.

Contributions—Unconditional promises to give (pledges) are recognized as contribution revenue when the donor's commitment is received. Contributions are reported as increases in the appropriate category of net assets based on whether or not they are subject to donor imposed or purpose restrictions. Pledges with payments due to the University in future periods are recorded as increases in net assets with donor restrictions at the estimated present value of future cash flows net of an allowance for certain promises that are estimated as uncollectible. The discount rate used to measure the present value of the pledge receivable at the time of the gift is used throughout the life of the pledge. Amortization of the discount due to payments or changes in future payment schedules is recorded as an increase or decrease in contribution revenue and the pledge receivable balance.

Conditional promises are recorded when donor stipulations are substantially met. Conditional promises are considered to be available for general operations of the University, unless specifically restricted by the donor. The University reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends, or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to without donor restricted net assets and reported in the accompanying statements of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions received and collected and/or satisfied during the same year are recorded in the without donor restricted net assets class.

Goodwill—It is comprised of assets donated to the University that have an intangible component. The University recognizes Goodwill in accordance with Accounting Standard Update ("ASU")-958-805. On October 1, 2020, The South Florida Wound Care Group PA, transferred as a gift all the assets of the podiatric medicine practice located in Tamarac. At the time of the transfer, Goodwill was estimated at a fair market value of $337,000. Goodwill in accordance with ASC-958-805 was recorded at Fair Market value and amortized using the straight line method with a term of ten years. The net book value of Goodwill as of June 30, 2022 and 2021 is $278,198 and $311,919, respectively.

Auxiliary Enterprises—Auxiliary enterprise operations consist of student housing and meal plan. Fee charges are directly related to the costs of services rendered and are recognized as revenue when the services or goods are delivered and the performance obligation is satisfied.

Clinic Revenue—Clinic revenue consists of revenue generated at the University's clinic facilities and is recorded upon cash receipt. The University has agreements with third-party payors that provide for payments to the University at amounts different from its established rates. Clinic revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered.

Beneficial Interest in Perpetual Trust—Beneficial interest in perpetual trust consists of the University's interest in two perpetual trust funds that are invested in equity securities with readily determinable fair values. The beneficial interests in perpetual trusts are recorded at fair value in net assets with donor restriction in the accompanying statements of financial position.

Contributions received of interests in perpetual trusts are recorded at fair value as of the date of the contribution. Distributions received from the perpetual trust funds to the University are included without donor restrictions investment income in the accompanying statements of activities and changes in net assets. Unrealized gains and losses are recognized as changes in net assets in the accompanying statements of activities and changes in net assets and are recorded in net assets with donor restriction other income.

Deferred Student Revenue—Deferred student revenues consist of deposits made by students before year-end for classes conducted after year-end to be recognized as revenues in future periods.

Deferred Revenue—Revenues received in advance of the period in which it will be earned is reported as deferred revenue, including funds received in advance for the University's education programs.

Federal and State Income Taxes—The University is exempt from federal and state income taxes under Section 501(a) of the Internal Revenue Code (the Code) as an organization described in Section 501(c)(3) of the Code. Accordingly, the financial statements do not include an income tax provision, except for certain taxable transactions.

The University complies with the provisions of Accounting Standards Codification ("ASC") 740 (formerly Financial Accounting Standard Board Interpretation ("FASB") No. 48, Accounting for Uncertainty in Income Taxes—An Interpretation of FASB Statement No. 109 ("FIN 48"). Under ASC 740, the University must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. Management of the University does not believe there are any material uncertain tax positions and accordingly has not recognized any liability for unrecognized tax benefits. The University has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the University has filed Internal Revenue Service Form 990 tax returns as required and all other applicable returns in those jurisdictions where it is required. The University believes that it is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2019. However, the University is still open to examination by taxing authorities from fiscal year 2019 forward. For the years ended June 30, 2022 and 2021, there was no interest or penalties recorded or included in the statements of activities and changes in net assets.

Earnings from unrelated business activities were not significant for the years ended June 30, 2022 and 2021. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Fair Value of Financial Instruments—The fair value of financial instruments held by the University as of June 30, 2022 and 2021, are based on a variety of factors and assumptions and may not necessarily be representative of the actual gains or losses that will be realized in the future and do not include expenses that could be incurred in an actual sale or settlement of such financial instruments. The carrying values for cash and cash equivalents, student accounts receivable, contributions receivable, other receivables, accounts payable and accrued expenses approximate the fair values based on their short-term nature.

The fair values of the University's investments and beneficial interest in trusts, which are the amounts reported in the statements of financial position, are based on quoted market prices (active and not active), except for the investments in real estate and property, which are based on market comparable values.

Loans payable based on borrowing rates currently available to the University for debt with similar terms and maturities have an estimated fair value of $59,118,998 and $54,183,000 as of June 30, 2022 and 2021, respectively.

Accounting Pronouncements

Contributed Nonfinancial Assets—In September 2020, FASB issued ASU No. 2020-07 on Topic 958, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The FASB ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. Under the new standard's requirement, gifts-in-kind are to be presented as a separate line item, instead of remaining grouped among contributions of cash or other financial assets, on your statement of activities. The FASB ASU requires the new standard to be applied retrospectively, with amendments taking effect for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. Early adoption of this ASU is permitted. The implementation of ASU No. 2020-07 did not have a material effect on the financial statements as of and for the years ended June 30, 2022 and 2021.

2. INVESTMENTS

Investments and investments held for debt service were as follows:

	2022	2021
Corporate stock	$13,733,529	$18,832,132
Bonds:		
Corporate bonds	5,462,169	4,158,981
U.S. government obligations	3,145,186	7,472,702
Mutual funds:		
Bond mutual funds	8,034,425	9,480,088
Real estate mutual funds	495,399	450,063
Hedge funds	1,637,502	1,704,818
Land and buildings held for investment	13,800,000	11,650,000
Other investments	386,609	386,609
Total investments and investments held for debt service reserve	$46,694,819	$54,135,393

3. FAIR MARKET VALUE MEASUREMENTS AND EQUITY METHOD INVESTMENT

The University complies with ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"), which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair value.

ASC 820 establishes a three-level hierarchy for disclosure of fair value measurements based upon the transparency of inputs to the valuation of the asset or liability as of the measurement date. The three levels are defined as follows:

Level 1—Quoted prices in active markets which are unadjusted and accessible as of the measurement date for identical unrestricted assets and liabilities;

Level 2—Quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly;

Level 3—Prices or valuations that require inputs that are unobservable and significant to the overall fair value measurement. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The University determines fair value as of June 30, 2022 and 2021, on the following assets using these input levels:

June 30, 2022	Fair Value Measurement at Reporting Date Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Corporate stock	$ 13,733,529	$ -	$ -	$ 13,733,529
Corporate Bonds	-	5,462,169	-	5,462,169
Bond mutual funds	8,034,425	-	-	8,034,425
Real estate mutual funds	495,399	-	-	495,399
U.S. government obligations	-	3,145,186	-	3,145,186
Land and buildings held for investment	-	-	13,800,000	13,800,000
Other investments	-	-	386,609	386,609
Beneficial interest in perpetual trust	-	-	4,727,758	4,727,758
Totals/Subtotal	$ 22,263,353	$ 8,607,355	$ 18,914,367	49,785,075
Investment measured at net asset value—hedge funds				1,637,502
Total				$ 51,422,577

June 30, 2021	Fair Value Measurement at Reporting Date Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Corporate stock	$ 18,832,132	$ -	$ -	$ 18,832,132
Corporate Bonds	-	4,158,981	-	4,158,981
Bond mutual funds	9,480,088	-	-	9,480,088
Real estate mutual funds	450,063	-	-	450,063
U.S. government obligations	-	7,472,702	-	7,472,702
Land and buildings held for investment	-	-	11,650,000	11,650,000
Other investments	-	-	386,609	386,609
Beneficial interest in perpetual trust	-	-	5,709,328	5,709,328
Totals/Subtotal	$ 28,762,283	$ 11,631,683	$ 17,745,937	58,139,903
Investment measured at net asset value—hedge funds				1,704,818
Total				$ 59,844,721

The University accounts for its investments categorized as Level 1 through the use of quoted market prices for those investments in debt and equity securities with readily determinable market values.

The University accounts for its investments categorized as Level 2 through the use of observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

The University's investments categorized as Level 2 consist of corporate bonds, commodities, and U.S. government obligations. The U.S. government obligations are held in satisfaction of the Reserve Fund Requirement for the Series 2011, and 2012 Bonds for fiscal years ended June 30, 2022 and 2021 (see Note 9). As of June 30, 2022 and 2021, the University had an established a debt service reserve of $3,145,186 and $6,786,854, respectively. The reserve is held in U.S. government obligations. Such amount has been classified as an investment held for debt service reserve in the accompanying statements of financial position.

The University's investments categorized as Level 3 consist of beneficial interest in perpetual trust; land and buildings held for investment; and a collection of books related to theology, philosophy, religious studies, and supporting disciplines. The land and buildings held for investment include the Nursing and Rehabilitation Center, a nursing facility owned by the University and leased to a third party, the residence for the University's president, and an additional investment property leased to a third party. The significant unobservable inputs used in the fair value measurement of the University's Level 3 investment include selection of certain investment rates for real estate investments (discount rate, terminal capitalization rate, and overall capitalization rate) and present value of expected cash flows for beneficial interest in trusts. Significant fluctuations in any of those inputs in isolation could result in material change fair value measurement.

