



OFFICE OF THE PRESIDENT
BROWN UNIVERSITY

BROWN UNIVERSITY
ANNUAL FINANCIAL REPORT
Fiscal Year 2022

Brown University Summary

Fiscal years ended June 30

FINANCIAL (dollars in millions)	Fiscal Year 2022	Fiscal Year 2021
Principal Revenue Sources		
Tuition and fees (net)	\$413	\$331
Grants and contracts	\$263	\$236
Endowment return appropriated	\$195	\$182
Contributions	\$344	\$309
Total investment return	(\$354)	\$2,377
Principal Purpose of Expenditures		
Instruction and departmental research	\$381	\$334
Academic and student support	\$307	\$294
Financial Balance Sheet		
Total assets	\$9,266	\$9,793
Total liabilities	\$1,734	\$1,979
Net assets	\$7,532	\$7,814
Fundraising		
New gifts and pledges	\$476	\$431
Cash	\$312	\$302
STUDENTS		
Enrollment		
Undergraduate students	7,349	6,792
Graduate students	2,736	2,561
Medical students	611	595
Degrees Conferred		
Bachelor's degrees	1,677	1,563
Master's degrees	876	752
Doctor of Philosophy	289	173
Doctor of Medicine	148	120
Annual Tuition and Required Fees		
Undergraduate	\$62,304	\$60,584
Graduate	\$62,755	\$59,673
Medical	\$67,354	\$66,088
EMPLOYEES		
Campus-based faculty (all ranks)*	819	791
Medical school faculty	598	606
Non-faculty regular staff**	3,162	3,179

*Campus-based faculty head counts include professor, associate and assistant professor, and lecturer, senior lecturer and distinguished senior lecturer.

**Non-faculty regular staff head counts include full- and part-time staff — excluding seasonal, contract and student employees.

President's Introduction

Building on Brown's Distinction

Brown is on a positive trajectory to reach new levels of leadership and distinction in education, research and service to society. Careful stewardship of the University's resources is a cornerstone to ensuring that we continue to fulfill a vision for academic and operational excellence.

This Brown University Annual Financial Report offers an overview of financial statements, success in fundraising and investment performance covering Fiscal Year 2022. In addition to reporting on Brown's financial health, the financial report provides an opportunity to reflect on the ways in which Brown works to thoughtfully manage the University's resources to advance educational excellence, high-impact research and commitment to service, aligned with our mission.



The world faced a challenging economic landscape in Fiscal Year 2022, yet Brown finished the year with a \$49.5 million surplus. As noted in the Financial Statement Overview section of this report, the ongoing impacts of the COVID-19 pandemic; major new disruptions in financial market stability, including significant inflation; supply chain disruptions; and geo-political instability all combined to have a deep impact on the global economy. The University was in a state of transition from many of the most constraining and costly aspects of the COVID-19 pandemic. Students returned to pre-pandemic shared living arrangements, and dining halls reopened. The University continued to support flexible work arrangements for eligible staff, and employees began to return to travel in support of education and research. At the same time, the University continued to provide rapid COVID-19 testing, eventually shifting to self-administered tests. Uncertainty around federal reimbursements and the implications of new pandemic surges complicated budgeting.

The endowment and other managed assets generated a return of -4.6%, with the total market value dropping to \$6.5 billion from an all-time high of \$6.9 billion in FY21. The Endowment Report explains that this decrease was driven by significant market volatility, primarily due to inflation. Despite this decrease in value, Brown outperformed broad market indices like the S&P 500 and surpassed the return of Cambridge Associates' preliminary mean and median returns for colleges and universities. Brown's net assets decreased to \$7.5 billion, down 4% from FY21. Total debt stood at \$1.27 billion, down from \$1.45 billion in FY21.

Brown closed the year in a strong financial position due to thoughtful investment management, vigilant financial planning, strategic interventions and the generosity of the Brown community. In another record year of fundraising, more than 33,250 donors came together to give \$476.1 million as part of the *BrownTogether*

fundraising campaign. This marks the highest total ever for new gifts and pledges and an increase of \$45.6 million over the previous record set in FY21. Another record was set with \$50.1 million raised for the Brown Annual Fund, which supports immediate-use needs.

