

Barry University, Inc.

Financial Statements as of and for the
Years Ended June 30, 2025 and 2024,
Supplemental Information as of and
for the Year Ended June 30, 2025, and
Independent Auditor's Report

BARRY UNIVERSITY, INC.

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT	1–3
FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2025 AND 2024:	
Statements of Financial Position	4
Statements of Activities and Changes in Net Assets	5–6
Statements of Cash Flows	7–8
Notes to Financial Statements	9–38
SUPPLEMENTAL INFORMATION AS OF AND FOR THE YEAR ENDED JUNE 30, 2025	39
Title IV Strength Factor Score	40–43
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 <i>GOVERNMENT AUDITING STANDARDS</i>	44–45
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, <i>RULES OF THE FLORIDA AUDITOR GENERAL</i>	46–49
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE PROJECTS FOR THE YEAR ENDED JUNE 30, 2025	50–51
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE PROJECTS FOR THE YEAR ENDED JUNE 30, 2025	52–53
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025	54–56
CORRECTIVE ACTION PLAN	57
STATE OF FLORIDA FINANCIAL ASSISTANCE PROGRAMS—SCHEDULE OF POPULATIONS, SAMPLES TESTED, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025	58

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, 2025 and 2024, 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, 2025 and 2024, 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*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 available to be 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 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

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

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, 2025, 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.

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 22, 2025, 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.

DeFaitte & Touche LLP

October 22, 2025

BARRY UNIVERSITY, INC.

STATEMENTS OF FINANCIAL POSITION AS OF JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 24,806,670	\$ 25,830,671
STUDENT ACCOUNTS RECEIVABLE—Net	3,638,860	4,980,839
CONTRIBUTIONS RECEIVABLE—Net	1,903,427	3,006,513
OTHER RECEIVABLES—Net of allowance for credit losses of \$64,302 and \$16,268 for 2025 and 2024, respectively	2,178,417	2,349,080
PREPAID EXPENSES AND OTHER ASSETS	9,098,659	9,060,334
GOODWILL	438,743	504,510
LOANS AND NOTES RECEIVABLE—Net	5,257,192	5,993,220
INVESTMENTS	54,235,603	50,861,566
BENEFICIAL INTEREST IN PERPETUAL TRUST	6,053,103	5,872,596
PROPERTY, PLANT, AND EQUIPMENT—Net	<u>101,620,212</u>	<u>105,205,518</u>
TOTAL ASSETS	<u>\$209,230,886</u>	<u>\$213,664,847</u>
LIABILITIES AND NET ASSETS		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$ 10,825,537	\$ 11,703,524
STUDENT DEPOSITS, PREPAYMENTS AND STUDENT DEFERRED REVENUE	8,209,335	9,796,254
OTHER DEFERRED REVENUE	1,216,285	1,607,968
OTHER LIABILITIES	10,116,619	9,834,951
LOANS PAYABLE AND FINANCE LEASES	<u>44,219,811</u>	<u>49,035,157</u>
Total liabilities	<u>74,587,587</u>	<u>81,977,854</u>
NET ASSETS:		
Without donor restrictions	79,320,663	80,395,305
With donor restrictions	<u>55,322,636</u>	<u>51,291,688</u>
Total net assets	<u>134,643,299</u>	<u>131,686,993</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$209,230,886</u>	<u>\$213,664,847</u>

See accompanying notes to the financial statements.

BARRY UNIVERSITY, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
CHANGES IN NET ASSETS:			
Operating revenue:			
Tuition and fees—net of \$55,454,423, financial aid and discounts	\$ 113,572,441	\$ -	\$ 113,572,441
Private gifts and grants	331,455	3,242,379	3,573,834
In-kind contributions	97,086		97,086
Government grants and contracts	2,867,137		2,867,137
Other income	6,061,249	750	6,061,999
Podiatric clinic practice	2,320,451		2,320,451
Auxiliary enterprises	16,063,847		16,063,847
Net assets released from restrictions	<u>3,054,539</u>	<u>(3,054,539)</u>	<u>-</u>
Total operating revenue	<u>144,368,205</u>	<u>188,590</u>	<u>144,556,795</u>
Operating expenses:			
Academic departments and programs	58,041,829		58,041,829
Grants and contracts	2,817,480		2,817,480
Academic support	7,004,913		7,004,913
Student services	18,565,830		18,565,830
Institutional support	41,655,268		41,655,268
Podiatric clinical practice	3,171,779		3,171,779
Auxiliary expenses	<u>16,053,215</u>		<u>16,053,215</u>
Total operating expenses	<u>147,310,314</u>	<u>-</u>	<u>147,310,314</u>
Operating change in net assets	<u>(2,942,109)</u>	<u>188,590</u>	<u>(2,753,519)</u>
Nonoperating change in net assets:			
Investment income	181,379	1,233,332	1,414,711
Net realized and unrealized gains on investments	477,854	2,609,026	3,086,880
Gain on sale of property and equipment	(85,878)		(85,878)
Rental income from investments	640,616		640,616
Earnings of an equity method investee	1,060,814		1,060,814
Asset impairment	<u>(407,318)</u>		<u>(407,318)</u>
Total nonoperating change in net assets	<u>1,867,467</u>	<u>3,842,358</u>	<u>5,709,825</u>
Total changes in net assets	(1,074,642)	4,030,948	2,956,306
NET ASSETS—Beginning of year	<u>80,395,305</u>	<u>51,291,688</u>	<u>131,686,993</u>
NET ASSETS—End of year	<u>\$ 79,320,663</u>	<u>\$ 55,322,636</u>	<u>\$ 134,643,299</u>

See accompanying notes to the financial statements.

BARRY UNIVERSITY, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
CHANGES IN NET ASSETS:			
Operating revenue:			
Tuition and fees—net of \$52,711,939, financial aid and discounts	\$ 109,300,776	\$ -	\$ 109,300,776
Private gifts and grants	391,535	3,835,494	4,227,029
In-kind contributions	568,704		568,704
Government grants and contracts	2,790,979		2,790,979
Other income	4,711,324	1,500	4,712,824
Podiatric clinic practice	2,330,261		2,330,261
Auxiliary enterprises	14,855,462		14,855,462
Net assets released from restrictions	<u>4,024,294</u>	<u>(4,024,294)</u>	<u>-</u>
Total operating revenue	<u>138,973,335</u>	<u>(187,300)</u>	<u>138,786,035</u>
Operating expenses:			
Academic departments and programs	59,156,274		59,156,274
Grants and contracts	2,631,286		2,631,286
Academic support	6,674,757		6,674,757
Student services	16,764,529		16,764,529
Institutional support	40,541,855		40,541,855
Podiatric clinical practice	2,883,081		2,883,081
Auxiliary expenses	<u>14,903,717</u>		<u>14,903,717</u>
Total operating expenses	<u>143,555,499</u>	<u>-</u>	<u>143,555,499</u>
Operating change in net assets	<u>(4,582,164)</u>	<u>(187,300)</u>	<u>(4,769,464)</u>
Nonoperating change in net assets:			
Investment income	171,347	921,220	1,092,567
Net realized and unrealized gains on investments	804,349	3,381,782	4,186,131
Gain on sale of property and equipment	522,002		522,002
Rental income from investments	638,225		638,225
Earnings of an equity method investee	<u>277,224</u>		<u>277,224</u>
Total nonoperating change in net assets	<u>2,413,147</u>	<u>4,303,002</u>	<u>6,716,149</u>
Total changes in net assets	(2,169,017)	4,115,702	1,946,685
NET ASSETS—Beginning of year	<u>82,564,322</u>	<u>47,175,986</u>	<u>129,740,308</u>
NET ASSETS—End of year	<u>\$ 80,395,305</u>	<u>\$ 51,291,688</u>	<u>\$ 131,686,993</u>

See accompanying notes to the financial statements.

