BENTLEY UNIVERSITY

Financial Statements

June 30, 2025

(With Independent Auditors' Report Thereon)

KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

Independent Auditors' Report

The Board of Trustees
Bentley University:

Opinion

We have audited the financial statements of Bentley University (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, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Report on Summarized Comparative Information

We have previously audited the University's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 25, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

KPMG LLP

Boston, Massachusetts
October 24, 2025

BENTLEY UNIVERSITY

Statement of Financial Position

June 30, 2025
(with comparative totals as of June 30, 2024)
(Dollars in thousands)

Assets		**2025**	**2024**
Cash and cash equivalents	$	64,821	81,171
Working capital investments		47,483	29,456
Unspent bond proceeds		70,134	—
Bond deposits with trustee		8,686	8,602
Pledges and accounts receivable, net		5,820	6,330
Other assets		1,338	2,943
Investments		402,003	374,132
Property, plant, and equipment, net		306,342	294,407
Total assets	$	906,627	797,041
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued liabilities	$	28,608	26,505
Student deposits and deferred revenue		9,389	8,695
Other liabilities		7,196	7,549
Bonds and notes payable, net		219,407	155,116
Total liabilities		264,600	197,865
Net assets:			
Without donor restrictions		467,799	436,419
With donor restrictions		174,228	162,757
Total net assets		642,027	599,176
Total liabilities and net assets	$	906,627	797,041

See accompanying notes to financial statements.

BENTLEY UNIVERSITY

Statement of Activities

Year ended June 30, 2025
(with comparative totals for the year ended June 30, 2024)
(Dollars in thousands)

	Without donor restrictions	With donor restrictions	2025 Total	2024 Total
Changes in net assets:				
Operating activities:				
Revenues:				
Tuition, fees, room and board, net	$ 241,635	—	241,635	225,978
Other education programs	768	—	768	727
Endowment return utilized in operations	15,378	—	15,378	14,429
Contributions and private grants	2,548	—	2,548	2,231
Government grants	2,496	—	2,496	4,019
Other sources	7,097	—	7,097	7,215
Other auxiliary enterprises	7,131	—	7,131	5,460
Net assets released from restrictions	4,011	—	4,011	4,437
Total revenues	281,064	—	281,064	264,496
Expenses:				
Salaries and wages	130,643	—	130,643	121,434
Employee benefits	36,300	—	36,300	32,721
Supplies and services	68,728	—	68,728	61,999
Utilities	6,621	—	6,621	5,863
Depreciation	19,884	—	19,884	18,345
Interest	4,246	—	4,246	3,722
Total expenses	266,422	—	266,422	244,084
Increase in net assets from operating activities	14,642	—	14,642	20,412
Nonoperating activities:				
Contributions and private grants	210	5,308	5,518	8,217
Investment return	25,273	16,874	42,147	39,707
Endowment return utilized in operations	(8,861)	(6,517)	(15,378)	(14,429)
Net assets released from restrictions	—	(4,011)	(4,011)	(4,437)
Other	116	(183)	(67)	(53)
Increase in net assets from nonoperating activities	16,738	11,471	28,209	29,005
Change in net assets	31,380	11,471	42,851	49,417
Net assets at beginning of year	436,419	162,757	599,176	549,759
Net assets at end of year	$ 467,799	174,228	642,027	599,176

See accompanying notes to financial statements.

BENTLEY UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2025
(with comparative totals for the year ended June 30, 2024)
(Dollars in thousands)