Members of the Brown community came together in support of priorities that will advance academic excellence, increase access to a Brown education, and fund research expansion and campus growth. Nearly \$87 million was raised for undergraduate financial aid, including almost \$62 million in endowed funding for international financial aid and \$8.2 million for the Brown Promise endowment, which ensures that no student has loans packaged in their University financial aid awards. The University also neared its goal of establishing 123 endowed professorships that allow Brown to recruit and retain top faculty, reaching 119.

You may read more about this tremendous success in fundraising in the Report on Fundraising section of this report. I am grateful to the remarkable Brown alumni, parents and friends whose philanthropy ensures that the University continues to advance ambitious plans for academic and operational excellence.

While this document cannot do justice to the expansive contributions to teaching, learning and service to society that our community engaged in throughout FY22, I want to share some highlights. Brown's financial reports in previous years have shared progress in one key thematic area of the University's strategic plan, *Building on Distinction*, but with ongoing significant progress spanning all of the strategic plan's priorities since its launch in 2014, the introduction of this year's financial report, and future financial reports, will offer an overview of the University's key accomplishments in the areas of academics and innovation, campus and community, and operational excellence.

With responsible stewardship, strong planning and targeted investments, we continue to build on Brown's strength as an academic powerhouse in multiple areas while also advancing operational excellence. The University continues to pursue ambitious aspirations to elevate academics by investing in people and programs; developing the physical campus to support world-class education, research and community; and increasing support for the students, faculty and staff who are at the core of what we do every day.

ACADEMICS AND INNOVATION



Over the course of the past fiscal year, Brown's faculty, staff and students have worked collaboratively to foster innovative education and outstanding research and scholarship across all fields of study. Brown continues to be a top producer of Fulbright scholars among all universities nationally, with students and recent graduates teaching and conducting research in countries all over the world. In accordance with our goals of expanding innovative and rigorous online and hybrid education, in Spring 2022 Brown began accepting applications for a newly created online-only master's degree in public health to expand the ranks of public health leaders and serve global participants with diverse perspectives and experiences. And we reported news about exciting entrepreneurship that was nurtured at Brown, including four undergraduates who went on to develop a company that uses data to improve healthcare for the elderly.

Through federal grant funding and philanthropic support, Brown continues to see growth in high-impact research across the sciences and humanities. As you'll read in the Excellence in Funded Research section of this report, Brown continues to experience exciting growth in research funding, fueling groundbreaking work and important partnerships. A \$19.9 million grant from the National Institute of General Medical Sciences supported the expansion of the Advance Clinical and Translational Research program into a second five-year phase. The program supports a partnership of biomedical and public health scholars who are turning scientific discoveries into solutions that improve the lives of patients. A separate \$10.8 million grant from the National Institutes of Health enabled Brown researchers and students to conduct more high-impact, data-informed research at the Center for Computational Biology of Human Disease to unlock insights that will ultimately benefit patients.

Meanwhile, with a grant from the National Endowment for the Humanities, the Brown University Library created a training institute on digital publishing, which broadens the range of digital academic publications and diversifies the audience for digital humanities scholarship. In addition, prominent grants from federal agencies and other funders supported research in areas ranging from machine learning to improve the outcomes of people living with HIV, to a partnership between Brown's library and the HBCU Library Alliance and its member institutions to create a leadership development program for emerging librarians, and research to illuminate brain activity to better understand brain function.

Generous support received for the renamed Legorreta Cancer Center will advance plans to conduct innovative cancer research, recruit world-class physician-scientists, and build an infrastructure to bring discoveries to patients facing cancer diagnoses. This critical support also positions the University to work toward National Cancer Institute designation, which recognizes centers that meet rigorous standards for advanced research focusing on preventing, diagnosing and treating cancer.

Likewise, generous philanthropic support for the newly renamed Saxena Center for Contemporary South Asia will elevate and expand the global reach of teaching and research on key issues of India and the surrounding region, in part by increasing the number of students sent to India and South Asia for research and internships. And Brown Biomedical Innovations to Impact, an accelerator fund that supports academic biomedical technologies, issued awards supporting four teams of Brown researchers working to translate scientific discoveries into commercial products that will benefit patients facing urgent medical challenges, including rare childhood genetic diseases and cancer.