BARRY UNIVERSITY, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 2,956,306	\$ 1,946,685
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	10,006,565	9,837,663
Amortization of bond issuance costs	45,493	45,493
Provision for uncollectible student accounts receivable	3,040,823	3,056,505
Change in cash surrender value of life insurance policies	8,079	4,012
Gifts restricted for long-term purposes	(582,522)	(589,857)
(Gain) loss on sale of property and equipment	85,878	(522,002)
Earnings of an equity method investee	(1,060,814)	(277,224)
Net realized and unrealized gain on investments	(2,656,359)	(3,234,437)
Net realized and unrealized gain on beneficial interest in trust	(430,521)	(951,694)
Asset impairment	407,318	-
Non cash contributions	(24,300)	(508,991)
Changes in operating assets and liabilities:		
(Increase) in student accounts receivable—net	(1,193,156)	(5,105,712)
Decrease in other receivables	170,663	150,354
Decrease in contributions receivable	1,103,086	624,290
(Increase) decrease in prepaid expenses and other assets	(41,732)	390,009
(Decrease) in accounts payable and accrued expenses	(877,987)	(184,028)
(Decrease) increase in student deposits and student deferred revenue	(1,586,919)	1,380,517
Decrease (increase) in other deferred revenue	(391,683)	735,394
Increase (decrease) in other liabilities	281,668	(1,389,136)
Net cash provided by operating activities	<u>9,259,886</u>	<u>5,407,841</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(12,957,056)	(6,798,664)
Proceeds from sales and maturities of investments	12,484,719	5,561,758
Acquisition and construction of capital assets	(6,709,222)	(6,680,430)
Proceeds from sale of capital assets	-	564,027
Dividends from an equity method investee	1,060,814	902,097
Disbursement of loans to students	(874,763)	(577,226)
Collections on loans from students	1,105,104	1,552,507
Net cash used in investing activities	<u>(5,890,404)</u>	<u>(5,475,931)</u>

(Continued)

BARRY UNIVERSITY, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of principal on indebtedness	\$ (4,511,000)	\$ (4,417,000)
Finance lease payments	(463,030)	(719,645)
Loan payments	(1,975)	
Gifts restricted for long-term purposes	<u>582,522</u>	<u>589,857</u>
Net cash used in financing activities	<u>(4,393,483)</u>	<u>(4,546,788)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,024,001)	(4,614,878)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>25,830,671</u>	<u>30,445,549</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 24,806,670</u>	<u>\$25,830,671</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION—Cash paid for interest	<u>\$ 1,041,220</u>	<u>\$ 1,079,438</u>
NONCASH TRANSACTIONS:		
Property, plant, and equipment acquired through finance leases	<u>\$ 95,341</u>	<u>\$ 1,570,692</u>
Write-off of student accounts receivable	<u>\$ 12,810,489</u>	<u>\$ 447,320</u>
See accompanying notes to the financial statements.		(Concluded)

BARRY UNIVERSITY, INC.

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization—Founded in 1940, Barry University, Inc. (“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”). Barry University, whose main campus is located in Miami Shores, Florida, offers approximately 115 undergraduate, graduate, professional, and doctoral programs to approximately 8,866 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 generally accepted accounting principles in the United States of America (“GAAP”). 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 GAAP 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.

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 consists 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 Receivables—Student accounts receivables represent amounts due for tuition, fees, and room and board, net of scholarships and certain grant funds. The University establishes an allowance for credit losses by risk pool based on aging and historical collection experience, adjusted for current and expected economic conditions. Balances over 360 days are fully reserved, and an additional allowance of 10%–20% is applied to balances over 120 days. Recoveries of previously written-off receivables are recognized when received.

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 deems to be uncollectible, adjusted for management’s expectations about current and future economic conditions.

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 was no impairment for the year ended June 30, 2024. As of June 30, 2025, the University recorded \$407,318 in impairment cost attributable to a property that was declared unsafe for occupancy by the Miami-Dade County Regulatory and Economic Resources Department. The University subsequently elected to demolish the building; impairment cost reflects both the property's net book value and the associated demolition costs.

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 \$45,493 for the years ended June 30, 2025 and 2024.

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 \$1,000,000 retention level for workers' compensation and \$1,000,000 retention level for general liability and vehicle liability and a \$1,000,000 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, 2025 and 2024, 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 4.20% and 4.81% for years ended June 30, 2025 and 2024, respectively. In March 2022 and April 2023, FICURMA issued payments of \$455,000 each, paying off the \$910,000 note. The principal amount of the \$100,000 note matured on April 30, 2020. In April 2024 and March 2025, FICURMA issued payments of \$50,000 each paying off the \$100,000 note.

Insurance expense related to the program totaled \$4,737,869 and \$4,564,356 in 2025 and 2024, 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 \$595,663 and \$603,742 as of June 30, 2025 and 2024, 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 add-drop 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—Goodwill is comprised of assets donated to the University that have an intangible component. The University recognizes Goodwill in accordance with Accounting Standard Codification (“ASC”) 958-805, *Not-for-Profit Entities – Business Combinations*. 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. On September 5, 2023, Donald S. Tanner, transferred as a gift all the assets of the podiatry medicine practice located in Tamarac. At the time of the transfer, Goodwill was estimated at a fair market value of \$320,458. Goodwill in accordance with ASC 958-805 was recorded at fair market value and

amortized using the straight-line method with a term of 10 years. The net book value of Goodwill as of June 30, 2025 and 2024, is \$438,743 and \$504,510, 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 ASC 740, *Income Taxes*. 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 is open to examination by taxing authorities.

Earnings from unrelated business activities were not significant for the years ended June 30, 2025 and 2024. 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, 2025 and 2024, 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 comparable market 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 \$43,489,000 and \$48,000,000 as of June 30, 2025 and 2024, respectively.

Accounting Pronouncements—For the year ended June 30, 2025, the University has not adopted new or revised accounting standards.

2. INVESTMENTS

	2025	2024
Corporate stock	\$ 19,662,937	\$ 17,128,634
Bonds:		
Corporate bonds	5,513,066	6,015,991
U.S. government obligations	837,012	
Mutual funds:		
Bond mutual funds	12,157,610	11,240,582
Real estate mutual funds		399,158
Hedge funds	1,420,069	1,332,292
Land and buildings held for investment	14,250,000	14,350,000
Other investments	<u>394,909</u>	<u>394,909</u>
 Total investments and investments held for debt service reserve	 <u>\$ 54,235,603</u>	 <u>\$ 50,861,566</u>

3. FAIR VALUE MEASUREMENTS AND EQUITY METHOD INVESTMENT

The University complies with ASC 820, *Fair Value Measurements and Disclosures*, 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, 2025 and 2024, on the following assets using these input levels:

	Fair Value Measurement at Reporting Date			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
June 30, 2025				
Assets:				
Corporate stock	\$ 19,662,937	\$ -	\$ -	\$ 19,662,937
Corporate Bonds		5,513,066		5,513,066
Bond mutual funds	12,157,610			12,157,610
Real estate mutual funds				
U.S. government obligations		837,012		837,012
Land and buildings held for investment			14,250,000	14,250,000
Other investments			394,909	394,909
Beneficial interest in perpetual trust			6,053,103	6,053,103
Subtotal	31,820,547	6,350,078	20,698,012	58,868,637
Investment measured at net asset value—hedge funds			1,420,069	1,420,069
Total	<u>\$ 31,820,547</u>	<u>\$ 6,350,078</u>	<u>\$ 22,118,081</u>	<u>\$ 60,288,706</u>

	Fair Value Measurement at Reporting Date			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
June 30, 2024				
Assets:				
Corporate stock	\$ 17,128,634	\$ -	\$ -	\$ 17,128,634
Corporate Bonds		6,015,991		6,015,991
Bond mutual funds	11,240,582			11,240,582
Real estate mutual funds	399,158			399,158
U.S. government obligations				-
Land and buildings held for investment			14,350,000	14,350,000
Other investments			394,909	394,909
Beneficial interest in perpetual trust			<u>5,872,596</u>	<u>5,872,596</u>
Subtotal	28,768,374	6,015,991	20,617,505	55,401,870
Investment measured at net asset value—hedge funds			<u>1,332,292</u>	<u>1,332,292</u>
Total	<u>\$ 28,768,374</u>	<u>\$ 6,015,991</u>	<u>\$ 21,949,797</u>	<u>\$ 56,734,162</u>

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's investments categorized as Level 2 consist of corporate bonds and commodities.