The Sinai Plaza Nursing and Rehabilitation Center lease agreement is dated February 6, 1996, as amended November 9, 2000, June 7, 2003, March 1, 2007, and February 1, 2021. The lease period of the land and building expires January 31, 2036, with an automatic renewal from February 1, 2036 to January 31, 2041, provided that either party shall have the option to terminate the lease without cause by giving 360 days' notice. The estimated fair value of the Nursing and Rehabilitation Center as of June 30, 2022 and 2021 is $10,400,000 and $8,900,000, respectively. During the years ended June 30, 2022 and 2021, the University recorded an unrealized gain on the fair value of this investment of $1,500,000 and $620,000, respectively. The valuation was based on an independent third-party appraisal using an income capitalization approach based on the value of the lease.

In July 2019, the University acquired an investment property for $2,300,000 designed as the current president's residence. This property was valued at $3,400,000 as of June 30, 2022. Valuations of the property was based on an independent third-party appraisal using recent sales prices and other comparable properties within the geographic marketplace of the investments.

The University holds an investment in a private hedge fund. The hedge fund is valued at $1,637,502 and $1,704,818 as of June 30, 2022 and 2021, respectively. The University recorded an unrealized loss on the investment of $67,316 for fiscal year ended June 30, 2022 and an unrealized gain on the investment of $267,299 for fiscal years ended June 30, 2021. The University estimated the fair value of the hedge funds primarily using the information provided by the fund manager and historical audited financial results of the hedge fund.

Equity Method Investment—The University has a 35% interest in SFITV and accounts for the related transactions in accordance with the equity method of accounting. The equity method of accounting dictates that an investor initially records an investment in the stock of an investee at cost and adjusts the carrying amount of the investment to recognize the investor's share of the earnings or losses of the investee after the date of acquisition. The University's initial investment was nominal, and SFITV had no activity prior to fiscal year 2009.

On July 24, 2008, SFITV entered into a long-term lease with an unrelated entity, whereby the entity leased three broadband channels from SFITV through December 2016, with additional renewal options

requiring Federal Communications Commission (FCC) approval. Under the terms of the lease, SFITV received a $3,000,000 initial payment and received annual lease payments that escalate from $378,000 in the first year to $858,000 in the final year. Total payments that were received under the long-term lease were $7,750,000 recognized the revenues earned from the long-term lease on a straight-line basis over the term of the lease.

On January 4, 2017, SFITV extended the lease agreement for another 10 years through December 18, 2026. Under the extension, the annual lease payments escalate from $858,000 to $3,258,000 in the final year. Total payments that will be received under the long-term lease are $21,380,000. SFITV continues to recognize the revenues earned from the long-term lease on a straight-line basis over the term of the lease. During fiscal year 2022, SFITV recognized $3,258,000 of revenue and presented deferred revenues of $1,608,333 as of June 30, 2022. As of June 30, 2022, SFITV had total assets of $30,670,474, total liabilities of $1,608,333, and unrestricted net assets of $29,062,141.

During fiscal years 2022 and 2021, the University's cumulative portion of SFITV's net income amounted to $5,968,240 and $5,464,722, respectively. The University has received cumulative cash distributions of approximately $5,315,971 from SFITV through June 30, 2022 and approximately $4,780,857 through June 30, 2021. Such distributions are not refundable, and the University is not liable for obligations of SFITV or committed to provide financial support. As such, the University's balance of its investment in equity method is $639,119 in the accompanying statement of financial position as of June 30, 2022 and $683,865 as of June 30, 2021. The earnings of equity method investee amounted to $490,367 in the accompanying statements of activities and changes in net assets for the year ended June 30, 2022 and $475,708 for the year ended June 30, 2021.

4. ENDOWMENT INVESTMENTS

The University's endowment consists of approximately 84 individual donor-restricted funds established for a variety of purposes. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds are classified and reported based on donor-imposed restrictions.

The University classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Also included in net assets with donor restrictions is accumulated earnings and appreciation which are available for expenditures in a manner consistent with the standard of prudence prescribed by the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"), and deficiencies with funds where the value of the fund has fallen below the original value of the gift.

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

1) The duration and preservation of the fund;
2) The purposes of the University and the endowment fund;
3) General economic conditions;
4) The possible effect of inflation and deflation;
5) The expected total return from income and the appreciation of investments;
6) Other resources of the University; and
7) The investment policies of the University.

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or FUPMIFA requires the University to retain as a fund of perpetual duration. These deficiencies result from unfavorable market fluctuations that occurred shortly after newly with donor restricted contributions were received. For the year ended June 30, 2022, there are five donor restricted endowments whose fair value of assets is less than the level required by donor stipulation. The total amount under the level required by donor stipulation is $9,240. For the year ended June 30, 2021, there were no with donor restricted endowment whose fair value of assets is less than the level required by donor stipulation.

The University has developed an investment policy for all of its investable assets whose general purpose is to preserve the capital and purchasing power of the University and to provide sufficient investment return for current and future spending needs. The University has adopted a total return strategy that is designed to provide balance to the overall structure of the University's investment program over a long term period. The endowment net asset composition by fund type as of June 30, 2022 and 2021, is composed of the following:

	Endowment Net Asset Composition by Net Asset Type		
June 30, 2022	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Endowment with donor restrictions	$ -	$ 32,946,277	$ 32,946,277
Board-designated endowment	16,996,969	-	16,996,969
Total endowment funds	$ 16,996,969	$ 32,946,277	$ 49,943,246

	Endowment Net Asset Reconciliation by Net Asset Type		
Year Ended June 30, 2022	**Without Donor Restrictions-Board Designation**	**With Donor Restrictions**	**Total**
Endowment net assets—beginning of year	$ 16,123,752	$ 38,364,131	$ 54,487,883
Contributions	-	236,430	236,430
Total investment return—net	1,414,231	(5,545,443)	(4,131,212)
Endowment income used in operations	(703,771)	-	(703,771)
Total other changes	162,757	(108,841)	53,916
Endowment net assets—end of year	$ 16,996,969	$ 32,946,277	$ 49,943,246

June 30, 2021	Without Donor Restrictions	With Donor Restrictions	Total
	Endowment Net Asset Composition by Net Asset Type		
Endowment with donor restrictions	$ -	$ 38,364,131	$ 38,364,131
Board-designated endowment	16,123,752	-	16,123,752
Total endowment funds	$ 16,123,752	$ 38,364,131	$ 54,487,883

Year Ended June 30, 2021	Without Donor Restrictions-Board Designation	With Donor Restrictions	Total
	Endowment Net Asset Reconciliation by Net Asset Type		
Endowment net assets—beginning of year	$ 15,519,934	$ 30,473,265	$ 45,993,199
Contributions	-	238,267	238,267
Total investment return—net	1,665,703	8,036,953	9,702,656
Endowment income used in operations	(677,632)	-	(677,632)
Total other changes	(384,253)	(384,354)	(768,607)
Endowment net assets—end of year	$ 16,123,752	$ 38,364,131	$ 54,487,883

The University's objective is to fully utilize endowment total return for purposes designated by the respective donors. Barry University's endowment distribution policy must balance support of the current generation of student and faculty with the need to preserve the University's endowment for future generations. The Trustee-mandated formula for distributing endowment return for support of current operations targets the annual distribution percentage between 2 percent and 6 percent of a three-year endowment market value. The actual annual distribution percentage is set to 4% unless otherwise mandated by the Investment Committee. Surplus return, if any, is reinvested for future distribution. During fiscal year 2022, the University's investment returns appropriated for spending amounted to $943,870 in fiscal year 2023. The University's investment committee approved the distribution of the endowment scholarship fund at 4% annual. The actual distribution during the fiscal year ended June 30, 2022 and 2021 were approximately 3% of the total endowment funds, respectively.

5. STUDENT ACCOUNTS RECEIVABLE AND LOANS AND NOTES RECEIVABLE—NET

Student accounts receivable and loans and notes receivable as of June 30, 2022 and 2021, are as follows:

	2022	2021
Student accounts receivable	$ 15,891,922	$ 12,982,168
Allowance for doubtful accounts	(6,481,760)	(3,001,504)
Total student accounts receivable—net	$ 9,410,162	$ 9,980,664
Loans and notes receivable	$ 7,941,718	$ 7,723,241
Allowance for doubtful accounts	(358,576)	(358,576)
Total loans and notes receivable—net	$ 7,583,142	$ 7,364,665

6. CONTRIBUTIONS RECEIVABLE—NET

Outstanding pledges receivable are from various individuals, foundations, and corporations. The discounted present values of pledges receivable are computed using expected payout periods, an average risk-free interest rate in effect as of the date of the pledge, and an estimated allowance for uncollectible pledges using specific experience factors. Contributions receivable as of June 30, 2022 and 2021, are summarized as follows:

	2022	2021
Pledges due:		
Less than one year	$1,124,174	$ 557,431
One year to five years	1,590,002	206,713
Greater than five years	-	-
Total contributions receivable before unamortized discount	2,714,176	764,144
Less unamortized discount ranging from 0.12%–4.19%	(120,786)	(11,037)
Less allowance for doubtful accounts	(239,001)	(239,001)
Total contributions receivable—net	$2,354,389	$ 514,106

7. BENEFICIAL INTEREST IN PERPETUAL TRUST

In March 2008, the University was notified that it received a bequest that consisted of interests in two perpetual trust funds. Since that time, the trust funds were subject to legal proceedings pending a final resolution. On August 18, 2011, the Surrogate's Court of New York entered an order confirming the University's entitlement to the interest in the perpetual trust funds. As a result, the University was entitled to receive distributions of five percent (5%) of the average value of the funds on an annual basis from the bequest. During the years ended June 30, 2022 and 2021, the University received a distribution of $272,900 and $203,920, respectively, which is recorded as investment income on the statements of activities and changes in net assets. Beneficial interest in perpetual trust as of June 30, 2022 and 2021 amounted to $4,727,758 and $5,709,328, respectively.