CAMPUS AND COMMUNITY

We continued to make Brown even more accessible to the most talented students regardless of socioeconomic background by expanding financial aid. Brown significantly increased scholarships for low- and moderate-income students, as well as veterans.

In Fall 2021, the University announced plans to build on these commitments by increasing scholarships for middle-income students and covering full tuition for families earning \$125,000 or less a year with typical assets. We also announced that Brown would move to need-blind admissions for international students for the graduating Class of 2029.

Substantial progress has been made toward this goal, due in large part to a generous \$25 million gift, the largest individual donation for international financial aid in Brown's history. I encourage you to review the fundraising section of this report to learn more about how the generosity of donors is helping to advance Brown's priorities.



Planning also began in FY22 for an intensive college-preparation program to prepare talented students from Providence public schools for college. The initiative aligns with other community programs that recognize early interventions prior to high school as essential for creating a successful college pipeline.

For Brown students, we continue to invest in the infrastructure and co-curricular programs to cultivate a cohesive, engaged community on campus. In Fall 2021, Brown fully opened the Sternlicht Commons and Brown University Health and Wellness Center, an innovative facility that embeds health and wellness services within a residence hall. The building was developed with the understanding that students thrive when they're supported and connected to the communities in which they

live. Construction continued on the new Brook Street residence halls, extending a commitment to move more students on campus and out of neighboring communities, and the University purchased River House, a residential building in the Jewelry District, which will provide quality housing for the growing graduate and medical student population. Meanwhile, a new Kessler Scholars Program, made possible by a grant from Bloomberg Philanthropies and the Judy and Fred Wilpon Family Foundation, increased support for first-generation, low-income students.

Brown also successfully returned to a fully in-person Commencement and Reunion Weekend in May 2022 and hosted a dual Commencement for the Class of 2020 and the Class of 2022. Thousands of students, families, alumni and guests gathered on campus to take part in these events, which were supported by dedicated faculty and staff with extraordinary care and commitment to Brown.

OPERATIONAL EXCELLENCE

The pandemic has fundamentally changed many aspects of how we structure work and support campus operations. In Fall 2021, we announced a new Program on Innovation and Financial Sustainability to promote educational innovation and ensure Brown's financial sustainability. Several working groups were charged with implementing recommendations in the areas of information technology, strategic sourcing, travel management, and online programs, among others.

The University also recognizes the importance of flexible work arrangements and the role that such flexibility plays in positioning Brown as an employer of choice. At the same time, we know it is imperative that work responsibilities are executed at the highest levels, regardless of whether work is being performed in person, in hybrid form or fully remotely. Efforts are underway to develop the framework, tools, training programs and policies to support the future of work at Brown. The University also is reviewing its compensation-setting philosophy to ensure alignment with best practices.



Looking ahead, I am inspired by the opportunities and the trajectory we have mapped for Fiscal Year 2023. We will continue to grow as a leading research university that produces meaningful and high-impact scholarship. Extensive planning through Spring 2022 led to the development of Brown's new *Operational Plan for Investing in Research*, which will serve as a roadmap for propelling Brown's research and scholarship across all disciplines to a new level of excellence for years to come. Planning also has begun for an integrated life sciences building in the Jewelry District that will provide new research space. And we are developing plans to increase global experiential learning.

The Lindemann Performing Arts Center will be completed next year and, together with the Perry and Marty Granoff Center for the Creative Arts and other arts facilities, will position Brown as a leading center for arts education and innovation. As noted in the fundraising section of this report, Brown reached the \$3 billion mark in the *BrownTogether* campaign in September 2021, a year ahead of schedule, and extended the campaign with a goal of \$4 billion by Dec. 31, 2024. As we head into the final years of the campaign, we will focus on high-impact areas including financial aid, establishing best-in-class career programming and strengthening athletics and recreation.