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 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, and the residence for the University's president. 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 Nursing and Rehabilitation Center lease, last amended on February 1, 2021, covers the lease period for the land and building through January 31, 2036, with automatic renewal for an additional five-year term ending January 31, 2041, provided that either party may terminate the lease without cause with 360 days' notice. The estimated fair value of the Nursing and Rehabilitation Center as of June 30, 2025 and 2024, is \$10,450,000 and \$10,650,000, respectively. During the year ended June 30,

2025, the University recorded an unrealized loss on the fair value of this investment of \$200,000. During the year ended June 30, 2024, the University recorded an unrealized gain on the fair value of this investment of \$150,000. 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 designated as the current president's residence. This property was valued at \$3,800,000 and \$3,700,000 for the years ended June 30, 2025 and 2024 respectively. The University recorded an unrealized gain on the fair value of this investment of \$100,000 and \$0 during the year ended June 30, 2025 and 2024, respectively. Valuations of the property were 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 \$1,420,069 and \$1,332,292 as of June 30, 2025 and 2024, respectively. The University recorded an unrealized gain of \$87,777 on the investment and an unrealized loss on the investment of \$311,112 for fiscal years ended June 30, 2025 and 2024, respectively. 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.

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 2025, SFITV recognized \$3,258,000 of revenue, \$3,259,377 of expenses, and (\$1,377) in change in net assets. As of June 30, 2025, SFITV had total assets of \$31,926,343, total deferred revenue and liabilities of \$1,308,333, and unrestricted net assets of \$30,618,010. During fiscal year 2024, SFITV recognized \$3,378,000 of revenue, \$3,259,377 of expenses, and change in net assets of \$118,623. As of June 30, 2024, SFITV had total assets of \$32,027,720, total deferred revenue and liabilities of \$1,408,333, and unrestricted net assets of \$30,619,387.

During fiscal years 2025 and 2024, the University's cumulative portion of SFITV's net income amounted to \$6,512,794 and \$6,513,276, respectively. The University has received cumulative cash distributions of approximately \$7,809,796 from SFITV through June 30, 2025, and approximately \$6,748,982 through June 30, 2024. Such distributions are not refundable, and the University is not liable for obligations of SFITV or committed to providing financial support. As of June 30, 2025, the University had negative earnings in excess of cash. As such, the University's balance of its investment in equity method is \$0 in

the accompanying statement of financial position as of June 30, 2025, and 2024. The earnings of equity method investee amounted to \$1,060,814 in the accompanying statements of activities and changes in net assets for the year ended June 30, 2025, and \$277,224 for the year ended June 30, 2024.

4. ENDOWMENT INVESTMENTS

The University's endowment consists of approximately 90 individual donor-restricted funds established for a variety of purposes. As required by 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, 2025 and 2024, there are zero 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 \$0 for the years ended June 30, 2025 and 2024.

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, 2025 and 2024, is composed of the following:

	Endowment Net Asset Composition by Net Asset Type		
	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2025			
Endowment with donor restrictions	\$ -	\$41,806,951	\$41,806,951
Board-designated endowment	<u>20,905,175</u>	<u> </u>	<u>20,905,175</u>
Total endowment funds	<u>\$20,905,175</u>	<u>\$41,806,951</u>	<u>\$62,712,126</u>

	Endowment Net Asset Reconciliation by Net Asset Type		
	Without Donor Restrictions-Board Designation	With Donor Restrictions	Total
Year Ended June 30, 2025			
Endowment net assets—beginning of year	\$20,514,106	\$38,238,214	\$58,752,320
Contributions		582,522	582,522
Total investment return—net	391,069	3,671,857	4,062,926
Endowment income used in operations		(812,433)	(812,433)
Total other changes	<u> </u>	<u>126,791</u>	<u>126,791</u>
Endowment net assets—end of year	<u>\$20,905,175</u>	<u>\$41,806,951</u>	<u>\$62,712,126</u>

	Endowment Net Asset Composition by Net Asset Type		
	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2024			
Endowment with donor restrictions	\$ -	\$38,238,214	\$38,238,214
Board-designated endowment	<u>20,514,106</u>	<u> </u>	<u>20,514,106</u>
Total endowment funds	<u>\$20,514,106</u>	<u>\$38,238,214</u>	<u>\$58,752,320</u>

	Endowment Net Asset Reconciliation by Net Asset Type		
	Without Donor Restrictions-Board Designation	With Donor Restrictions	Total
Year Ended June 30, 2024			
Endowment net assets—beginning of year	\$17,071,027	\$36,917,754	\$53,988,781
Contributions		589,857	589,857
Total investment return—net	1,645,799	3,208,604	4,854,403
Endowment income used in operations	4,211,331	(4,942,619)	(731,288)
Total other changes	<u>(2,414,051)</u>	<u>2,464,618</u>	<u>50,567</u>
Endowment net assets—end of year	<u>\$20,514,106</u>	<u>\$38,238,214</u>	<u>\$58,752,320</u>

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 students 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% and 6% 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 2025, the University's investment returns appropriated for spending amounted to \$1,020,123 in fiscal year 2026. 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, 2025 and 2024, were approximately 2.5% of the total endowment funds.

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

Student accounts receivable and loans and notes receivable as of June 30, 2025 and 2024, are as follows:

	2025	2024
Student accounts receivable	\$ 5,155,077	\$ 16,693,111
Allowance for credit losses	<u>(1,516,217)</u>	<u>(11,712,272)</u>
Total student accounts receivable—net	<u>\$ 3,638,860</u>	<u>\$ 4,980,839</u>
Loans and notes receivable	\$ 6,205,224	\$ 6,435,565
Allowance for credit losses	<u>(948,032)</u>	<u>(442,345)</u>
Total loans and notes receivable—net	<u>\$ 5,257,192</u>	<u>\$ 5,993,220</u>

Changes in the allowance for credit losses for the year ended June 30, 2025 and 2024, are as follows:

	2025	2024
Allowance for student accounts receivable		
Balance—beginning of the period	\$(11,712,272)	\$ (8,779,679)
Provisions	(2,516,945)	(3,246,437)
Write-offs—net of recoveries	<u>12,713,000</u>	<u>313,844</u>
Balance—end of the period	<u>\$ (1,516,217)</u>	<u>\$(11,712,272)</u>
Allowance for student loans and notes receivable		
Balance—beginning of the period	\$ (442,345)	\$ (351,796)
Provisions	(505,688)	(159,466)
Write-offs—net of recoveries	<u> </u>	<u>68,917</u>
Balance—end of the period	<u>\$ (948,033)</u>	<u>\$ (442,345)</u>

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, 2025 and 2024, are summarized as follows:

	2025	2024
Pledges due:		
Less than one year	\$ 1,302,750	\$ 1,398,750
One year to five years	<u>692,000</u>	<u>1,771,798</u>
 Total contributions receivable before unamortized discount	 1,994,750	 3,170,548
 Less unamortized discount ranging from 0.14%–4.93%	 (72,289)	 (145,001)
Less allowance for credit losses	<u>(19,034)</u>	<u>(19,034)</u>
 Total contributions receivable—net	 <u>\$ 1,903,427</u>	 <u>\$ 3,006,513</u>

7. BENEFICIAL INTEREST IN PERPETUAL TRUST

In March 2008, the University received a bequest that consisted of interests in two perpetual trust funds. On August 18, 2011, the Surrogate’s Court of New York entered an order confirming the University’s entitlement 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, 2025 and 2024, the University received a distribution of \$250,015, which was recorded as investment income on the statements of activities and changes in net assets. Beneficial interest in perpetual trust as of June 30, 2025 and 2024, amounted to \$6,053,103 and \$5,872,596, 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 increased by \$180,507 and \$701,679 for the years ended June 30, 2025 and 2024, respectively. The trust incurred \$38,074 and \$25,686 in fees related to the management of the investments for the years ended June 30, 2025 and 2024, respectively.