		2025	2024
Operating activities:			
Change in net assets	$	42,851	49,417
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation		19,884	18,345
Amortization of bond premium and issuance costs, net		(2,103)	(2,103)
Net realized and unrealized gains on investments		(42,701)	(40,214)
Contributions restricted for long-term purposes and capital		(2,087)	(4,425)
Decrease in pledges and accounts receivable, net		510	12
Decrease in other assets		1,605	998
Increase (decrease) in accounts payable and accrued liabilities		2,683	(529)
Increase in student deposits and deferred revenue		694	1,005
Decrease in other liabilities		(353)	(583)
Net cash provided by operating activities		20,983	21,923
Investing activities:			
Proceeds from sales and maturities of investments		217,346	144,782
Purchases of investments		(291,384)	(138,279)
Additions of property, plant, and equipment		(32,399)	(17,109)
Net cash used in investing activities		(106,437)	(10,606)
Financing activities:			
Contributions restricted for long-term purposes		2,087	4,425
Proceeds from bonds issued, including bond premium		72,719	—
Payment of bond issuance costs		(615)	—
Payments on borrowings		(5,710)	(5,565)
Net cash provided by (used in) financing activities		68,481	(1,140)
Net (decrease) increase in cash, cash equivalents, and restricted cash		(16,973)	10,177
Cash, cash equivalents, and restricted cash at beginning of year		94,035	83,858
Cash, cash equivalents, and restricted cash at end of year	$	77,062	94,035
Supplemental disclosures:			
Cash and cash equivalents	$	64,821	81,171
Bond deposits with trustee		8,686	8,602
Cash held in investments		3,555	4,262
Total cash, cash equivalents and restricted cash	$	77,062	94,035
Cash paid for interest	$	5,734	5,894
(Decrease) increase in accounts payable from capital additions		(580)	2,369

See accompanying notes to financial statements.

(1) Description of the University

Bentley University educates its students with an innovative, technology-focused education that combines business and the arts and sciences and prepares business leaders to lead successful, rewarding careers. Founded in 1917, the university enrolls 4,500 undergraduate and 800 graduate and PhD students and is set on 163 acres in Waltham, Massachusetts, 10 miles west of Boston.

(2) Summary of Significant Accounting Policies

(a) Basis of Financial Statement Presentation

The accompanying financial statements are presented on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP) and have been prepared to focus on the University as a whole and to present balances and transactions according to two classes of net assets: without donor restrictions and with donor restrictions:

Without donor restrictions – net assets that are not subject to donor stipulations restricting their use but may be designated for specific purposes by the University or may be limited by contractual agreements with outside parties.

With donor restrictions – net assets that are subject to donor stipulations that expire with the passage of time, can be fulfilled by actions pursuant to the stipulations, or which may be perpetual.

(b) Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include treasuries and short-term instruments not held for future capital and long-term investment with original maturities of three months or less.

(c) Working Capital Investments

Working capital investments are intended to cover liquidity needs, include U.S. Treasury securities with original maturities greater than three months, and are classified in level 1 of the fair value hierarchy, as defined in note 2*(o)*.

(d) Bond Deposits with Trustee

Bond deposits with trustee represents funds held to pay debt service as required by certain bond indentures.

(e) Pledges and Accounts Receivable

Pledges receivable are stated net of allowances for uncollectible amounts and discounts to present value.

Accounts receivable are stated net of allowance for expected credit losses based on historical, current, and future factors.

(Dollars in thousands)

(f) Tuition and Related Revenues

Revenue from contracts with customers is recognized when control of the promised goods or services is transferred in an amount that reflects the consideration to which the University expects to be entitled in exchange for those goods or services (i.e., the transaction price).

Revenue from student tuition, fees, room and board is recognized as services are provided over the academic year, which generally aligns with the University's fiscal year. Revenues are presented at transaction prices, which are determined based on standard published rates for the services less institutional aid awarded to qualifying students and any incentive discounts. Student tuition, fees, and room and board received prior to the academic term is reported in student deposits and deferred income for services to be rendered in the following fiscal year. Revenues associated with academic programs that cross fiscal years are recognized to the extent of the related services provided in each fiscal year. As of June 30, 2025 and 2024, net tuition, fees, and room and board advance payments of approximately $2,700 and $2,400, respectively, that crossed fiscal years are included in student deposits and deferred revenue on the statement of financial position.

The amount of revenue per student varies based on the specific program or class in which the student enrolls, as well as whether the student resides in university housing. In addition, students who adjust their course load, residence assignment, board assignment, or withdraw completely within the specified period published in the University's academic calendar may receive a full or partial refund in accordance with the University's refund policy. Refunds issued reduce the amount of revenue recognized. Payments are generally due prior to the start of the academic term.