The University's beneficial interest in the perpetual trust is composed of debt and equity securities that are permanently restricted. The fair value of these investments decreased by $981,569 and increased $1,248,244 for the years ended June 30, 2022 and 2021, respectively. The Trust incurred $31,852 and $27,399 in fees related to the management of the investments for the year ended June 30, 2022 and 2021, respectively.

8. PROPERTY, PLANT, AND EQUIPMENT—NET

Property, plant, and equipment as of June 30, 2022 and 2021, consists of the following:

	2022	2021
Land	$ 7,803,612	$ 7,803,612
Land improvements	6,604,959	6,268,622
Buildings and building improvements	173,046,203	172,160,391
Furniture, fixtures, and equipment	49,835,618	47,260,036
Law library acquisitions	6,492,717	6,492,717
Constructions in progress	2,214,045	1,048,843
Total property, plant and equipment	245,997,154	241,034,221
Less accumulated depreciation and amortization	(135,499,726)	(127,455,403)
Property, plant, and equipment—net	$ 110,497,428	$ 113,578,818

Depreciation and amortization expense on property, plant and equipment totaled $9,389,880 and $9,108,601 for the years ended June 30, 2022 and 2021, respectively. Total committed to complete on construction in progress as of June 30, 2022 and 2021 totaled $2,214,045 and $1,048,843, respectively. The estimated cost to complete is mainly due to the implementation costs of the new Barry Website.

Assets under finance leases, which are included in furniture, fixtures and equipment as of June 30, 2022 and 2021, were as follows:

	2022	2021
Equipment	$ 3,029,830	$ 3,515,089
Less accumulated amortization	(1,792,675)	(1,742,728)
Total	$ 1,237,155	$ 1,772,361

9. LOANS PAYABLE AND FINANCE LEASES

The following represents loans payable and finance leases:

	2022	2021
Loans payable:		
Loan from Wickham Oaks Ltd proceeds used to refurbish leased offices located at 401 North Wickham Rd. Suite 103, 104, 105 Melbourne County, Brevard State of Florida. Effective interest rate of 6.5% at June 30, 2021, maturing on October 31, 2021.	$ -	$ 23,664
2011 Pinellas County Educational Facilities Authority Revenue, annual principal payments made; semi-annual interest payments due each April and October; variable interest rate commencing at 3.00% and increasing to 6%; the effective interest rate at June 30, 2021 was 4.56%.	-	27,340,000
2012 Pinellas County Educational Facilities Authority Revenue and Refunding Bonds; annual principal payments made; semi-annual interest payments due each April and October; variable interest rate commencing at 2.50% and increasing to 5.25%; the effective interest rate at June 30, 2021 was 3.90%.	23,140,000	25,135,000
2021 BBVA Taxable Term Note; annual principal payments made; semi-annual interest payments due each April and October at a fixed rate of 3.21%	-	5,381,000
2022A Higher Educational Facilities Financing Authority annual principal payments made; semi-annual interest payments due each April and October at a fixed rate of 2.25%	31,135,000	-
2022B Higher Educational Facilities Financing Authority annual principal payments made; semi-annual interest payments due each April and October at a fixed rate of 1.78%	4,217,000	-
Unamortized premium on bonds	554,638	862,125
Unamortized bond issuance costs and discounts	(449,265)	(689,292)
Total loans payable	58,597,373	58,052,497
Finance leases—various	1,143,654	1,658,733
Total loans payable and finance leases	$59,741,027	$59,711,230

Series 2007 Bonds—On October 24, 2007, the Authority issued $10,000,000 of Pinellas County Educational Facilities Authority Revenue and Revenue Refunding Bonds, Series 2007 ("Series 2007 Bonds"). The proceeds of the sale of the Series 2007 Bonds have been loaned to the University (the "2007 Loan") to (i) fund the construction of a building for the Institute for Community Health & Minority Medicine and related improvements of the University campus; (ii) refund a taxable loan dated May 7, 2004, from Bank of America, N.A. (the "Bank"), to the University in the original amount of $7,300,000; and (iii) pay certain costs of issuance of the Series 2007 Bonds.

Pursuant to the supplemental loan agreement between the University and the Authority, Barry University is solely responsible for all payments due under Series 2007 Bonds. The Series 2007 Bonds mature October 1, 2037. The Series 2007 Bonds are variable-rate obligations secured by an irrevocable, direct pay, letter of credit issued by the Bank on behalf of the University for the benefit of bondholders, which expires on January 31, 2021. The University is responsible for reimbursing the Bank for all draws under the letter of credit. The 2007 Loan Agreement is subject to certain covenants and financial ratios specified in the Master Trust Indenture (the "Indenture") and supplemental indenture, as amended.

In connection with the bond issue, the University entered into an interest rate swap agreement with the Bank to manage the interest rate risk on its Series 2007 Bonds in an initial notional amount of $10,000,000, effective October 29, 2007. The agreement swaps the University's variable rate for a fixed rate of 3.9%. The notional amount declines over time and terminates on October 1, 2027. The University began making payments under the agreement on December 1, 2007.

The University was required to make loan payments in amounts sufficient for the Authority to pay the principal and interest on the Series 2007 Bonds, whether at maturity, upon acceleration, or upon redemption, and to maintain the required amount in the reserve fund established under the Indenture.

On February 1, 2021, the University refunded Series 2007 Bonds and related swap agreement with proceeds from the 2021 BBVA Term Loan. The refund resulted in a $71,662 loss on extinguishment of the debt.

Series 2011 Bonds—On August 2, 2011, the Authority issued $38,575,000 of Pinellas County Educational Facilities Authority Revenue and Revenue Refunding Bonds, Series 2011 ("Series 2011 Bonds"). The proceeds of the sale of the Series 2011 Bonds have been loaned to the University (the "2011 Loan") to (i) finance the cost of acquisitions, construction, and equipping of certain educational facilities and other capital improvements to be owned and operated by the University and to reimburse advances made by the University to pay a portion of such costs; (ii) refinance certain obligations of the University which were used to finance the acquisition, construction, and improvements to certain educational facilities of the University; (iii) make a deposit in an amount equal to the Series 2011 Reserve Fund Requirement to the 2011 Reserve Fund established for the Series 2011 Bonds; (iv) pay a portion of the interest coming due on the Series 2011 Bonds through August 1, 2012; and (v) pay certain costs of issuance of the Series 2011 Bonds.

As referenced above, certain proceeds of the Series 2011 Bonds were used to refinance certain existing debt. On August 2, 2011, the outstanding principal balances of $6,912,870, relating to the Bank of America $7 million term loan, for the construction on the law school campus and $4,960,761 for the Bank of America $5.2 million term loan, for the purchase of an apartment complex for student housing were repaid.

On March 24, 2022, the University refunded Series 2011 Bonds with proceeds from the Bond Series 2022A from Higher Educational Facilities Financing Authority. The refund resulted in a $125,977 loss on extinguishment of the debt.

Series 2012 Bonds—On March 28, 2012, the Authority issued $31,445,000 of Pinellas County Educational Facilities Authority Revenue Refunding Bonds, Series 2012 ("Series 2012 Bonds"). The proceeds of the sale of the Series 2012 Bonds have been loaned to the University (the "2012 Loan") to (i) fully refund the Series 2000 Bonds in the amount, (ii) partially refund Series 1998 Bonds, and (iii) pay certain costs of issuance of the Series 2012 Bonds.

On March 29, 2012, the University used the proceeds from the Series 2012 Bonds to pay $15,555,000 of the Series 2000 Bonds.

As of June 30, 2022, and 2021, management of the University believes they were in compliance with the debt covenants under the Master Trust Indenture.

2021 BBVA Term Loan—On February 1, 2021, the University entered into a $5,381,000 credit agreement with BBVA, USA, an Alabama banking corporation. Proceeds of the loan were used to refund Series 2007 Bonds and fund the termination of the University's interest rate swap with Bank of America and transaction related cost. The term loan bears interest at an annual fixed rate of 3.21% with a maturity date of October 1, 2027.

On March 24, 2022, the University refunded the 2021 BBVA Term Loan with proceeds from the Bond Series 2022B from Higher Educational Facilities Financing Authority. The refund resulted in a $96,236 loss on extinguishment of the debt.