The energy on campus continues to be palpable as the excitement of being together again infuses the Brown community with lively and meaningful interactions in classrooms, libraries, labs, seminar rooms, athletic fields, recreational facilities, administrative offices and everywhere that our community of scholars and educators work, study and live. With focused investments in the people, programs and physical spaces that support excellence, we continue to build on Brown's distinction.



A handwritten signature in black ink, appearing to read 'C. H. Paxson'.

Christina H. Paxson
President

Excellence in Funded Research

Brown continues to experience outstanding growth in research expenditures, with researchers and scholars receiving 64 grants of \$1 million or more in Fiscal Year 2022.

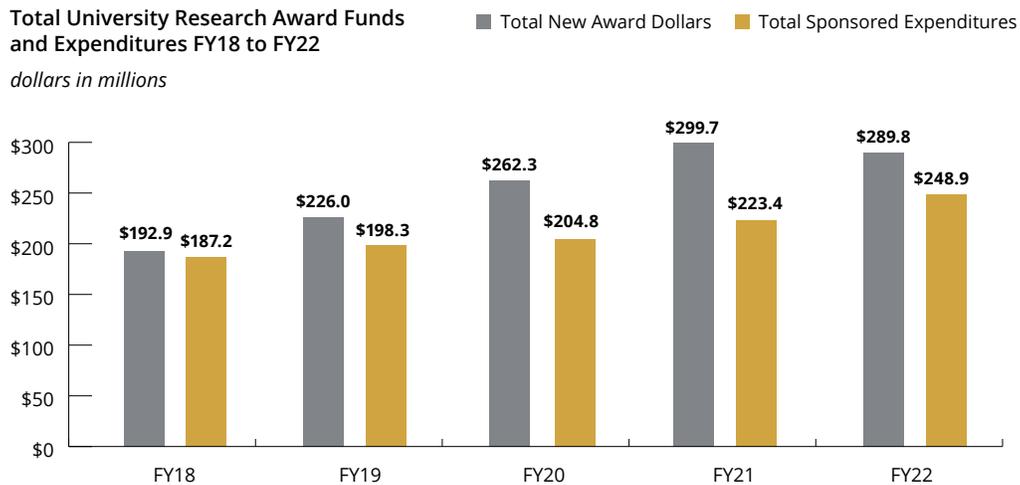
The list below represents the 20 largest grants — ranging from \$3 million to \$22 million — received by researchers across Brown in the life sciences and physical sciences, as well as a sampling of the many significant research grants received in the arts, humanities and social sciences.

- \$22M (total of two grants) to Advance Clinical and Translational Research from the National Institute of General Medical Sciences for five years of renewed funding to expand the hub for translational science and biomedical research in Rhode Island
- \$16M to Molecular Biology, Cell Biology, and Biochemistry from the National Institute on Aging for research into the mechanisms of aging, specifically how retrotransposons contribute to neurodegeneration and Alzheimer's disease
- \$12M to Ecology, Evolution, and Organismal Biology from the National Institute of General Medical Sciences for a five-year renewal of the Centers of Biomedical Research Excellence (COBRE) Center for Computational Biology of Human Disease Phase 2
- \$6M to the Center for Long-Term Care Quality and Innovation from the Centers for Disease Control and Prevention for characterizing the duration of vaccine-induced immunity in nursing home residents
- \$4.6M to Pathology and Laboratory Medicine from the Warren Alpert Foundation for studying mRNA vaccines for falciparum malaria
- \$4M to the Center for Gerontology and Healthcare Research from the Patient-Centered Outcomes Research Institute for evaluating the effects of the mode of meal delivery on the ability of homebound older adults to remain in the community
- \$3.9M to the Center on the Biology of Aging from the National Institute on Aging to study salivary extracellular vesicles as biomarkers for Alzheimer's disease and related disorders
- \$3.7M to the Center for Health Promotion and Health Equity from the National Institute of Mental Health for studying the efficacy of a pre-exposure prophylaxis (PrEP) uptake and adherence intervention to reduce HIV among male sex workers using a two-stage randomization design
- \$3.6M to Cognitive, Linguistic and Psychological Sciences from the National Institute of Mental Health for studying the organization of neural representations for flexible behavior in the human brain
- \$3.4M to the Center for Alcohol and Addiction Studies from the National Institute on Drug Abuse for improving outcomes of adolescents in residential substance use treatment via a technology-assisted parenting intervention
- \$3.4M to the Center for Statistical Sciences from the National Institute of Allergy and Infectious Diseases to study data science for decision support in the HIV Care Cascade