The composition of student tuition, fees, room and board revenue was as follows for the years ended June 30, 2025 and 2024:

		2025	2024
Undergraduate tuition and fees	$	276,292	252,399
Graduate tuition and fees		26,887	29,412
Residence hall and dining		66,329	62,019
Gross tuition, fees, room and board		369,508	343,830
Undergraduate financial aid		(122,764)	(112,246)
Postgraduate finanical aid		(5,109)	(5,606)
Financial aid		(127,873)	(117,852)
Net tuition, fees, room and board	$	241,635	225,978

(g) Contributions

Contributions, including unconditional promises from donors, are nonreciprocal, unconditional transfers of assets, or cancellations of liabilities, and are initially recognized at fair value. Contributions received without donor-imposed restrictions are recorded as revenue without donor restrictions. Contributions received with donor-imposed restrictions are reported as increases in net assets with donor restrictions. Contributions of noncash assets are recorded at estimated fair value on the date of the contribution.

Conditional pledges become unconditional and are recognized as revenues when the conditions are satisfied.

(h) Property, Plant, and Equipment

Land, buildings, plant renovations, and equipment are stated at cost at the date of acquisition or renovation or at estimated fair value at the date of donation in the case of gifts. Purchases of library books are expensed as incurred. Minor renovations and repairs are charged to operations as incurred. Depreciation of plant and equipment is computed on a straight-line basis over the useful lives of buildings (40–60 years), building and improvements (5–30 years), and equipment and furnishings (3–15 years). Interest incurred on tax-exempt debt used to finance building construction is added to the cost of the asset, net of any income earned on temporarily invested debt proceeds during construction.

Expirations of restrictions on net assets with donor restrictions, including reclassification of restricted gifts and grants for buildings and equipment when the associated long-lived asset is placed in service, are reported as net assets released from restrictions.

(i) Bond Premiums and Issuance Costs

Bond premiums and issuance costs are amortized through the final maturity date of the respective bond issues.

(j) 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. Actual results could differ from those estimates.

(k) Income Taxes

The University is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income taxes pursuant to Section 501(a) of the Code, as amended. Accordingly, it is generally not subject to income taxes except to the extent it has taxable income from activities that are not related to its exempt purpose. The University believes it has taken no significant uncertain tax positions as of June 30, 2025 or 2024.

(l) Statement of Activities

The statement of activities reports the changes in net assets from operating and nonoperating activities. Nonoperating activities reflect contributions for long-term investments and capital projects and the investment return in excess of the amount utilized in operations, as described in note 7. In addition, nonoperating activities include changes in the values of split-interest agreements, net assets released from restrictions for capital purposes, and certain other nonrecurring transactions. All other activity is classified in operating activities. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expired in the reporting period in which the support is recognized.

Grants and contracts awarded by federal and other sponsors, which are generally considered nonreciprocal transactions restricted by sponsors for certain purposes, are recognized as revenue when qualifying expenditures are incurred and conditions under the agreements are met. Total revenue from government grants recognized in net assets without donor restrictions was $2,496 and $4,019 for the years ended June 30, 2025 and 2024, respectively.

Dividends, interest, and realized and unrealized gains (losses) on long-term investments are reported as follows:

- Increases in net assets with donor restrictions if the terms of the gift require these to be added to the principal;
- Increases (decreases) in net assets with donor restrictions if the terms of the gift or relevant state law imposes restrictions on the use of the income and gains; and
- Increases (decreases) in net assets without donor restrictions in all other cases.

(m) Split-Interest Agreements

The University's split-interest agreements with donors consist of irrevocable charitable gift annuities and charitable remainder trusts held by the University. For such split-interest agreements, the contributed assets are included as part of investments at fair value. Contribution revenue, net of the accompanying obligation, is recognized as of the date the donated assets are transferred to the University and liabilities are recorded for the present value of the estimated future payments to the beneficiaries. These liabilities amounted to $1,222 and $1,287 at June 30, 2025 and 2024, respectively, and are reported within other liabilities on the statement of financial position. The split-interest liabilities are adjusted during the term of the agreements consistent with changes in the value of the assets and actuarial assumptions.