Series 2022A Bonds—On March 24, 2022, the Authority issued $31,135,000 of Higher Educational Facilities Financing Authority Revenue Bonds, Series 2022A ("The 2022A Bonds). The Bonds were purchased by Bridge Funding Group, Inc., a wholly owned subsidiary of BankUnited, N.A. Proceeds of the Series 2022A Bond were used to (i) refinance the Borrower's outstanding Series 2011 Bonds (the "Series 2011 Bonds"), (ii) fund various capital projects in the amount of $7,000,000, and (iii) fund transaction costs.

The 2022A Bonds bear interest at an annual fixed rate of 2.25% with a maturity date of October 1, 2040.

Series 2022B Bonds—On March 24, 2022, the Authority issued $4,217,000 of Higher Educational Facilities Financing Authority Revenue Bonds, Series 2022B ("The 2022B Bonds). The Bonds were purchased by Bridge Funding Group, Inc., a wholly owned subsidiary of BankUnited, N.A. Proceeds of the Series 2022B Bond were used to refinance the Borrower's outstanding 2021 BBVA Term Loan and fund certain transaction costs.

The 2022B Bonds bear interest at an annual fixed rate of 1.78% with a maturity date of October 1, 2027.

Finance Leases—Barry University has Finance Lease agreements with CSI Leasing, First American, and Huntington Technology Finance. The interest rates on these leases vary from 0.001% to 3.40% with lease terms ranging from 36 to 60 months. The underlying assets are Technology equipment, which are used to aid in teaching students. The University leases equipment such as Computers, Servers, due to cost effectiveness of leasing versus purchasing.

Barry University does not recognize residual value on its Finance Leases. The Leases are included in Loans Payable and Finance Leases on the statements of financial position. As of June 30, 2022, the University does not have any leases which have not yet commenced. The significant Finance leases are with Huntington Technology Finance, with a remaining balance of $680,356, as of June 30, 2022 and terms from May 2018 to August 2025, and First American with a remaining balance of $422,694 and terms from April 2020 to April 2024.

The annual principal maturities for loans, mortgages, notes payable, and finance leases as of June 30, 2022, are as follows:

Years Ending June 30	Loans Payable	Finance Leases	Total
2023	$ 3,917,000	$ 644,689	$ 4,561,689
2024	4,040,000	432,318	4,472,318
2025	4,157,000	66,647	4,223,647
2026	4,303,000	-	4,303,000
2027	4,465,000	-	4,465,000
2028 and thereafter	37,610,000	-	37,610,000
Total	58,492,000	1,143,654	59,635,654
Premium on bonds	554,638	-	554,638
Unamortized bond issuance cost and discounts	(449,265)	-	(449,265)
Total	$58,597,373	$1,143,654	$59,741,027

Interest costs expensed during fiscal years 2022 and 2021 were $2,635,630 and $3,047,477, respectively. There was no capitalized interest for the years ended June 30, 2022, and 2021.

10. NET ASSETS

Net assets with donor restrictions as of June 30, 2022 and 2021, are available for the following purposes:

	2022	2021
Subject to expenditure for specific purpose:		
Educational and general expenses	$15,465,198	$17,850,252
Scholarships	3,364,160	3,536,930
Student loan funds	81,344	81,344
Total subject to expenditure for specific purpose	18,910,702	21,468,526
Endowments, perpetual in nature:		
Scholarships	22,213,596	21,976,986
Funds held in Trust	1,219,700	2,201,269
Total endowments, perpetual in nature	23,433,296	24,178,255
Total net assets with donor restrictions	$42,343,998	$45,646,781

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes. As described in Note 1, donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. Net assets released from restrictions by function for the years ended June 30, 2022 and 2021, were as follows:

	2022	2021
Program restrictions accomplished (purpose):		
Instruction and administration	$1,019,476	$ 591,351
Scholarships	2,202,993	1,503,869
Net assets released from restrictions	$3,222,469	$2,095,220

11. RETIREMENT PLAN

The University established a defined contribution retirement plan on September 1, 1963 for personnel. Effective January 1, 2012, the Plan was frozen, and no further participant elective deferrals or employer contributions were allowed into the Plan. The program was administered by a third party, with the University contributing up to 8.5% of the employee's salary.

Effective January 1, 2012, the University established a defined contribution 401(k) Plan (the "Retirement Plan") sponsored by Barry University, Inc., (the "Employer", "Plan Administrator"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Employer will make a safe harbor matching contribution equal to 100% of a participant's deferral up to 4% of compensation plus 50% of a participant's deferral between 4% and 5% of compensation. Participants must complete one consecutive year of service with the Employer before being eligible to receive contributions made by the Employer. Additional amounts may be contributed at the discretion of the Employer (profit sharing and match contribution). Additionally, the Employer will make a safe harbor matching contribution.

Effective January 1, 2017, the University reduced its contribution to up to 4% of the employee's salary.

The University's contribution to the Retirement Plan was $1,877,896 and $1,821,158 for the years ended June 30, 2022 and 2021, respectively.

12. COMMITMENTS AND CONTINGENCIES

Operating Leases—The University leases space at various locations to provide off-campus programs. The University also leases vehicles and certain information technology (e.g., computers, routers, printers and storage) as part of a technology refresh program. Amounts recognized as right-of-use assets related to operating leases are included in other assets in the accompanying statements of financial position, while related operating lease liabilities are included in other liabilities. As of June 30, 2022, the right-of use of operating assets amounted to $1,802,285, while the operating lease liability amounted to $1,790,222. The interest rates on these leases vary from 0.16% to 2.81% with a lease term ranging from 24 to 87 months.

For certain leases the University has options to extend the lease terms. These renewal options are not considered in the remaining lease terms as it is not reasonably certain University will exercise such options. Most of our operating leases include fixed rental payments, but some of our leases also include variable rental payments due to annual rent escalation. Our leases do not contain contingent rent provisions.

We recognized rent expense associated with our leases as follows:

As of June 30, 2022	
Finance lease cost:	
Amortization of right-of-use assets	$ 763,499
Interest on lease liabilities	8,271
Operating lease cost	1,152,456
Short term lease cost	1,095,946
Total lease cost	$ 3,020,172
Other information:	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 1,168,769
Operating cash flows from finance leases	8,271
Financing cash flows from finance leases	815,781
Non-cash investing and financing activities—additions to ROU assets obtained from:	
New operating lease liabilities	638,869
New finance lease liabilities	300,702
Weighted-average remaining lease term—finance leases (months)	24
Weighted-average remaining lease term—operating leases (months)	32
Weighted-average discount rate—finance leases	0.37 %
Weighted-average discount rate—operating leases	1.37 %
As of June 30, 2021	
Finance lease cost:	
Amortization of right-of-use assets	$ 898,762
Interest on lease liabilities	18,180
Operating lease cost	1,383,994
Short term lease cost	901,719
Total lease cost	$ 3,202,655
Other information:	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 1,386,732
Operating cash flows from finance leases	18,180
Financing cash flows from finance leases	897,412
Non-cash investing and financing activities—additions to ROU assets obtained from:	
New operating lease liabilities	884,556
New finance lease liabilities	195,895
Weighted-average remaining lease term—finance leases (months)	31
Weighted-average remaining lease term—operating leases (months)	33
Weighted-average discount rate—finance leases	0.58 %
Weighted-average discount rate—operating leases	1.66 %

The schedule by years of future minimum lease payments under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2022, is as follows:

Years Ending June 30	
2023	$ 873,508
2024	478,819
2025	259,288
2026	136,714
2027	41,893
Total	$ 1,790,222

Litigation—The University is, at times, subject to threatened or filed legal action. Based upon counsel's advice and its knowledge of these cases, management does not expect the outcome of these matters to have a material adverse effect on the University's future financial condition, results of activities, or cash flows. However, there can be no assurances regarding the ultimate outcome of these matters.

Grants—The University receives state and federal grant funding in support of their educational missions. Grants are subject to annual renewal and periodic amendment and require the fulfillment of certain conditions as set forth in each instrument of grant. Failure to fulfill the conditions could result in the return of the funds to grantors. Management believes that the University has met all conditions under their grant programs.

Chartwells Agreement—On June 1, 2015, the University entered into a Food Service Agreement (the Agreement) with Chartwells to provide and manage the University's food service program. The agreement is for a ten-year period expiring on May 31, 2024, with additional five-year options to renew upon mutual agreement by both parties. Either party may terminate the agreement by giving a 90-days' notice prior to the proposed termination date. On June 1, 2017, Chartwells and the University amended the agreement to extend the terms through June 30, 2029. The terms were further extended to June 30, 2030 with amendment 8, signed December 17,2020.

As part of the agreement, the University received certain advances from Chartwells in the form of a signing bonus, financial investments to improve dining facilities, guaranteed commissions and other concessions in exchange for the exclusive rights to use the University facilities and equipment. These advances are refundable to Chartwells should the University terminate the agreement prior to its expiration, the amount of the refundable amount is proportionate to the unexpired portion of the terms. Accordingly the University recorded the unamortized portion of these advances amounting to $3,312,448 and $3,666,771 as of June 30, 2022 and 2021 as deferred revenue reported as a component of accounts payable and accrued expenses in the accompanying statements of financial position. The University recognized $379,323 and $295,152 as reduction to food service expense during the years ended June 30, 2022 and 2021, respectively, related to this agreement.