8. PROPERTY, PLANT, AND EQUIPMENT—NET

Property, plant, and equipment as of June 30, 2025 and 2024, consists of the following:

	2025	2024
Land	\$ 7,803,612	\$ 7,803,612
Land improvements	7,163,703	6,781,968
Buildings and building improvements	183,408,553	176,374,941
Furniture, fixtures, and equipment	57,568,308	55,433,696
Law library acquisitions	6,492,717	6,492,717
Constructions in progress	<u>641,593</u>	<u>4,307,218</u>
Total property, plant and equipment	263,078,486	257,194,152
Less accumulated depreciation and amortization	<u>(161,458,274)</u>	<u>(151,988,633)</u>
Property, plant, and equipment—net	<u>\$ 101,620,212</u>	<u>\$ 105,205,518</u>

Depreciation and amortization expense on property, plant, and equipment totaled \$9,940,799 and \$9,777,238 for the years ended June 30, 2025 and 2024, respectively. Total committed to complete construction in progress as of June 30, 2025 and 2024, totaled \$641,593 and \$4,307,218, respectively. The estimated cost to complete is mainly due to the Hopper capital project, and other small projects.

Assets under finance leases, which are included in furniture, fixtures, and equipment as of June 30, 2025 and 2024, were as follows:

	2025	2024
Equipment	\$ 1,793,446	\$ 2,086,161
Less accumulated amortization	<u>(737,279)</u>	<u>(647,040)</u>
Total	<u>\$ 1,056,167</u>	<u>\$ 1,439,121</u>

9. LOANS PAYABLE AND FINANCE LEASES

The following represents loans payable and finance leases:

	2025	2024
Loans payable:		
2022A Bonds		
Annual principal payments made; semi-annual interest payments due each April and October at a fixed rate	\$ 27,557,000	\$ 28,778,000
2022B Bonds		
Annual principal payments made; semi-annual interest payments due each April and October at a fixed rate	2,166,000	2,862,000
2022C Bonds		
Annual principal payments made; semi-annual interest payments due each April and October at a fixed rate	13,766,000	16,360,000
Loan from William Lehman Leasing to finance the purchase of a vehicle. Effective interest rate of 12.99%, maturing on December 31st, 2028	17,849	
Unamortized bond issuance costs and discounts	<u>(321,694)</u>	<u>(367,187)</u>
Total loans payable	43,185,155	47,632,813
Finance leases—various	<u>1,034,656</u>	<u>1,402,344</u>
Total loans payable and finance leases	<u>\$ 44,219,811</u>	<u>\$ 49,035,157</u>

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.

Series 2022C Bonds—On July 28, 2022, the Authority issued \$18,902,000 of Higher Educational Facilities Financing Authority Revenue Bonds, Series 2022C (“The 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 and fund certain transaction costs.

The 2022C Bonds bear interest at an annual fixed rate of 1.95% with a maturity date of October 1, 2029.

As of June 30, 2025 and 2024, management of the University believes they were in compliance with the debt covenants under the master trust indenture.

Finance Leases—Barry University enters into finance leases with several vendors for medical, athletic, and technology equipment, with interest rates from 0.79% to 5.54% and terms of 33 to 60 months. No residual values are recognized. As of June 30, 2025, the most significant lease is with Insight Investments, with a \$952,217 outstanding balance and terms from January 2023 to January 2029. No leases are outstanding that have yet to commence.

The annual principal maturities for loans, mortgages, notes payable, and finance leases as of June 30, 2025, are as follows:

Years Ending June 30	Loans Payable	Finance Leases	Notes Payable	Total
2026	\$ 4,604,000	\$ 428,507	\$ 4,355	\$ 5,036,862
2027	4,698,000	354,256	4,955	5,057,211
2028	4,793,000	176,101	5,639	4,974,740
2029	4,145,000	75,792	2,900	4,223,692
2030	4,232,000			4,232,000
2031 and thereafter	<u>21,017,000</u>			<u>21,017,000</u>
Total	43,489,000	1,034,656	17,849	44,541,505
Premium on bonds	<u>(321,694)</u>			<u>(321,694)</u>
Total	<u>\$43,167,306</u>	<u>\$1,034,656</u>	<u>\$17,849</u>	<u>\$44,219,811</u>

Interest costs expensed during fiscal years 2025 and 2024 were \$1,063,724 and \$1,147,983, respectively. There was no capitalized interest for the years ended June 30, 2025 and 2024.

10. NET ASSETS

Net assets with donor restrictions as of June 30, 2025 and 2024, are available for the following purposes:

	2025	2024
Subject to expenditure for specific purpose:		
Educational and general expenses	\$ 26,184,934	\$ 22,587,361
Scholarships	1,970,452	2,363,233
Student loan funds	<u>81,344</u>	<u>81,344</u>
Total subject to expenditure for specific purpose	<u>28,236,730</u>	<u>25,031,938</u>
Endowments, perpetual in nature:		
Scholarships	24,540,862	23,895,213
Funds held in Trust	<u>2,545,044</u>	<u>2,364,537</u>
Total endowments, perpetual in nature	<u>27,085,906</u>	<u>26,259,750</u>
Total net assets with donor restrictions	<u>\$ 55,322,636</u>	<u>\$ 51,291,688</u>

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, 2025 and 2024, were as follows:

	2025	2024
Program restrictions accomplished (purpose):		
Instruction and administration	\$ 1,973,296	\$ 1,549,661
Scholarships	<u>1,081,243</u>	<u>2,474,633</u>
Net assets released from restrictions	<u>\$ 3,054,539</u>	<u>\$ 4,024,294</u>

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.

Effective January 1, 2012, the University sponsored a defined contribution 401(k) Plan (the "Retirement Plan") The Retirement Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The University will make a safe harbor matching contribution equal to 100% of a participant's deferral up to 4% of compensation.

Participants must complete one consecutive year of service with the University before being eligible to receive contributions made by the University. Additional amounts may be contributed at the discretion of the University (profit sharing and match contribution).

The University's contribution to the Retirement Plan was \$1,784,890 and \$1,819,159 for the years ended June 30, 2025 and 2024, 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, 2025, the right of use of operating assets amounted to \$2,578,129 while the operating lease liability amounted to \$2,609,683. The interest rates on these leases vary from 0.37% to 4.77% with a lease term ranging from 36 to 120 months. As of June 30, 2024, the right of use of operating assets amounted to \$2,056,058 while the operating lease liability amounted to \$2,083,815. The interest rates on these leases vary from 0.22% to 4.77% with a lease term ranging from 36 to 120 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 that 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:

	2025	2024
Finance lease cost:		
Amortization of right-of-use assets	\$ 478,295	\$ 751,729
Interest on lease liabilities	54,110	45,311
Operating lease cost	835,080	965,325
Short-term lease cost	<u>1,519,112</u>	<u>1,572,081</u>
Total lease cost	<u>\$ 2,886,597</u>	<u>\$ 3,334,446</u>
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 787,469	\$ 932,866
Operating cash flows from finance leases	54,110	45,311
Financing cash flows from finance leases	463,030	719,645
Non-cash investing and financing activities—additions to ROU assets obtained from:		
New operating lease liabilities	1,227,667	256,116
New finance lease liabilities	95,341	1,570,692
Weighted-average remaining lease term—finance leases (months)	33	42
Weighted-average remaining lease term—operating leases (months)	61	64
Weighted-average discount rate—finance leases	4.12 %	4.03 %
Weighted-average discount rate—operating leases	4.16 %	4.09 %

The schedule by years of future minimum lease payments under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2025, is as follows:

**Years Ending
June 30**

2026	\$ 653,139
2027	479,293
2028	469,234
2029	469,828
2030	338,214
2031 and thereafter	<u>199,975</u>
 Total	 <u>\$2,609,683</u>

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 with Chartwells to provide and manage the University’s dining services. The agreement, initially set to expire May 31, 2024, has been extended through June 30, 2032, per the most recent amendment signed August 6, 2024. Either party may terminate the contract with 90 days’ prior notice. The contract includes options to renew for additional five-year terms upon mutual agreement.