(n) Related - Party Transactions

Members of the University's Board of Trustees and senior management may, from time to time, be associated, either directly or indirectly, with companies doing business with the University. The University has a written conflict of interest policy that requires, among other things, that no member of the Board of Trustees may participate in any decision in which he or she has a material financial interest. Each Trustee and senior manager are required to certify compliance with the conflict of interest policy on an annual basis as well as disclose any potential related-party transactions to the audit committee. When such a relationship exists, the University requires that such transactions be conducted at arms' length, with terms that are fair and reasonable to and for the benefit of the University. For senior management, the University requires annual disclosure of financial interests in, or governance of employment or consulting relationships with, entities doing business with the University. When such relationships exist, measures are taken to appropriately manage the actual or perceived conflict in the best interest of the University.

(o) Fair Value Measurements

Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. GAAP establishes a fair value hierarchy that prioritizes inputs used to measure fair value into three levels:

- Level 1 – Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities
- Level 2 – Observable prices that are based on inputs not quoted in active markets, but corroborated by market data
- Level 3 – Unobservable inputs are used when little or no market data is available

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, the University utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. Investments measured using net asset value as a practical expedient to estimate fair value, as described in note 4, are not classified in the fair value hierarchy.

(p) Benefit Plans

Defined-Contribution Plan – Eligible faculty and staff of the University are participants in a defined-contribution 403(b) retirement plan. The University contributes, for the benefit of the participants, 10% of eligible earnings annually to the plan, up to the IRS maximum per employee. Total expense under this plan for the years ended June 30, 2025 and 2024 amounted to $9,620 and $8,841, respectively.

Postretirement Benefits – The University provides certain healthcare benefits for retired employees covered under the Bentley University Retiree Medical Benefits Plan (the Plan). This plan is closed to employees hired after December 31, 1999. Benefits are paid through an insurance company as claims are settled. The Plan is a noncontributory, defined-benefit plan. The liability as of June 30, 2025 and 2024 amounted to $5,974 and $6,262, respectively, and is reported in other liabilities on the statement of financial position.

(q) Prior Year Information

Prior year information presented is not intended to constitute a full presentation in accordance with GAAP. Accordingly, summarized 2024 information should be read in conjunction with the University's financial statements as of and for the year ended June 30, 2024.

(Dollars in thousands)

(3) Liquidity

As of June 30, 2025, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, scheduled principal payments on debt, and capitalized construction costs not financed with debt, were as follows:

Financial assets:		
Cash and cash equivalents	$	64,821
Working capital investments		47,483
Bond deposits with trustee		8,686
Accounts receivable, net		3,514
Pledge payments scheduled for fiscal year ending June 30, 2026		724
Fiscal year 2026 board-approved endowment appropriation		15,993
Total financial assets available within one year	$	141,221

In addition, the University has board-designated endowment funds of $227,684 as of June 30, 2025. Although the University does not intend to spend from its board-designated endowment funds other than amounts appropriated for operations, amounts could be made available, if necessary, subject to investment liquidity provisions.

The University's cash flows have seasonal variations attributable to the timing of tuition billing and contributions received. As described in note 6, the University has a committed line of credit with a bank for a maximum amount of $25,000 that expires in August 2026.

(4) Investments

The overall investment objective of the University is to invest its assets in a prudent manner that will achieve a long-term rate of return sufficient to fund a portion of its annual operating activities and increase investment value after inflation while providing adequate liquidity with reasonable risk. The University diversifies its investments among various asset classes incorporating multiple strategies and managers. Major investment decisions are authorized by the Investment Committee of the Board of Trustees, which oversees the University's investment program in accordance with established guidelines.