13. REVENUE FROM CONTRACTS WITH STUDENTS

Revenue from contracts with customers comprises revenue from students for tuition, fees, housing, and meal plan. For purposes of reporting on revenue from contracts with customers under U.S. GAAP, the University refers to customers as students. Transactions prices are based on the University's approved tuition and fee schedule. Tuition discounts and financial aid awards that vary by student

based on merit, need, or other qualifications reduce Tuition and Fees. Revenue is recognized and presented in the financial statements net of any such tuition discounts and financial aid awards.

The revenue from contracts with students presented in the financial statements is further disaggregated by student type, term, or performance obligation in the following table:

	2022	2021
Tuition and fees, net of student aid:		
Undergraduate—fall term	$ 39,023,349	$ 40,583,169
Undergraduate—spring term	33,598,306	35,365,368
Undergraduate—summer terms	3,875,989	5,575,551
Summer 2020 revenue recognition adjustment	-	864,239
Summer 2021 revenue recognition adjustment	952,147	(952,147)
Summer 2022 revenue recognition adjustment	(647,489)	-
Total undergraduate tuition	76,802,302	81,436,180
Graduate—fall term	36,143,962	36,041,215
Graduate—spring term	32,782,140	33,657,815
Graduate—summer terms	16,857,377	18,729,936
Summer 2020 revenue recognition adjustment	-	7,137,583
Summer 2021 revenue recognition adjustment	7,285,139	(7,285,139)
Summer 2022 revenue recognition adjustment	(5,786,465)	-
Total graduate tuition	87,282,153	88,281,410
Other sessions including certificate programs, Continuing education, workshops	265,116	287,792
Fees	5,621,627	5,834,817
Financial aid	(56,996,536)	(56,272,734)
Financial Aid-2020 revenue recognition adjustment	-	(1,912,526)
Financial Aid-2021 revenue recognition adjustment	(621,308)	621,308
Financial Aid-2022 revenue recognition adjustment	365,625	-
Total fees and financial aid	(51,630,592)	(51,729,135)
Total tuition and fees—net of student aid	112,718,979	118,276,247
Auxiliary revenues:		
Housing meal plans	5,451,290	3,610,494
Residence Halls revenues	8,761,339	5,902,670
Total auxiliary revenue from contracts with students	14,212,629	9,513,164
Total revenue from contracts with students	$ 126,931,608	$ 127,789,411

Contract assets, which the University presents as accounts receivable in the statements of financial position, represent amounts due to the University when performance obligations have been satisfied. Performance obligations are satisfied over the course of the academic term as the services are delivered since the students simultaneously receive and consume all the benefits provided by the University's performance because the University provides the services to the students throughout the academic term. The University has the following performance obligations arising from contracts with students:

Revenue Category	Performance Obligation
Tuition and related fees	The University is obligated to deliver academic curriculum to students consistent with course descriptions.
Campus housing	The University is obligated to deliver campus housing to students consistent with housing contracts.
Dining meal plans	The University is obligated to deliver food services to students consistent with meal plan contracts.

Contract assets arise when performance obligations have been met but payment has not yet been received. Contract liabilities arise when payment is received in advance of the satisfaction of performance obligations. As of June 30, 2022 and 2021, the University had contract assets receivable from students for academic terms that are complete, and all performance obligations are satisfied, but for which consideration has yet to be received from students. The University also had contract liabilities to students, reported as deferred revenue, comprising deposits and prepayments for future academic terms and services for which performance obligations have not yet been satisfied. The balances of contract assets and contract liabilities arising from contracts with students for 2022 and 2021 are presented here:

	2022	2021
Contract assets—student accounts receivable—net of allowance	$ 9,410,162	$ 9,980,664
Contract liabilities—student deposits, prepayments and student deferred revenue	10,688,927	11,448,067

The amount of revenue recognized in the current reporting period that was included in the contract liability balance at the end of the previous reporting period is $11,448,067.

Tuition and related student fees, and fees for housing and meal plans are generally due to the University during the first week of an academic term unless a student has entered into a formal payment plan with the University. While payment plans defer the due date for a portion of student charges, at no point do they extend beyond the related academic term. As such, substantially all contract assets that arise as a result of the satisfaction of performance obligations over an academic term are collected by the end of that academic term. In accordance with the University's published catalog and academic calendar, students who withdraw from the Fall and Spring terms will be credited as follows: if the student withdraws within the first two weeks of the semester, 80% of the full semester charge is credited; within the first three weeks, 60% is credited; within the first four weeks, 40% is credited; within the first five weeks, 20% is credited. After the fifth week there is no credit of charges. Students who withdraw from the summer term will be credited as follows: if a student withdraws during the first week of the semester, 60% of charges will be credited; within the second week of the term, 20% is credited; no credit of charges if withdrawing after the second week of the

term. Based on the University's academic calendar, contract assets presented in the statements of financial position as of the end of the fiscal year comprise receivables from students for which all performance obligations have been satisfied and payment has not yet been received. All academic terms for which contract assets exist are complete as of fiscal year end. As such, there is no allowance for refunds as of June 30, 2022 or 2021.

Prepayments and deposits from students are generally received at the beginning of an academic term, consistent with the payment due date. This timing of payments gives rise to contract liabilities, or deferred revenue. As performance obligations are satisfied over the course of an academic term, the deferred revenue is recognized as revenue. At the completion of the academic term, when all performance obligations have been fully satisfied, all deferred revenue has been recognized for that academic term. Based on the University's academic calendar, contract liabilities presented in the statements of financial position as of the end of the fiscal year represent consideration received from students for which performance obligations have not yet been satisfied.

The timing of cash inflows from contract assets is generally less than one year after the end of an academic term. Contract liabilities represent cash inflows for which future performance obligations exist and will generally be satisfied in less than one year. The value of contract assets and contract liabilities presented as of 2022 and 2021 differ based on the timing of the academic calendar in relation to the fiscal year, and the timing of payments received from students. The University does not expect the values reported in any given year to fluctuate significantly as the activities that give rise to the contract assets and contract liabilities are relatively consistent from year to year.

14. FINANCIAL ASSETS AND LIQUIDITY RESOURCES

The University's cash flows have seasonal variations due to its tuition billing schedule. Peak cash inflows occur during the cash collection periods for fall and spring academic terms. To manage liquidity and ensure cash on hand is sufficient to cover operating liabilities and working capital needs, management regularly monitors cash balances, cash flow projections and adheres to a board approved annual operating budget.

In addition to financial assets available to meet general expenditures over the next 12 months, the University operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

As of June 30, 2022 and June 30, 2021, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, debt service payments, and capital expenditures, are as follows:

	2022	2021
Financial assets:		
Cash and cash equivalents	$ 36,434,661	$ 27,942,794
Student accounts receivable—net	9,410,162	9,980,664
Contributions receivable—net	2,354,389	514,106
Other receivables—net	2,519,368	3,333,239
Loans and notes receivable—net	7,583,142	7,364,665
Investments—at fair value	43,549,633	47,348,539
Investments held for debt service reserve	3,145,186	6,786,854
Equity method investment	639,119	683,865
Beneficial interest in perpetual trust	4,727,758	5,709,328
Total financial assets	110,363,418	109,664,054
Less amounts unavailable within one year for general expenditures:		
Pledges due over one year	(1,590,002)	(206,713)
Other receivables due over one year	(802,947)	(891,696)
Investment held for debt service reserve	(3,145,186)	(6,786,854)
Loans and notes receivable due over one year	(7,313,950)	(7,021,981)
Investments in real estate	(13,800,000)	(11,650,000)
Atonement collection	(386,610)	(386,610)
Permanent endowments restricted by donors	(18,705,538)	(18,468,927)
Equity method investment	(639,119)	(683,865)
Beneficial interest in perpetual trust	(4,727,758)	(5,709,328)
Temporarily restricted endowment funds not available within one year	(17,320,700)	(21,261,813)
Financial assets available within one year for general operations	$ 41,931,608	$ 36,596,267

Board designated funds could be appropriated for general expenditures only if approved by the Board of Trustees. Funds restricted by donor stipulations will be used for purposes intended by donors. The purposes for which donors restrict the use of funds generally serve the scholarships to students, specific building renovations, and various projects and therefore supplement the University's budget for those areas. The University has an open or available credit facilities to supplement liquidity through borrowing as of June 30, 2022. The University does enter into finance lease agreements with financial institutions in the normal course of business to finance significant equipment purchases as needs arise.

15. IN-KIND CONTRIBUTIONS

The University's statements of activities for the years ended June 30, 2022 and 2021, include the following In-kind contributions:

	2022	2021
Medical facility	$ -	$ 340,000
Equipment	-	17,595
Clothing/Shoes	25,000	-
Art	65,000	-
	$ 90,000	$ 357,595

The University received various forms of gift-in-kind (GIK) including a medical facility, equipment, clothing, shoes, and art. GIK are reported as In-Kind Contributions at their estimated fair market on the date of receipt or third party valuation. Donated gifts are not sold and are available for program use.