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 \$2,273,803 and \$2,514,221 as of June 30, 2025 and 2024, respectively, as deferred revenue reported as a component of accounts payable and accrued expenses in the accompanying statements of financial position. The University recognized \$240,418 and \$374,343 as reduction to food service expense during the years ended June 30, 2025 and 2024, 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 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:

	2025	2024
Tuition and fees—net of student aid:		
Undergraduate—fall term	\$ 35,224,261	\$ 33,691,378
Undergraduate—spring term	31,686,183	29,578,849
Undergraduate—summer terms	2,669,065	3,042,502
Summer 2023 revenue recognition adjustment		458,762
Summer 2024 revenue recognition adjustment	598,368	(598,368)
Summer 2025 revenue recognition adjustment	<u>(311,329)</u>	<u> </u>
Total undergraduate tuition	<u>69,866,548</u>	<u>66,173,123</u>
Graduate—fall term	37,005,176	36,531,869
Graduate—spring term	34,198,952	34,310,927
Graduate—summer terms	18,707,130	17,925,733
Summer 2023 revenue recognition adjustment		6,132,426
Summer 2024 revenue recognition adjustment	6,778,435	(6,778,435)
Summer 2025 revenue recognition adjustment	<u>(6,621,850)</u>	<u> </u>
Total graduate tuition	<u>90,067,843</u>	<u>88,122,520</u>
Other sessions including certificate programs, continuing education, workshops	<u>181,104</u>	<u>181,476</u>
Fees	8,911,369	7,535,596
Financial aid	(55,580,995)	(52,432,701)
Summer 2023 revenue recognition adjustment		(643,160)
Summer 2024 revenue recognition adjustment	(363,922)	363,922
Summer 2025 revenue recognition adjustment	<u>490,494</u>	<u> </u>
Total fees and financial aid	<u>(46,543,054)</u>	<u>(45,176,343)</u>
Total tuition and fees—net of student aid	<u>113,572,441</u>	<u>109,300,776</u>
Auxiliary revenues:		
Housing meal plans	6,324,548	5,817,421
Residence Halls revenues	<u>9,739,299</u>	<u>9,038,041</u>
Total auxiliary revenue from contracts with students	<u>16,063,847</u>	<u>14,855,462</u>
Total revenue from contracts with students	<u>\$ 129,636,288</u>	<u>\$ 124,156,238</u>

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, 2025 and 2024, 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 2025 and 2024 are presented here:

	2025	2024
Contract assets—student accounts receivable—net of allowance	\$ 3,638,860	\$ 4,980,839
Contract liabilities—student deposits, prepayments, and student deferred revenue	8,209,335	9,796,254

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 \$9,796,254.

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 prior to the beginning of classes, 100% of the full semester charge is credited; through the first three days of classes, 80% is credited; after the third day of classes, no credit is applied. The above percentages apply to tuition only. Lab and academic fees are not refundable. 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, 2025 or 2024.

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 2025 and 2024 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, 2025 and 2024, 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:

	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 24,806,670	\$ 25,830,671
Student accounts receivable—net	3,638,860	4,980,839
Contributions receivable—net	1,903,427	3,006,513
Other receivables—net	2,178,417	2,349,080
Loans and notes receivable—net	5,257,192	5,993,220
Investments—at fair value	54,235,603	50,861,566
Beneficial interest in perpetual trust	<u>6,053,103</u>	<u>5,872,596</u>
 Total financial assets	 <u>98,073,272</u>	 <u>98,894,485</u>
 Less amounts unavailable within one year for general expenditures:		
Pledges due over one year	(692,000)	(1,771,798)
Other receivables due over one year	(1,672,375)	(457,712)
Loans and notes receivable due over one year	(4,593,995)	(5,543,844)
Investments in real estate	(14,250,000)	(14,350,000)
Atonement collection	(394,909)	(394,909)
Permanent endowments restricted by donors	(21,032,804)	(20,387,153)
Beneficial interest in perpetual trust	(6,053,102)	(5,872,596)
Temporarily restricted endowment funds not available within one year	<u>(27,544,730)</u>	<u>(23,260,140)</u>
 Financial assets available within one year for general operations	 <u>\$ 21,839,357</u>	 <u>\$ 26,856,333</u>

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, 2025. 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, 2025 and 2024, include the following in-kind contributions:

	2025	2024
Medical facility	\$ -	\$ 320,458
Services	30,000	26,663
Equipment	67,086	19,542
Clothing/shoes		33,050
Inventory		<u>168,991</u>
	<u>\$ 97,086</u>	<u>\$ 568,704</u>

The University received various forms of gift-in-kind ("GIK"), including a podiatry practice, advertisement, landscaping services, equipment, clothing, shoes, and supplies. GIK are reported as in-kind contributions at their estimated fair market on the date of receipt or third-party valuation. The University's GIK policy for recording such items is \$5,000 or greater. 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 comprise 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 nonprofit agencies in support of specific research, training, and community outreach programs and initiatives.

Sponsored programs promote the University's mission and values and provide 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 exist 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, 2025 and 2024, are presented by functional classification as follows:

Year Ended June 30, 2025	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	\$45,127,708	\$1,764,662	\$2,272,704	\$10,454,543	\$17,643,148	\$1,794,141	\$ 913,410	\$ 79,970,316	
Depreciation and amortization	3,016,110		1,268,927	502,661	1,615,656		3,603,211	10,006,565	
Professional fees	2,160,932	676,689	438,181	2,527,592	3,192,300	254,040	1,179,778	10,429,512	
Technology	517,732	8,299	9,866	81,157	5,511,848	5,728	164,625	6,299,255	
Food service	387,868	33,774	10,540	506,757	431,231		4,811,213	6,181,383	
Insurance	125,566			167,895	4,788,441	116,518		5,198,420	
Interest expense	285,296		134,938	57,530	176,362		409,598	1,063,724	
Utilities	1,103,184	19	517,576	346,076	676,465	27	1,578,084	4,221,431	
Marketing	189,564	6,124	14,760	282,106	1,756,383	20,940	20,500	2,290,377	
Supplies	952,240	59,418	110,585	891,686	211,845	537,996	481,364	3,245,134	
Maintenance and repairs	790,051		325,817	256,761	982,080	8,797	1,328,080	3,691,586	
Rent expense	887,502		35,937	436,940	201,381	387,715	358,625	2,308,100	
Security	866,871		363,088	376,904	527,616		1,107,576	3,242,055	
Travel	463,463	78,947	9,401	871,871	152,809	759	59,091	1,636,341	
Provision for bad debt	(3,703)		(1,759)	(720)	3,052,344		(5,339)	3,040,823	
Library resources	14,198	170	1,470,969	263,080	2,756			1,751,173	
Other expenses	476,740	159,968	13,817	320,685	474,084	44,743	30,341	1,520,378	
Memberships	680,507	29,410	9,566	222,306	258,519	375	13,058	1,213,741	
Total functional expenses	\$58,041,829	\$2,817,480	\$7,004,913	\$18,565,830	\$41,655,268	\$3,171,779	\$16,053,215	\$147,310,314	