(a) Investment Strategies

In addition to traditional stocks and fixed income securities, the University may also hold shares or units in traditional institutional funds as well as in alternative investment funds involving hedged strategies, private equity, and real asset strategies. Hedged strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists and may include stocks, bonds, put or call options, swaps, currency hedges, and other instruments, and are valued accordingly. Private equity funds employ buyout and venture capital strategies and focus on investments in turn-around situations. Real asset funds generally hold interests in public real estate investment trusts (REITs) and commodities, including oil, gas, and gold. Private equity and real asset strategies therefore often require the estimation of fair values by the fund managers in the absence of readily determinable market values. Because of the inherent uncertainties of valuation, these estimated fair values may differ significantly from values that would have been used had a ready market existed, and the differences could be material.

(Dollars in thousands)

Investments are reported at estimated fair value. If an investment security is owned directly by the University and an active market with quoted prices exists, the market price of an identical security is used as reported fair value. Shares in mutual funds are based on share prices reported by the funds as of the last business day of the fiscal year. The University's interests in alternative investment funds are generally reported at the net asset value (NAV) reported by the fund managers which is used as a practical expedient to estimate the fair value of the University's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. Such valuations are determined by fund managers and generally consider variables such as operating results, comparable earnings multiples, projected cash flows, recent sales prices, and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held. As of June 30, 2025 and 2024, the University had no plans or intentions to sell investments at amounts different from NAV.

The University's investments are summarized in the following table by strategy and, as applicable, their fair value hierarchy classification as of June 30:

	2025					
	Measured	Measured in fair value hierarchy				2024
	at NAV	Level 1	Level 2	Level 3	Total	Total
Long-term investment strategies:						
Cash	$ —	3,555	—	—	3,555	4,262
Fixed income securities	—	18,544	2,236	—	20,780	2,183
Equities:						
Domestic	59,891	16,173	—	—	76,064	104,273
Global	125,964	2,607	—	—	128,571	104,166
U.S. real estate equity	—	96	—	—	96	44
Hedged equity funds of funds	69,575	—	—	—	69,575	57,904
Private equity and venture capital funds	95,893	—	—	—	95,893	89,978
Commodities	—	5	—	—	5	4,108
Life insurance	—	—	—	7,464	7,464	7,214
Total investments	$ 351,323	40,980	2,236	7,464	402,003	374,132

Private equity and venture capital investments are generally made through limited partnerships. Under the terms of these agreements, the University is obligated to remit additional funding periodically as capital is called by the manager. These partnerships have a limited term and, under such agreements, may provide for annual extensions for the purpose of disposing portfolio positions and returning capital to investors. However, depending on market conditions, the inability to execute the fund's strategy, and other factors, a manager may extend the terms of a fund beyond its originally anticipated existence or may wind the fund down prematurely. The University cannot anticipate such changes because they are based on unforeseen events, but should they occur, they might result in less liquidity or return from the investment than originally anticipated. As a result, the timing and amount of future capital calls in any particular future year are uncertain. The University had unfunded future commitments to invest in hedged equity, private equity and venture capital funds at June 30, 2025 of $42,151.

(Dollars in thousands)

The following table presents liquidity information for investments at June 30, 2025:

		Daily	Monthly	Quarterly	Annual	Rolling lock-ups	Illiquid	Total
Cash	$	3,555	—	—	—	—	—	3,555
Fixed income securities		20,780	—	—	—	—	—	20,780
Equities:								
Domestic		16,173	—	55,071	—	4,820	—	76,064
Global		2,607	102,653	—	23,311	—	—	128,571
U.S. real estate equities		96	—	—	—	—	—	96
Hedged equity funds of funds		—	—	35,184	18,013	16,170	208	69,575
Private equity and venture capital funds		—	—	—	—	—	95,893	95,893
Commodities		5	—	—	—	—	—	5
Life insurance		—	—	—	—	—	7,464	7,464
Total investments	$	43,216	102,653	90,255	41,324	20,990	103,565	402,003

Included in the hedged equity funds of funds is $16,170 subject to a lockup period that expires on the earlier of six months after all capital commitments have been called or July 1, 2026. Also included in US equities is $4,820 subject to a hard lockup that expires December 1, 2025 and then an ongoing lockup period that expires every 3 years on December 31st. Private equity and venture capital and illiquid hedge funds are expected to liquidate within 5 to 10 years. For redemption purposes, the equity funds require 1-60 days' notice, hedged equity funds of funds require 90– 100 days' notice, and all other liquid investments require a one-day notice.