16. FUNCTIONAL EXPENSE CLASSIFICATION AND COST ALLOCATIONS

The University's primary program service is academic instruction. Academic departments and programs comprises costs associated with faculty and staff that deliver academic courses. It includes the materials, services, equipment and buildings necessary to provide the University's academic curriculum.

Grants and Contracts include costs associated with programs from government, private, and non-profit agencies in support of specific research, training and community outreach programs and initiatives. Sponsored programs promotes the University's mission and values and provides direct support for research and training activities, student scholarships, and community service.

Academic Support includes costs that are incurred to provide support services for the primary instructional mission of the university. Included in this classification are the staff, materials, services, equipment and office space associated with academic administration, curriculum development, and academic information technology.

Student services costs include those activities that support students outside of the University's formal instructional programs. This includes costs associated with admissions, registration, enrollment management, career advising, counseling, financial aid, student activities, and student wellness.

Institutional support costs include expenses incurred for executive and administrative management of the University. This includes staff and service costs associated with institution-wide planning, financial, operations, human resource management, legal services, procurement, public relations, development, and administrative computing infrastructure.

Podiatric Clinical Practice include those costs associated with providing clinical rotations for the students in the Podiatric programs and conducting research activities that are sponsored by third parties. This includes faculty and staff costs, travel, supplies, clinic office rental space and equipment required to fulfill the activities of the faculty.

Auxiliary expenses exists to provide goods or services to students, faculty, and staff. This includes the costs associated with operating campus housing, dining services, facilities rental, residence life programs, campus ministry, and athletics programs.

Certain expenses that are attributable to more than one functional area are allocated based on appropriate cost allocation techniques such as square footage. Natural expense categories that are allocated to more than one functional area include depreciation, interest expense, facilities maintenance, custodial services, etc.

The natural classification of the University operating expenses for the fiscal year ended June 30, 2022 and 2021, are presented by functional classification as follows:

	Educational and General Expenses							
Year Ended June 30, 2022	**Academic Departments and Programs**	**Grants and Contracts**	**Academic Support**	**Student Services**	**Institutional Support**	**Podiatric Clinical Practice**	**Auxiliary Expenses**	**Total**
Compensation and benefits	$50,968,833	$1,421,743	$2,021,857	$10,260,238	$15,916,883	$1,255,973	$ 856,032	$ 82,701,559
Depreciation and amortization	2,858,389	-	1,281,351	452,449	1,477,731	-	3,353,681	9,423,601
Fees and legal	1,912,697	386,738	427,144	1,512,865	3,736,735	272,558	1,188,669	9,437,405
Technology	759,742	330,041	17,623	143,229	4,901,259	15,226	44,165	6,211,285
Food service	216,680	6,486	612	491,215	163,360	108	4,211,434	5,089,895
Insurance	66,889	33,161	100,529	129,990	3,832,135	31,485	-	4,194,189
Interest expense	706,392	-	335,406	137,354	438,371	-	1,018,107	2,635,630
Utilities	963,412	-	417,165	287,476	545,381	175	1,276,065	3,489,674
Marketing	167,156	5,540	5,210	281,922	2,499,071	8,466	4,465	2,971,830
Supplies	1,046,598	138,581	104,989	776,131	220,764	216,211	295,765	2,799,039
Maintenance and repairs	630,323	9,673	238,713	178,672	505,751	7,013	881,040	2,451,185
Rent expense	1,043,665	(6,730)	25,280	353,135	155,317	282,155	138,858	1,991,680
Security	577,499	386	249,998	148,753	345,841	-	758,573	2,081,050
Travel	329,096	93,991	11,646	841,349	101,438	1,960	506,601	1,886,080
Provision for bad debt	348	-	165	68	3,429,255	-	502	3,430,338
Library resources	31,263	85	1,645,736	130,853	4,588	-	-	1,812,525
Other expenses	483,509	3,575,535	14,531	294,136	138,059	18,590	37,562	4,561,922
Memberships	786,735	16,179	18,711	144,787	326,842	233	13,769	1,307,256
Total functional expenses	$63,549,226	$6,011,409	$6,916,666	$16,564,622	$38,738,781	$2,110,153	$14,585,286	$148,476,143

Year Ended June 30, 2021	Educational and General Expenses						Auxiliary Expenses	Total
	Academic Departments and Programs	Grants and Contracts	Academic Support	Student Services	Institutional Support	Podiatric Clinical Practice		
Compensation and benefits	$50,167,220	$2,835,255	$2,075,091	$10,435,834	$14,241,278	$1,046,594	$ 821,519	$ 81,622,791
Depreciation and amortization	2,783,868	-	1,254,310	436,979	1,419,866	-	3,238,869	9,133,892
Fees and legal	1,727,225	1,127,326	420,474	1,117,030	4,014,236	147,543	1,187,686	9,741,520
Technology	395,655	581,822	16,861	210,160	4,882,068	43,112	98,729	6,228,407
Food service	29,137	1,836	569	114,090	41,680	353	2,867,760	3,055,425
Insurance	131,646	-	10,079	219,221	3,592,036	105,876	-	4,058,858
Interest expense	819,398	-	387,360	158,630	506,275	-	1,175,814	3,047,477
Utilities	771,287	-	335,621	250,101	438,403	104	1,026,709	2,822,225
Marketing	102,600	18,337	9,171	222,848	2,376,426	7,366	6,060	2,742,808
Supplies	799,965	312,484	84,024	616,219	252,550	174,616	206,948	2,446,806
Maintenance and repairs	647,217	82,401	274,634	180,464	533,393	8,023	934,257	2,660,389
Rent expense	1,143,824	139,968	26,703	236,970	170,313	176,633	134,580	2,028,991
Security	559,936	783	248,858	118,937	335,517	-	755,395	2,019,426
Travel	71,535	22,682	11,275	235,750	16,276	632	3,556	361,706
Provision for bad debt	313	-	149	61	2,296,114	-	452	2,297,089
Library resources	58,716	1,019	1,474,437	107,164	49	-	22	1,641,407
Other expenses	392,610	2,823,394	24,988	87,751	1,969,770	158,128	48,312	5,504,953
Memberships	776,811	14,526	13,939	186,169	297,117	3,086	6,942	1,298,590
Total functional expenses	$61,378,963	$7,961,833	$6,668,543	$14,934,378	$37,383,367	$1,872,066	$12,513,610	$142,712,760

17. INFORMATION USED IN THE DETERMINING DEPARTMENT OF EDUCATION'S FINANCIAL RESPONSIBILITY COMPOSITE SCORE

Section 498(c) of the Higher Education Act of 1965, as amended, requires for-profit and non-profit institutions to annually submit audited financial statements to the Department of Education (ED) to demonstrate they are maintaining the standards of financial responsibility necessary to participate in the Title IV programs. One of many standards which ED utilizes to gauge the financial responsibility of an institution is a composite of three ratios derived from an institution's audited financial statements.

The financial information below provides the correspondence between certain values presented in the University's consolidated financial statements and the values as they are included in the determination of the ratios used by ED to gauge the University's financial responsibility:

	2022
Long-term debt [(1)]:	
Pre-implementation long-term debt	$ 51,597,374
Post-Implementation Long-Term Debt	7,000,000
Lease right-of-use asset liability	1,143,653
Long-term debt	$ 59,741,027

[(1)] Long-term debt on the Financial Responsibility Composite Score supplemental schedule corresponds with the University's Loans and Bonds Payable in Note 9

	2022
Property, plant, and equipment—net:	
Pre-implementation land, buildings, and equipment—net	$ 87,052,426
Construction in progress	2,214,045
Post-implementation land, buildings, and equipment—net purchased without long-term debt	19,993,802 -
Subtotal land, buildings, and equipment—net	109,260,273
Lease right-of-use assets—pre-implementation	-
Lease right-of-use assets—post-implementation	1,237,155
Subtotal lease right-of-use assets	1,237,155
Total property, plant, and equipment—net	$ 110,497,428

18. SUBSEQUENT EVENTS

Management of the University has reviewed subsequent events from June 30, 2022, through October 31, 2022, the date the accompanying financial statements are available to be issued.

On July 28, 2022, the Authority issued $18,902,000 of Higher Educational Facilities Financing Authority Revenue Bonds, Series 2022C (the "Series 2022C Bonds"). The Bonds were purchased by Bridge Funding Group, Inc., a wholly owned subsidiary of BankUnited, N.A. Proceeds of the Series 2022C Bonds were used to refinance the Borrower's outstanding Series 2012 Bonds (the "Series 2012 Bonds"), and fund transaction costs. The Series 2022C Bonds bear interest at an annual fixed rate of 1.95% with a maturity date of October 1, 2029.

On July 25, 2022 the "University" entered into an Amended and Restated Employment Agreement with the President of the University. As part of executed agreement, the University entered into a Split Dollar Collateral Agreement (SDLA) which outlines terms of Split Dollar Life Insurance Policy assigned to the University by the President along with corresponding rights and privileges of both parties. Per the SDLA, the University shall pay for ten years premiums, of $175,000 per year, to the insurer, which payment shall be recorded as a loan from the University to the President provided certain provisions are met. In accordance with executed agreement, the University made the first payment to the insurer on August 14, 2022 in the amount of $350,000 of which included $175,000 for the FY23 premium and an additional premium deposit amount of $175,000.