- \$3.3M to the Center for Evidence Synthesis in Health from the National Cancer Institute for studying population modeling of bladder cancer detection and control
- \$3.3M to Computer Science from the Office of Naval Research to establish a unifying artificial intelligence model for generally-capable robots
- \$3.3M to the Population Studies and Training Center from the National Institute of Child Health and Human Development to conduct a Puerto Rico panel study of income dynamics
- \$3.3M to Pathology and Laboratory Medicine from the National Cancer Institute for defining the role of cytomegalovirus in glioblastoma therapies
- \$3.3M to the Center for Health Promotion and Health Equity from the National Cancer Institute for empirical testing of a widely available insurance-based monetary incentive program for exercise
- \$3.3M to the Center for Alcohol and Addiction Studies from the National Institute on Alcohol Abuse and Alcoholism for study of cannabis' impact on alcohol consumption
- \$3.1M to the Mindfulness Research Center from the National Center for Complementary and Integrative Health for study of mindfulness-based stress reduction
- \$3.1M to the Center for Health Promotion and Health Equity from the National Institute on Minority Health and Disparities for studying green space, mental health and sleep
- \$3M to Psychiatry and Human Behavior from the National Institute of Mental Health for study of distinct steroid mechanisms in menstrual cycle exacerbation of psychopathology
- \$2M to Physics from the Simons Foundation for astrophysical investigations of dynamical Chern-Simons gravity
- \$1.9M to Engineering from the Office of Naval Research for studying undersea vehicle science and technologies, including multifunctional structural batteries, materials for extreme environments, and multi-metal additive manufacturing
- \$1.8M (total of two grants) to the Annenberg Institute from the Walton Family Foundation to support the Research Partnership for Professional Learning (RPPL) Phase II

Total University Research Award Funds and Expenditures FY18 to FY22

dollars in millions

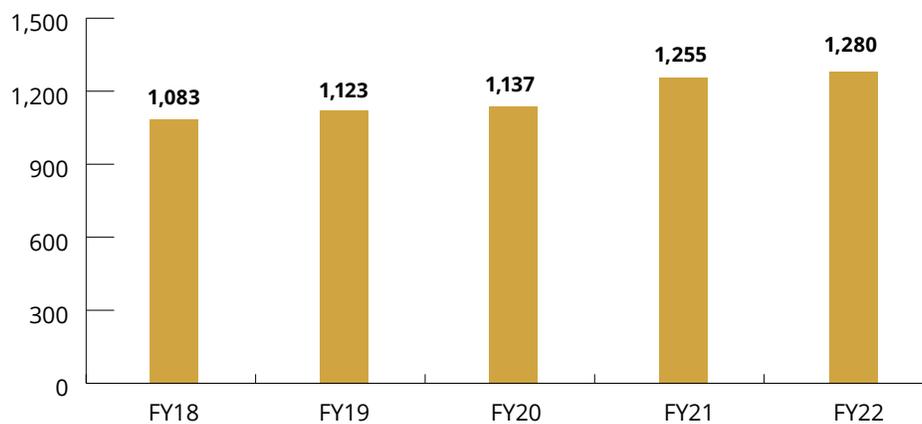


Total Research Expenditures represents actual direct and indirect expenses incurred on Grants and Contracts. It excludes certain federal resources, including Higher Education Emergency Relief Fund reimbursement and the Federal Work Study program.

*Funding levels reflect total dollars over the funded period, in some cases for multiyear awards.