(Dollars in thousands)

(5) Property, Plant, and Equipment

Property, plant, and equipment as of June 30 are as follows:

		2025	2024
Land	$	36,191	31,871
Buildings and building improvements		538,031	518,350
Equipment and furnishings		47,850	51,832
Construction in progress		9,141	9,374
		631,213	611,427
Less accumulated depreciation		(324,871)	(317,020)
Property, plant and equipment, net	$	306,342	294,407

(6) Bonds and Notes Payable

The principal amounts of outstanding bonds and notes payable as of June 30 are as follows:

		2025	2024
MDFA: Series 2016 Revenue Bonds, 3.125% to 5.00%, due serially commencing July 1, 2034 through July 1, 2040	$	36,225	36,225
MDFA: Series 2017 Revenue Bonds, 3.5% to 5.00%, due serially commencing July 1, 2021 through July 1, 2028		11,000	13,455
MDFA: Series 2021A Revenue Bonds, 4.00 to 5.00%, due serially commencing July 1, 2028 through July 1, 2040		72,175	72,175
MDFA: Series 2021B Revenue Bonds (taxable), 0.574% to 1.82%, due serially commencing July 1, 2022 through July 1, 2028		11,550	14,805
MDFA: Series 2025 Revenue Bonds, 5%, due due serially commencing July 1, 2037 through July 1, 2055		72,145	—
Total bonds and notes payable		203,095	136,660
Premium and debt issuance costs, net		16,312	18,456
Bonds payable, net	$	219,407	155,116

(Continued)

(Dollars in thousands)

As of June 30, 2025, the aggregate maturities for all bonds payable for the years ending June 30 were as follows:

		Amount due
Fiscal year:		
2026	$	5,870
2027		6,045
2028		6,235
2029		6,475
2030		6,780
Thereafter		171,690
	$	203,095

In April 2025, the University issued Massachusetts Development Finance Agency Series 2025 tax exempt fixed rate bonds in the amount of $72,145. The 2025 bonds were issued at a premium, generating total proceeds of $72,719. Proceeds from these bonds are being utilized for the renovation and addition to an academic building, as well as other various campus renovations. The University incurred $615 in costs associated with this issue that will be amortized over the life of the bonds.

As of June 30, 2025, approximately $70,134 of the proceeds from the issuance of the 2025 Bonds remained unspent. Of this amount, $34,157 is invested in money market funds and $35,977 is held in U.S. Treasury bills and notes. These funds are presented as Unspent Bond Proceeds in the statement of financial position and are categorized within Level 1 of the fair value hierarchy.

The University has a committed line of credit with a bank for a maximum amount of $25,000. There were no draws or outstanding loans under the line of credit as of and for the year ended June 30, 2025. The current expiration date on the line of credit is August 2026.

(7) Endowment and Other Net Assets

The University's endowment consists of approximately 400 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments.

(a) Relevant Law

The University is subject to the Commonwealth of Massachusetts enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). This law provides standards to invest in a prudent manner by establishing a duty to minimize cost, diversify the investments, investigate facts relevant to the investment of the fund, consider tax consequences of investment decisions, and ensure investment decisions are made in light of the fund's entire portfolio as a part of an investment strategy having risk and return objectives reasonably suited to the fund and to the University. UPMIFA also permits the University to appropriate for expenditure or accumulate so much of an endowment fund as the University determines to be prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, thereby allowing a fund to be spent below its historical dollar value. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditure. Seven criteria are to be used to guide the University in its yearly expenditure decisions: 1) duration and preservation of the endowment fund; 2) the purposes of the University and the endowment fund; 3) general economic conditions; 4) effect of inflation or deflation; 5) the expected total return from income and the appreciation of investments; 6) other resources of the University; and 7) the investment policy of the University.

(b) Return Objectives and Risk Parameters

The University has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the University must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the performance of a mix of several traditional benchmarks reflecting the University's asset allocation while assuming an acceptable level of risk. These benchmarks include the S&P 500 index, Russell 2000, EAFE Index and Barclays Capital Aggregate Bond Index, among others.