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SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

Financial Responsibility Supplemental Schedule Composite Scores as of June 30, 2022				
		Primary Reserve Ratio:		
		Expendable Net Assets:		
Statement of Financial Position - Net assets without donor restrictions	+	Net assets without donor restrictions		92,556,917
Statement of Financial Position - Net assets with donor restrictions	+	Net assets with donor restrictions		42,343,998
Note 16 of the Financial Statements - Information used in the determining department of education's financial responsibility composite score - Property, Plant, and Equipment -Net-Land, Buildings, and Equipment	-	Property, plant and equipment, net (includes Construction in progress	109,260,273	
Note 16 of the Financial Statements - Information used in the determining department of education's financial responsibility composite score - Property, Plant, and Equipment -Net-Land, Buildings, and Equipment		Property, plant and equipment pre-implementation		87,052,426
Note 16 of the Financial Statements - Information used in the determining department of education's financial responsibility composite score - Property, Plant, and Equipment -Net-Land, Buildings, and Equipment		Property, plant and equipment post-implementation without outstanding debt for original		19,993,802
Note 8 of the Financial Statements - Statement of Financial Positions- Property, Plant and Equipment		Construction in progress		2,214,045
Note 8 of the Financial Statements - Statement of Financial Positions- Property, Plant and Equipment - Lease right-of-use assets, net	-	Lease right-of-use assets, net	1,237,155	
Note 16 of the Financial Statements - Information used in the determining department of education's financial responsibility composite score - Property, Plant, and Equipment -Net-Lease right-of-use assets		Lease right-of-use assets, pre-implementation		
Note 16 of the Financial Statements - Information used in the determining department of education's financial responsibility composite score - Property, Plant, and Equipment -Net-Lease right-of-use assets		Lease right-of-use assets, post-implementation		1,237,155
Statement of Financial Position - Goodwill	-	Goodwill		278,198
Note 16 of the Financial Statements - Information used in the determining department of education's financial responsibility composite score - Long-Term Debt	+	Long-term debt - for long term purposes	58,597,374	
Note 16 of the Financial Statements - Information used in the determining department of education's financial responsibility composite score - Long-Term Debt		Long-term debt - for long term purposes pre-implementation		51,597,374
Note 16 of the Financial Statements - Information used in the determining department of education's financial responsibility composite score - Long-Term Debt		Long-term debt - for long term purposes post-implementation		7,000,000
Note 16 of the Financial Statements - Information used in the determining department of education's financial responsibility composite score - Long-Term Debt	+	Lease right-of-use asset liability	1,143,653	
Note 16 of the Financial Statements - Information used in the determining department of education's financial responsibility composite score - Property, Plant, and Equipment -Net-Lease right-of-use asset liability		Pre-implementation right-of-use asset liability		
Note 16 of the Financial Statements - Information used in the determining department of education's financial responsibility composite score - Property, Plant, and Equipment -Net-Lease right-of-use asset liability		Post-implementation right-of-use asset liability		1,143,653
Note 10 of the Financial Statements -Net Assets	-	Net assets with donor restrictions: restricted in perpetuity		23,433,296
	=	**Expendable Net Assets**		**60,433,020**
		Total Expenses and Losses:		
Statement of Activities and Changes in Net Assets - Total Operating Expenses without donor restrictions		Total expenses without donor restrictions - taken directly from Statement of Activities		148,476,143
Note 4 of the Financial Statements -Endowment Investments		Investment return appropriated for spending		943,870
Statement of Activities Non-Operating Change in Net Assets		Non-Operating Change in Net Assets		(2,773,110)

	Equity Ratio:		
	Modified Net Assets:		
Statement of Financial Position - Net Assets without Donor Restrictions	+	Net assets without donor restrictions	92,556,917
Statement of Financial Position - Total Net Assets with Donor Restriction	+	Net assets with donor restrictions	42,343,998
Statement of Financial Position - Goodwill	-	Goodwill	278,198
	=	**Modified Net Assets**	**134,622,717**
	Modified Assets:		
Statement of Financial Position - Total assets	+	Total assets	230,125,029
Statement of Financial Position - Goodwill	-	Goodwill	278,198
	=	**Modified Assets**	**229,846,831**
	Net Income Ratio:		
Statement of Activities - Change in Net Assets Without Donor Restrictions	**Change in Net Assets Without Donor Restrictions**		6,094,695
Statement of Activities - Total Operating Revenue and nonoperating change in net assets without Donors Restrictions	**Total Revenues and Gains without Donor Restrictions**		154,570,838

Calculating the Composite Score Lines

*Primary Reserve Ratio = Expendable Net Assets	60,433,020	0.4070
/ Total expenses and Losses Without Donor Restrictions	148,476,143	

Equity Ratio = Modified Net Assets	134,622,717	0.5857
/ Modified assets	229,846,831	

Net Income Ratio = Change in Net Assets without Donor Restrictions	6,094,695	0.0394
/ Total Revenue and Gains Without Donor Restrictions	154,570,838	

Step 1: Calculate the strength factor score for each ratio by using the following algorithms:

Primary Reserve strength factor score = 10 x the primary reserve ratio result

Equity strength factor score = 6 x the equity ratio result

Negative net income ratio result:	Net Income strength factor = 1 + (25 x net income ratio result)
Positive net income ratio result:	Net income strength factor = 1 + (50 x net income ratio result)
Zero result for net income ratio:	Net income strength factor = 1

If the strength factor score for any ratio is greater than or equal to 3, the strength factor score for the ratio is 3.

If the strength factor score for any ratio is less than or equal to -1, the strength factor score for the ratio is -1.

Step 2: Calculate the weighted score for each ratio and calculate the composite score by adding the three weighted scores

Primary Reserve weighted score = 40% x the primary reserve strength factor score

Equity weighted score = 40% x the equity strength factor score

Net Income weighted score = 20% x the net income strength factor score

Composite Score = the sum of all weighted scores

Round the composite score to one digit after the decimal point to determine the final score

RATIO	Ratio	Calc Strength Factor	Manual Strength Factor	Weight	Composite Scores
Primary Reserve Ratio	0.4070	4.0702	3.0000	40%	1.2000
Equity Ratio	0.5857	3.5142	3.0000	40%	1.2000
Net Income Ratio	0.0394	2.9715	2.9715	20%	0.5943
					2.9943
TOTAL Composite Score - Rounded					**3.0**

Barry University, Inc.

Reports Required by *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, *Rules of the Florida Auditor General* and Schedule of Expenditures of Federal Awards and State Projects for the Year Ended June 30, 2022

BARRY UNIVERSITY, INC.

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Deloitte.

Deloitte & Touche LLP
Certified Public Accountants
1800 North Military Trail
Suite 200
Boca Raton, FL 33431-6386
USA

Tel:+1 561 962 7700
Fax:+1 561 962 7750
www.deloitte.com

INDEPENDENT AUDITOR'S 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
Barry University, Inc.
Miami Shores, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Barry University, Inc. (the "University"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Deloitte & Touche LLP

October 31, 2022

Deloitte.

Deloitte & Touche LLP
Certified Public Accountants
1800 North Military Trail
Suite 200
Boca Raton, FL 33431-6386
USA

Tel:+1 561 962 7700
Fax:+1 561 962 7750
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE PROJECTS REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, *RULES OF THE FLORIDA AUDITOR GENERAL*

The Board of Trustees
Barry University, Inc.
Miami Shores, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Projects

We have audited Barry University, Inc.'s (the "University") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the requirements identified as subject to audit in the *Florida Department of Financial Services' State Project Compliance Supplement*, that could have a direct and material effect on each of the University's major federal programs and state projects for the year ended June 30, 2022. The University's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program and State Projects

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements of Chapter 10.650, *Rules of the Florida Auditor General.* Our responsibilities under those standards, the Uniform Guidance and State Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, *Rules of the Florida Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, *Rules of the Florida Auditor General*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Florida Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over

compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650, *Rules of the Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Projects Required by the Uniform Guidance and Chapter 10.650, *Rules of the Florida Auditor General*

We have audited the financial statements of the University as of and for the year ended June 30, 2022, and have issued our report thereon dated October 31, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as whole. The accompanying schedule of expenditures of federal awards and state projects and schedule of populations, samples tested, and questioned costs for the State of Florida Financial Assistance Programs are presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.650, *Rules of the Florida Auditor General*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state projects and schedule of populations, samples tested, and questioned costs for the State of Florida Financial Assistance Programs are fairly stated in all material respects in relation to the financial statements as a whole.