Year Ended June 30, 2024	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	\$46,204,235	\$1,756,590	\$1,968,940	\$ 9,760,341	\$17,338,403	\$1,780,229	\$ 902,117	\$ 79,710,855	
Depreciation and amortization	2,974,392		1,265,963	477,160	1,583,302		3,536,846	9,837,663	
Professional fees	2,032,292	545,045	413,848	2,103,192	3,162,901	183,061	1,075,632	9,515,971	
Technology	237,565	17,063	9,061	113,693	5,568,195	3,036	97,130	6,045,743	
Food service	313,818	18,992	5,108	481,170	261,783	148	4,549,268	5,630,287	
Insurance	62,688			119,425	4,729,344	134,944		5,046,401	
Interest expense	307,576		146,108	59,834	190,961		443,504	1,147,983	
Utilities	1,004,062		469,050	315,507	649,227	2,439	1,429,841	3,870,126	
Marketing	160,038	1,874	9,227	318,272	1,542,287	19,761	9,440	2,060,899	
Supplies	888,513	30,095	155,536	693,528	237,717	260,257	298,961	2,564,607	
Maintenance and repairs	911,750		367,810	259,536	1,002,205	17,554	1,336,425	3,895,280	
Rent expense	1,169,575	351	29,929	350,456	299,372	386,402	153,737	2,389,822	
Security	809,863		333,698	228,819	475,375		1,013,163	2,860,918	
Travel	476,620	89,039	47,492	794,725	140,125	1,665	7,025	1,556,691	
Provision for bad debt	446,682		(32)	(13)	2,609,965		(97)	3,056,505	
Library resources	17,112	2,013	1,425,367	251,747	3,914		157	1,700,310	
Other expenses	462,607	169,839	16,141	245,094	461,263	93,121	29,193	1,477,258	
Memberships	676,886	385	11,511	192,043	285,516	464	21,375	1,188,180	
Total functional expenses	\$59,156,274	\$2,631,286	\$6,674,757	\$16,764,529	\$40,541,855	\$2,883,081	\$14,903,717	\$143,555,499	

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:

	2025
Long-term debt ⁽¹⁾ :	
Pre-implementation long-term debt	\$ 36,971,738
Post-implementation long-term debt	6,213,417
Lease right-of-use asset liability	<u>1,034,656</u>
Long-term debt	<u>\$ 44,219,811</u>
⁽¹⁾ Long-term debt on the Financial Responsibility Composite Score supplemental schedule corresponds with the University's Loans and Bonds Payable in Note 9.	
Property, plant, and equipment—net:	
Pre-implementation land, buildings, and equipment—net	\$ 57,889,404
Construction in progress	641,593
Post-implementation land, buildings, and equipment—net purchased without long-term debt	42,033,048
Subtotal land, buildings, and equipment—net	<u>100,564,045</u>
Lease right-of-use assets—pre-implementation	
Lease right-of-use assets—post-implementation	<u>1,056,167</u>
Subtotal lease right-of-use assets	<u>1,056,167</u>
Total property, plant, and equipment—net	<u>\$ 101,620,212</u>

18. RELATED-PARTY TRANSACTIONS

The University receives contributions and pledges from the University's employees (Key and Non-Key employees) as well as Trustees from the Board. Key employees are members of the President Advisory Council, the Controller, and the Director of Procurement and Accounts Payable. The sum of

contributions from employees and Trustees was approximately \$557,802 for the year ending June 30, 2025. See details as follows:

Employees	Amount	Trustee	Amount
Key Employee 1	\$ 5,500	Trustee 1	\$ 253,500
Key Employee 2	120	Trustee 2	316
Key Employee 3	356	Trustee 3	20,250
Key Employee 4	170	Trustee 4	150
Key Employee 5	500	Trustee 5	700
Key Employee 6	50	Trustee 6	2,000
Key Employee 7	1,010	Trustee 7	2,525
Key Employee 8	100	Trustee 8	15,000
Key Employee 9	100	Trustee 9	5,100
Key Employee 10	2,620	Trustee 10	5,500
Key Employee 11	2,500	Trustee 11	5,000
Key Employee 12	4,315	Trustee 12	12,275
Key Employee 13	48	Trustee 13	5,000
Key Employee 14	2,620	Trustee 14	5,000
Key Employee 15	48	Trustee 15	500
Key Employee 16	240	Trustee 16	10,000
Key Employee 17	6,100	Trustee 17	800
Key Employee 18	500	Trustee 18	103,605
Key Employee 19	48	Trustee 19	5,000
Key Employee 20	1,250	Trustee 20	25
Key Employee 21	2,500	Trustee 21	20,500
Key Employee 22	853	Trustee 22	9,000
Key Employee 23	72	Trustee 23	5,600
Key Employee 24	250	Trustee 24	1,500
Key Employee 25	160	Trustee 25	<u>250</u>
Key Employee 26	973		
Key Employee 27	70		
Key Employee 28	25		
Key Employee 29	1,000		
Non-Key Employees	<u>34,608</u>		
Total employee contributions	<u>\$ 68,706</u>	Total Trustee contributions	<u>\$ 489,096</u>
Total contributions from related parties	<u>\$557,802</u>		

The sum of contributions from employees and Trustees was approximately \$351,375 for the year ended June 30, 2024. See details as follow:

Employees	Amount	Trustee	Amount
Key Employee 1	\$ 2,083	Trustee 1	\$ 10,000
Key Employee 2	120	Trustee 2	52
Key Employee 3	375	Trustee 3	35,254
Key Employee 4	120	Trustee 4	5,000
Key Employee 5	180	Trustee 5	500
Key Employee 6	26	Trustee 6	4,164
Key Employee 7	1,000	Trustee 7	1,077
Key Employee 8	104	Trustee 8	150,326
Key Employee 9	2,141	Trustee 9	5,104
Key Employee 10	52	Trustee 10	5,000
Key Employee 11	2,604	Trustee 11	5,521
Key Employee 12	1,108	Trustee 12	1,041
Key Employee 13	48	Trustee 13	12,232
Key Employee 14	2,664	Trustee 14	5,275
Key Employee 15	48	Trustee 15	150
Key Employee 16	151	Trustee 16	6,850
Key Employee 17	6,104	Trustee 17	5,000
Key Employee 18	2,462	Trustee 18	7,622
Key Employee 19	74	Trustee 19	5,275
Key Employee 20	2,356	Trustee 20	27
Key Employee 21	1,023	Trustee 21	22,021
Key Employee 22	315	Trustee 22	7,200
Key Employee 23	72	Trustee 23	6,562
Non-Key Employees	<u>24,589</u>	Trustee 24	<u>300</u>
Total employee contributions	<u>\$ 49,821</u>	Total Trustee contributions	<u>\$ 301,554</u>
Total contributions from related parties	<u>\$ 351,375</u>		

The University offers several tuition assistance programs (TAP) for employees and their dependents. The tuition assistance programs totaled \$1,281,285 and \$982,446 for the year ended June 30, 2025 and 2024, respectively.

See breakdown for the year ended June 30, 2025, as follows:

Employees	Amount
Key Employee 10	\$ 16,500
Key Employee 15 (dependent)	3,150
Key Employee 25	3,150
Relative of Trustee 1	15,840
All others	<u>1,242,645</u>
Total TAP	<u>\$ 1,281,285</u>

See breakdown for the year ended June 30, 2024, as follows:

Employees	Amount
Key Employee 10	\$ 17,850
Key Employee 12	5,715
Key Employee 15 (dependent)	9,225
Key Employee 23	3,000
Non-Key Employees	<u>946,656</u>
Total TAP	<u>\$ 982,446</u>

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 fourth payment to the insurer in July 2024 in the amount of \$175,000 for the FY2025 premium. For fiscal year 2025, the University recorded a \$175,000 loan receivable, net of a premium loan valuation reserve of \$238,717 under Other Receivables and negative loan interest income of \$1,543. For fiscal year 2024, the University recorded a \$175,000 loan receivable, net of a premium loan valuation reserve of \$137,449 under Other Receivables and loan interest income of \$19,023.

The University employs related parties to the President's cabinet and Board of Trustees. These amounted to \$199,254 and \$209,541 in earnings and benefits recorded under compensation and

benefits of the Academic Departments and Programs and Institutional Support functions for the year ended June 30, 2025 and 2024, respectively. See details as follows:

	2025	2024
Relative of Trustee 3	\$ 125,649	\$ 124,355
Relative of Trustee 1	73,605	71,633
Relative of Former Key employee	<u>-</u>	<u>13,553</u>
	<u>\$ 199,254</u>	<u>\$ 209,541</u>

Certain board members are employed by companies the University does business with. Trustee 13 is employed by Memorial Healthcare System and Trustee 7 is employed by Northern Trust.

19. SUBSEQUENT EVENTS

Management of the University has reviewed subsequent events from June 30, 2025, through October 22, 2025, the date the accompanying financial statements are available to be issued.