(c) Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets a diversified asset allocation that places emphasis on investments in equities, including marketable and nonmarketable equities, fixed income and cash, and real assets to achieve its long-term return objectives within acceptable risk constraints.

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

The University appropriates for distribution up to 5% of the 12-quarter moving average of the market value as of the preceding December 31. The University expects the total return to exceed the current spending policy over time, thereby maintaining the endowment purchasing power. Additional real growth is expected to be provided through new gifts and transfers from operations.

(Continued)

(Dollars in thousands)

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor -imposed restrictions and consisted of the following as of June 30, 2025 and 2024:

	2025					
	Without donor restrictions	With donor restrictions: Original gift	Accumulated gains (losses)	Total	Total 2025	Total 2024
Quasi	$ 227,684	—	—	—	227,684	211,277
Donor-restricted:						
Underwater	—	—	—	—	—	1,983
All other funds	—	69,829	92,876	162,705	162,705	149,384
Total endowed net assets at June 30	$ 227,684	69,829	92,876	162,705	390,389	362,644

Changes in endowment activities for the year ended June 30, 2025 and summary comparative information for the year ended June 30, 2024 are as follows:

	2025			
	Without donor restrictions	With donor restrictions	Total	2024
Endowment activities for the year ended June 30:				
Beginning fair value	$ 211,277	151,367	362,644	333,900
Investment return	24,818	16,696	41,514	38,748
Contributions	—	1,609	1,609	4,425
Endowment return utilized	(8,861)	(6,517)	(15,378)	(14,429)
Transfer in (out)	450	(450)	—	—
Total endowment at June 30	$ 227,684	162,705	390,389	362,644

Endowed net assets at June 30, 2025 (with 2024 comparative totals) were comprised as follows:

	2025			
	Without donor restrictions	With donor restrictions	Total	2024
Instruction	$ —	44,749	44,749	40,965
Scholarship	—	102,942	102,942	95,387
General support	227,684	15,014	242,698	226,292
Total endowed net assets at June 30	$ 227,684	162,705	390,389	362,644

(Continued)

(Dollars in thousands)

(8) Net Assets

Net assets at June 30, 2025 (with 2024 comparative totals) are as follows:

		2025			
		Without donor restrictions	**With donor restrictions**	**Total**	**2024**
Endowment	$	227,684	162,705	390,389	362,644
Net investment in plant		157,069	—	157,069	139,291
Other		83,046	11,523	94,569	97,241
Total net assets at June 30	$	467,799	174,228	642,027	599,176

(9) Functional Classification of Expenses

The University reports expenses by their natural classification in the statement of activities.

Operating expenses presented by functional and natural classification for the year ended June 30, 2025 consist of the following:

		Instruction	Academic support	Student services	Institutional support	Auxiliary enterprises	Total
Salaries and wages	$	56,993	12,753	24,013	26,441	10,443	130,643
Employee benefits		15,835	3,544	6,672	7,347	2,902	36,300
Supplies and services		11,173	7,548	16,377	15,327	18,303	68,728
Utilities		1,173	462	925	535	3,526	6,621
Depreciation		3,704	1,032	2,907	1,154	11,087	19,884
Interest		791	220	621	246	2,368	4,246
Total	$	89,669	25,559	51,515	51,050	48,629	266,422
Total for year ended June 30, 2024	$	84,533	23,170	46,529	45,860	43,992	244,084

Indirect costs such as depreciation, interest, and operations and maintenance expenses, including utilities, have been allocated to functional classifications based on square footage of building space used for that function.

Total fund-raising costs, which are included in institutional support expense, were $5,955 and $5,899 for the years ended June 30, 2025 and 2024, respectively.

(10) Contingencies

The University is engaged in legal cases that have arisen in the normal course of its operations. The University believes that the outcome of these cases will not have a material adverse effect on the financial position of the University.

(11) Subsequent Events

Management has evaluated events subsequent to June 30, 2025 and through October 24, 2025, the date on which the financial statements were issued.