Deloitte & Touche LLP

October 31, 2022

BARRY UNIVERSITY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE PROJECTS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor /Program or Cluster Title	*Federal CFDA Number*	*Federal Award Passed Through to Subrecipients*	*Federal Awards Expenditures*
Student Financial Assistance - Cluster:			
U.S. Department of Education:			
Office of Student Education Assistance Programs: Teach Education			
Assistance for College and Higher Education (TEACH)	84.379	$	$ 7,072
Federal Pell Grant Program	84.063		9,579,772
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007		423,511
Federal Work-Study Program	84.033		940,617
Federal Iraq and Afghanistan Service Grant (IASG)	84.408		6,124
Federal Direct Student Loans Program	84.268		120,840,768
Total U.S. Department of Education			131,797,864
U.S. Department of Health & Human Services:			
Office of Health Resources and Services Administration			
Scholarship for Disadvantaged Students	93.925		629,940
Nurse Facility Loan Program	93.264		581,037
Total U.S. Department of Health and Human Services			1,210,977
Total Student Financial Assistance Cluster			133,008,841
U.S. Department of Education			
COVID19 BU CARES Act Emergency Stabilization Student Funding	84.425E		2,405,200
COVID19 BU CARES Act Emergency Stabilization Institution Funding	84.425F		9,436,037
COVID19 BU CARES Act Emergency Stabilization Hispanic Serving Institution Funding	84.425L		145,317
Total Higher Education Emergency Relief Fund (HEERF)			11,986,554
Emergency Assistance to Institutions of Higher Education Program	84.938T		823,720
Total U.S. Department of Education (Excluding Cluster)			12,810,274
Research and Development Cluster:			
Department of Defense			
Direct Program			
Defense Human Resources Activity-Sexual Assault Prevention	12.000		34,472
U.S. Department of Health and Human Services			
Indirect Program			
Passed through the Johns Hopkins University			
Help Wanted: Evaluation and Prevention Intervention for People with Sexual Interest in Children	93.136		23,370
Total Research and Development Cluster			57,842
U.S. Department of Health & Human Services			
COVID19 CARES Act Provider Relief Fund	93.498		100,028
Nurse Anesthetist Traineeship Program	93.124		44,583
Total U.S. Department of Health & Human Services (Excluding Cluster)			144,611
National Science Foundation			
Supporting Graduation of Undergraduate STEM Majors Through Scholarships, Mentoring, and Activities That develop Student's Academic and Scientific Identity.	47.076	33,172	187,576
U.S. Department of Justice			
Pass-through Sheriff of Palm Beach County			
Services for Trafficking Victims -			
Sheriff Ric L. Bradshaw - Palm Beach County Enhanced Strategy to Combat Human Trafficking	16.320		52,547
Byrne Criminal Justice Innovation Program			
City of Lake Worth South End Community Based Crime Reduction Strategy	16.817		6,953
Total U.S. Department of Justice			59,500
U.S. Department of Homeland Security			
Pass-through Division of Emergency Management			
Disaster Grants - Public Assistance	97.036		124,496
Total Expenditures of Federal Awards		$ 33,172	$ 146,393,140

BARRY UNIVERSITY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE PROJECTS
YEAR ENDED JUNE 30, 2022

State Grantor/Pass-Through Grantor /Program	State CFDA Number	*Pass-through Entity Identifying Number or Contract Number*	*State Financial Assistance Expenditures*
State Projects and Financial Assistance Programs:			
State of Florida Department of Education - Florida Student Financial Assistance Programs - Direct Programs:			
Florida Resident Access Grant (FRAG)	48.064	N/A	$ 3,706,151
Florida Student Assistance Grant (FSAG)	48.054	N/A	1,504,702
Children of Deceased or Disabled Veterans Scholarship Program	48.055	N/A	41,764
Honorably Discharged Graduate Assistance Program (HDGAP)	48.118	OSFA-STATE# 17-18:15	18,594
Florida Academic Scholars Program	48.059	N/A	150,443
Florida Medallion Scholarship Program	48.059	N/A	233,208
Total State of Florida Department of Education - Florida Student			5,654,862
Financial Assistance Programs			
Other State of Florida Department of Education - Direct Programs:			
(CROP) College Reach Out Program	48.028	851-95010-1Q001	70,507
Total Other Florida Department of Education -Direct Programs			70,507
Total Florida Department of Education			5,725,369
Florida Department of State -Indirect Program			
State of Florida Public Guardianship - Direct Project			
Public Guardianship	65.003	X9248	637,313
State of Florida Department of Highway Safety and Motor Vehicles			
Direct Project-License Plate	76.006	N/A	5,879
Total State Financial Assistance			6,368,561
Total Expenditures of Federal Awards and State Financial Assistance			$ 152,761,701

See accompanying notes to the schedule of expenditures of federal awards and state financial assistance.

BARRY UNIVERSITY, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE PROJECTS FOR THE YEAR ENDED JUNE 30, 2022

1. BASIS OF PRESENTATION

The accompanying schedule of federal awards and state projects (the "Schedule") includes the federal award and state project activity of Barry University, Inc. (the "University") under programs of the federal government and State of Florida for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance") and Chapter 10.650, *Rules of the Florida Auditor General*. Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the University.

The reimbursement of indirect costs reflected in the accompanying financial statements as federal and state grant revenue is subject to final approval by federal and state grantors and could be adjusted upon the results of these reviews. Management believes that the results of any such adjustment will not be material to the University's financial position or change in net assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.650, *Rules of the Florida Auditor General*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credit made in the normal course of business to amounts reported as expenditures in prior years. The University has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. FEDERAL LOAN PROGRAM

Federal student loans processed during the fiscal years ended June 30, 2022, are as follows:

	Federal CFDA	*Loans Made During the Year 2022*
Graduate PLUS Direct Loan	84.268	**$ 36,836,088**
Direct Subsidized Loan	84.268	**7,374,292**
Direct PLUS Loan	84.268	**2,702,680**
Direct Unsubsidized Loan	84.268	**73,927,708**
Total federal student loans		**$ 120,840,768**

University-administered loans outstanding as of June 30, 2022, are as follows:

	Federal CFDA	*Balance as of June 30, 2022*
Nurse Faculty Loan Program	93.264	**$ 7,870,109**
Total federal student loans outstanding		**$ 7,870,109**

4. PROVIDER RELIEF FUND EXPENDITURES

In accordance with the guidance from the *OMB Compliance Supplement*, the Schedule of Federal Awards and State Projects reporting amounts for Provider Relief Funds are based upon the Provider Relief Fund report that is required to be submitted to the Health Resources & Services Administration reporting portal. In accordance with the reporting requirements, the University reports Provider Relief Fund Expenditures of $100,028, within the Schedule of Expenditures of Federal Awards and State Projects for the year ended June 30, 2022, based on the payments received during Reporting Period 2 from, July 1, 2020 to December 31, 2020 and Reporting Period 3, from January 1, 2021 to June 30, 2021.

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BARRY UNIVERSITY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

Part I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS			
Financial Statements			
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified			
Internal control over financial reporting:			
• Material weakness(es) identified?		_____ yes	___X___ no
• Significant deficiency(ies) identified?		_____ yes	___X___ none reported
Noncompliance material to financial statements noted?		_____ yes	___X___ no
Federal Awards			
Internal control over major federal programs:			
• Material weakness(es) identified?		_____ yes	___X___ no
• Significant deficiency(ies) identified?		_____ yes	___X___ none reported
Type of auditor's report issued on compliance for major federal programs: Unmodified			
Any audit findings disclosed that are required to be reported in accordance with *2 CFR 200.516(a)*?		_____ yes	___X___ no
Identification of major federal programs:			
CFDA Number(s)		Name of Federal Program or Cluster	
84.007, 84.033, 84.063, 84.268, 84.379, 84.408, 93.264 & 93.925		Student Financial Aid Cluster	
84.425 (E, F & L)		Education Stabilization Fund	
84.938T		Emergency Assistance to Institutions of Higher Education Program	
Identification of major state programs:			
48.059		Florida Bright Futures Scholarship Program*	
48.054		Florida Student Assistance Grant	
48.049		Minority Teacher Education Scholars Program	
48.055		Children of Deceased or Disabled Veterans Scholarship Program	
48.118		Honorably Discharged Graduate Assistance Program (HDGAD)	
48.064		Florida Resident Access Grant	
*(Medallion Scholars Award and Academic Scholars Award)			
Dollar threshold used to distinguish between Type A and Type B programs: Federal Programs State Projects		 $__750,000_____ $__750,000_____	
Auditee qualified as low-risk auditee?		___X___ yes	_____ no
Part II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS THAT ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*			__X____ none reported
Part III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS			__X____ none reported
Part IV. FINDINGS AND QUESTIONED COSTS FOR STATE PROJECTS			__X____ none reported

Year Ended June 30, 2022

	Award Population		Award Sample				Questioned Costs		
	Amount Recipients	Recipients	Amount	Recipients	% of Population Amount	*% of Population Recipients*	Amount	% of Sample Amount	*% of Sample Recipients*
Florida Resident Access Grant	$ 3,706,151	1,527	$127,846	50	3 %	3 %	$ -	- %	- %
Florida Student Assistance Grant	1,504,702	990	87,141	50	6	5			
Children of Deceased or Disabled Veterans Scholarship	41,764	7	41,764	7	100	100			
Honorably Discharged Graduate Assistance Program (HDGAP)	18,594	21	9,308	10	50	48			
Florida Medallion Scholars Award	233,208	54	60,672	13	26	24			
Florida Academic Scholars Award Florida Gold Seal VocationalScholars Award	150,443	30	50,900	10	34	33			
Total	$ 5,654,862	2,629	$377,631	140	7 %	5 %	$ -	- %	- %