On June 18, 2025, the University and an unrelated third party entered into an agreement whereby the unrelated party contributes \$15 million for the design, development, construction and ongoing use of multi-purpose fields. The use period is 40 years from the date of completion. Expected completion date is September 24, 2026. As part of the stipulations related to the agreement, Barry University received a deposit of \$4,929,219 in September 2025. The amount was recorded as deferred revenue until the fields are in use.

On August 14, 2025, the University entered into a 5-year Services Agreement, with an option to renew, with an unrelated third party to manage and operate campus stores—covering one physical store, e-commerce, and the distribution of digital and print course materials. The University will receive one-time payments of \$100,000 for capital improvements and \$30,000 for technology and equipment, each recognized as revenue over the life of the agreement. The arrangement also provides for annual \$5,000 textbook scholarship payments for five years, recognized as earned, and commissions with a minimum guarantee of \$65,000 in year one and 75% of the previous year’s commissions in subsequent years. Commission revenue is recognized quarterly as earned.

* * * * *

**SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

Financial Responsibility Supplemental Schedule Composite Scores as of June 30, 2025

	Primary Reserve Ratio:		
	Expendable Net Assets:		
Statement of financial position—net assets without donor restrictions	+ Net assets without donor restrictions	\$	79,320,663
Statement of financial position—net assets with donor restrictions	+ Net assets with donor restrictions		55,322,636
Note 17 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)	100,564,045	
Note 17 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		57,889,404
Note 17 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 purchase		42,033,048
Note 8 of the financial statements—statement of financial positions—property, plant and equipment	Construction in progress		641,593
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	1,056,167	
Note 17 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 17 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		1,056,167
Statement of financial position—goodwill	- Goodwill		438,743
Note 17 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	43,185,155	
Note 17 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		36,971,738
Note 17 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		6,213,417
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	1,034,656	
Note 17 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 17 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		1,034,656
Note 10 of the financial statements—net assets	- Net assets with donor restrictions: restricted in perpetuity		27,085,906
	= Expendable Net assets		49,718,249
	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		147,310,314
Note 4 of the financial statements—endowment investments	Investment return appropriated for spending		1,020,123
Statement of activities non-operating change in net assets	Non-operating change in net assets		5,709,825

(Continued)

Statement of financial position—net assets without donor restrictions	Equity Ratio:	
Statement of financial position—total net assets with donor restriction	Modified Net Assets:	
Statement of financial position—goodwill	+ Net assets without donor restrictions	\$ 79,320,663
	+ Net assets with donor restrictions	55,322,636
	- Goodwill	438,743
	= Modified Net Assets	134,204,556
	Modified Assets:	
Statement of financial position—total assets	+ Total assets	209,230,886
Statement of financial position—goodwill	- Goodwill	438,743
	= Modified Assets	208,792,143
	Net Income Ratio:	
Statement of activities—change in net assets without donor restrictions	Change in Net Assets without Donor Restrictions	(1,074,642)
Statement of activities—total operating revenue and nonoperating change in net assets without donors restrictions	Total Revenues and Gains without Donor Restrictions	146,235,672
		(Concluded)

Calculating the Composite Score Lines

*Primary reserve ratio = expendable net assets / Total expenses and losses without donor restrictions	\$ 49,718,249 147,310,314	0.3375
*Equity ratio = modified net assets / Modified assets	\$134,204,556 208,792,143	0.6428
Net income ratio = change in net assets without donor restrictions / Total revenue and gains without donor restrictions	\$ (1,074,642) 146,235,672	(0.0073)

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:

Positive net income ratio result:

Zero result for net income ratio:

Net income strength factor = 1 + (25 x net income ratio result)

Net income strength factor = 1 + (50 x net income ratio result)

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	0.3375	3.3751	3.0000	40 %	1.2000
Equity ratio	0.6428	3.8566	3.0000	40	1.2000
Net income ratio	(0.0073)	0.8163	0.8163	20	<u>0.1633</u>
					2.5633
Total composite score—rounded					<u><u>2.6</u></u>

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 (*Government Auditing Standards*), the financial statements of Barry University, Inc. (the "University"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and cash flows for the year then ended June 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated October 22, 2025.

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 University's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

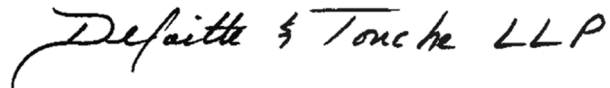
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not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

Report on Compliance and Other Matters

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

Purpose of This Report

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

The image shows a handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

October 22, 2025



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, 2025. 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, 2025.

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* (State Guidance). 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.

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with State Guidance and which are described in the accompanying schedule of findings and questioned costs as item "State Program 2025-001." Our opinion on each major federal and state program is not modified with respect to these matters.

Government Auditing Standards require the auditor to perform limited procedures on the University's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item "State Program 2025-001" to be a significant deficiency.

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.

Government Auditing Standards require the auditor to perform limited procedures on University's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 State Guidance. 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, 2025, and have issued our report thereon dated October 22, 2025, 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 State Guidance, 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.

Defaitte & Touche LLP

December 19, 2025

BARRY UNIVERSITY AND SUBSIDIARY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE PROJECTS FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor /Program or Cluster Title	Federal ALN 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:			
Federal Pell Grant Program	84.063		\$ 8,490,012
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007		581,128
Federal Work-Study Program	84.033		903,217
Federal Direct Student Loans Program	84.268		<u>131,146,998</u>
Total U.S. Department of Education			141,121,355
U.S. Department of Health & Human Services:			
Office of Health Resources and Services Administration			
Scholarships for Health Professions Students from Disadvantaged			
Backgrounds	93.925		650,000
Nurse Facility Loan Program	93.264		786,867
Total U.S. Department of Health and Human Services			<u>1,436,867</u>
Total Student Financial Assistance Cluster			<u>142,558,222</u>
U.S. Department of Education:			
Higher Education Institutional Aid			
Strengthening Student Support at Barry University: Academic			
Advising and Coaching for Undergraduate Success	84.031A		<u>202,046</u>
Total U.S. Department of Education (Excluding Cluster)			202,046
Research and Development Cluster:			
U.S. Department of Health and Human Services			
Injury Prevention and Control Research & State Community Based			
Programs			
Passed through the Johns Hopkins University			
Help Wanted: Evaluation and Prevention Intervention for People			
with Sexual Interest in Children	93.136		23,588
National Science Foundation:			
STEM Education (Formerly Education and Human Resources)			
Supporting Graduation of Undergraduate STEM Majors Through			
Scholarships, Mentoring, and Activities That develop Student's			
Academic and Scientific Identity.	47.076	5,764	120,337
Indirect Programs			
Pass-through Virginia Polytechnic Institute and State University			
A Research Hub for Understanding Inter- and intra-institutional			
partnerships that systematically support low-income engineering			
students.	47.076		2,873
Total National Science Foundation		<u>5,764</u>	<u>123,210</u>
Total Research and Development Cluster		<u>5,764</u>	<u>146,798</u>
U.S. Department of Health & Human Services:			
Nurse Anesthetist Traineeship Program			
	93.124		<u>59,475</u>
Total U.S. Department of Health & Human Services (Excluding Cluster)			<u>59,475</u>
U.S. Department of Agriculture:			
From Learning to Leading: Cultivating the Next Generation of			
Diverse Food and Agriculture Professionals			
Barry University CRAFT Scholars-Cultivating Resilience Through			
Agriculture and Food Training	10.237	<u>134,938</u>	<u>807,075</u>
Total Expenditures of Federal Awards		<u>140,702</u>	<u>143,773,616</u>

(Continued)

BARRY UNIVERSITY AND SUBSIDIARY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE PROJECTS FOR THE YEAR ENDED JUNE 30, 2025

State Grantor/Pass-Through Grantor/Program	CSFA	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:			
Effective Access to Student Education (EASE) former (FRAG)	48.064	N/A	\$ 3,520,725
Florida Student Assistance Grant (FSAG)	48.054	N/A	1,520,708
Children of Deceased or Disabled Veterans Scholarship Program	48.055	N/A	65,410
Honorably Discharged Graduate Assistance Program (HDGAP)	48.118	OSFA-STATE# 17-18:15	8,200
Florida Academic Scholars Program	48.059	N/A	157,304
Florida Medallion Scholarship Program	48.059	N/A	237,387
Dual Enrollment Scholarship Program	48.212	N/A	<u>683,927</u>
Total State of Florida Department of Education—Florida Student			<u>6,193,661</u>
Financial Assistance Programs—			
Other State of Florida Department of Education—Direct Programs:			
(CROP) College Reach Out Program	48.028	851-95010-5Q001	84,772
Linking Industry to Nursing Education (LINE) Fund	48.199	851-91130-4P001	<u>904,686</u>
Total Other Florida Department of Education—Direct Programs			<u>989,458</u>
Total Florida Department of Education			7,183,119
State of Florida Department of Highway Safety and Motor Vehicles Direct Project—License Plate	76.006	N/A	<u>12,954</u>
Total State Financial Assistance			<u>7,196,073</u>
Total Expenditures of Federal Awards and State Financial Assistance			<u>\$ 150,969,689</u>

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

(Concluded)

BARRY UNIVERSITY, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE PROJECTS FOR THE YEAR ENDED JUNE 30, 2025

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, 2025. 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% de minimis indirect cost rate allowed under the Uniform Guidance.

3. FEDERAL LOAN PROGRAM

Federal student loans processed during the fiscal year ended June 30, 2025, are as follows:

	Federal ALN	Loans Made During the Year 2025
Graduate PLUS Direct Loan	84.268	\$ 55,687,357
Direct Subsidized Loan	84.268	5,014,985
Direct PLUS Loan	84.268	2,830,684
Direct Unsubsidized Loan	84.268	<u>67,613,972</u>
Total Federal Student Loans		<u>\$ 131,146,998</u>

University-administered loans outstanding as of June 30, 2025, are as follows:

	Federal ALN	Balance as of June 30, 2025
Nurse Faculty Loan Program	93.264	<u>\$6,207,714</u>
Total Federal Student Loans Outstanding		<u>\$6,207,714</u>

* * * * *

BARRY UNIVERSITY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

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 and State Programs

Internal control over major federal programs or Sate Projects:

Material weakness(es) identified?

_____yes

 X no

Significant deficiency(ies) identified?

 X yes

_____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) or 10.656, Rules of the Auditor General?

 X yes

_____no

Identification of major federal programs:

Assistance Listing Number

Name of Federal Program or Cluster

Various

Student Financial Aid Cluster

10.237

From Learning to Leading: Cultivating the Next Generation of Diverse Food and Agriculture Professionals

Identification of major state programs:

48.059	Florida Bright Futures Scholarship Program*
48.064	Florida Resident Access Grant/Effective Access to Student Education
48.212	Dual Enrollment Scholarship Program
48.199	Linking Industry to Nursing Education
48.054	Florida Student Assistance Grant
48.055	Children of Deceased or Disabled Veterans Scholarship Program
48.118	Honorably Discharged Graduate Assistance Program (HDGAP)

*(Medallion Scholars Award and Academic Scholars Award)

Dollar threshold used to distinguish between Type A and Type B programs:

Federal Programs	\$ <u>750,000</u>
State Projects	\$ <u>750,000</u>

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 \$ 45,000 _____ none reported

2025-001: Significant Deficiency in Internal Controls over Compliance and Non Compliance – Activities Allowed, Allowable Costs, Eligibility and Period of Performance

State Program 48.199—Linking Industry to Nursing Education (LINE) Fund

State Agency—Florida Department of Education and Commissioner of Education

Criteria—In accordance with the Florida Department of Education, Linking Industry to Nursing Education (LINE) Funds may be used to award scholarships to students who meet the Florida residency for tuition purposes requirements.

Condition and Perspective—The University did not have adequate internal controls to ensure only Florida students receive LINE Funds for tuition purposes. Accordingly, the University granted scholarships to non-Florida residents.

Cause—The University did not appropriately implement controls to verify student eligibility for receiving tuition grants under the program.

Effect—The University had insufficient controls over the design, implementation, and monitoring of compliance procedures which could result in noncompliance with State award requirements, potentially jeopardizing future funding. Specifically, the omission of the Florida state residency verification during semester-level eligibility reviews led to the distribution of tuition grants to ineligible students, thereby increasing the risk of questioned costs. However, this finding is considered an isolated incident, with all identified unallowable expenditures limited solely to tuition grants awarded to students who did not meet residency requirements.

Questioned Costs: The questioned costs associated with this finding totaled \$45,000.

Recommendation—The University should strengthen its control procedures for determining tuition grant eligibility. Specifically, the University should implement a mandatory process whereby each student's eligibility, including verification of state residency and all other required criteria prior to any tuition grant award. Grant disbursement should be contingent upon the completion and approval of this rigorous eligibility review, with no exceptions permitted. To ensure ongoing compliance, the University should maintain clear and auditable documentation of each eligibility determination. Furthermore, Barry University should establish regular monitoring and quality control reviews of the eligibility program and provide comprehensive staff training to promote a thorough understanding and consistent application of these requirements.

View of Responsible Officials—See Corrective Action Plan

Corrective Action Plan

This Corrective Action Plan addresses Finding 2025-001 and outlines the steps Barry University will take to strengthen internal controls over eligibility verification for LINE Grants scholarships.

Finding Number	Planned/Implemented Corrective Action	Anticipated/Actual Completion Date	Responsible Contact Person(s)
2025-001	<p>Barry University will implement a multi-phase corrective action plan to enhance internal controls for verifying eligibility for LINE Fund tuition grants. The plan includes:</p> <p>Residency Verification Protocol:</p> <ul style="list-style-type: none"> • Develop and implement a standardized written procedure for residency verification. • Integrate residency checks into the student eligibility review process across departments. • Adhere to Office of Financial Aid standards for auditable documentation. • A quality control team—comprising the School of Nursing, Student Accounts, Financial Aid, and Financial Grants 	June 30, 2026	<ul style="list-style-type: none"> • Dr. Audrey Miller – Dean & Professor, School of Nursing • Dr. Anthony Umadhay - Professor of Anesthesiology • Maria Herrera – Operations Manager, College of Health Professions and Medical Sciences
	<p>Management—will maintain and update the procedure as needed.</p> <p>Staff Training and Monitoring:</p> <ul style="list-style-type: none"> • Staff involved in the LINE awarding process will be trained on the new procedure. 		

BARRY UNIVERSITY AND SUBSIDIARY

STATE OF FLORIDA FINANCIAL ASSISTANCE PROGRAMS SCHEDULE OF POPULATIONS, SAMPLES TESTED, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Award	CSFA Number	Award Population		Award Sample				Questioned Costs		
		Amount Recipients	Recipients	Amount Recipients	Recipients	% of Population Amount	% of Population Recipients	Amount	% of Sample Amount	% of Sample Recipients
Florida Resident Access Grant	48.064	\$ 3,520,725	1,170	\$ 165,325	50	5 %	4 %	\$ -	- %	- %
Florida Student Assistance Grant Children of Deceased or Disabled	48.054	1,520,708	844	95,828	50	6	6			
Veterans Scholarship Program	48.055	65,410	10	39,457	10	68	100			
Honorably Discharged Graduate Assistance Program (HDGAP)	48.118	8,200	21	3,910	10	48	48			
Florida Medallion Scholars Award	48.059	237,387	54	44,838	14	19	26			
Florida Academic Scholars Award Florida	48.059	157,304	28	52,152	10	33	36			
Dual Enrollment Scholarship Program	48.212	683,927	1,187	18,702	60	3	5			
Total		<u>\$ 6,193,661</u>	<u>3,314</u>	<u>\$ 420,212</u>	<u>204</u>	<u>7 %</u>	<u>6 %</u>	<u>\$ -</u>	<u>- %</u>	<u>- %</u>