- \$1.5M to the Population Studies and Training Center from the JPB Foundation for the American Opportunity Study, which uses the U.S. Census Bureau's linked data infrastructure to enable new research on social and economic mobility
- \$1M to the Institute at Brown for Environment and Society from the Clean Air Fund to support the Breathe Providence air quality testing project throughout the City of Providence
- \$1M to the Vice President for Research from the Peter G. Peterson Foundation to establish the Pandemic Response Policy Research Fund
- \$795K to the Center for the Study of Race and Ethnicity in America from the Robert Wood Johnson Foundation to study how systemic racism works
- \$661K to the Population Studies and Training Center from the National Science Foundation to analyze the impacts of environmental and natural hazards on human migration

Total Research Awards FY18 to FY22



FACULTY DISTINCTIONS

Brown faculty are recognized for outstanding contributions to their fields with highly selective, prestigious national awards. Listed here are some of the prominent faculty distinctions in FY22.

American Association for the Advancement of Science, *elected members*

Dan Abramovich, L. Herbert Ballou University Professor of Mathematics

Walter Atwood, Professor of Medical Science, Professor of Neurology, Vice Chair of Molecular Biology, Cell Biology and Biochemistry

Anne Hart, Professor of Neuroscience, Chair of Neuroscience

Jill Pipher, Elisha Benjamin Andrews Professor of Mathematics, Vice President for Research

Ming Xian, Jesse Houghton Metcalf Professor of Chemistry

Goddard Lieberson Fellowship, American Academy of Arts and Letters

Eric Nathan, Associate Professor of Music

Mellon Emerging Leaders Award

Elena Shih, Manning Assistant Professor of American Studies

National Academy of Public Administration Fellowship

Kenneth Wong, Walter and Lenore Annenberg Professor of Education Policy, Professor of International and Public Affairs, Professor of Political Science

Financial Statement Overview

Chief Financial Officer's Report

Brown University closed Fiscal Year 2022 in continued strong financial health. This is despite the many continuing challenges presented by the COVID-19 pandemic, along with new ones such as significantly increased inflation, major financial market fluctuations, supply chain disruptions and geo-political instability. As a result of careful planning and a range of operational interventions that are outlined in this letter, Brown finished FY22 with a \$49.5 million surplus, as calculated on a GAAP basis.¹ This is significant in light of the University's FY21 deficit of \$93.4 million. The vigilance of our community of students, faculty and staff and the generosity of our alumni, parents and friends over the past two years has allowed Brown to continue to advance its mission of education, research and service while maintaining the University's financial resilience.

Brown's FY22 surplus reflects a number of factors, many of which are associated with a reduction in significant costs associated with the pandemic. For example, Brown returned to pre-pandemic density in the residence halls, rather than having single-occupancy rooms for students in residence halls and hotels as was the case the previous year. Dining halls also reopened, which eliminated the need to produce individually-packaged meals for students. While some adverse financial impacts from the pandemic remained, the University was also able to introduce new, innovative ways of operating. For example, COVID-19 disrupted in-person pre-college programs for Summer 2021; however, the impact of this disruption was moderated by the expansion of online summer course delivery, which will continue and allow Brown to broaden the reach of its summer programs. With an eye toward safety, Brown continued to provide rapid COVID-19 testing, eventually shifting to self-administered tests provided to the community by the University at a cost of more than \$30 million.

While close-to-normal operations resumed, significant pressures on the University budget for FY22 persisted. Uncertainty regarding reimbursements from the Federal Emergency Management Agency (FEMA) for testing and personal protective equipment, and questions around whether Brown would be able to remain open and operational through the Omicron surge further complicated budgeting. As a result, Brown began the fiscal year projecting a significant deficit while assessing the various negative scenarios that might develop over the course of the year. Fortunately, the worst-case scenarios were not realized. In addition, the University ultimately received \$30 million in FEMA funding to reimburse pandemic-related expenses incurred in the prior fiscal year.

The community's efforts to maintain fiscal discipline, combined with the federal support Brown received in FY22, impacted the budget very favorably. Throughout the course of the year, even as some restrictions on hiring were lifted, the University continued to closely monitor expenditures and maintained reduced spending limits that had previously been established, so as not to "rebound" to pre-pandemic spending. The University also placed a significant focus on gift- and endowment-restricted fund spending in order to utilize these funds first to relieve dependence on the unrestricted budget.

¹ The GAAP (generally accepted accounting principles) surplus of \$49.5 million includes non-cash items, such as depreciation, etc. It also includes the operating budget surplus of \$16.8 million.

The endowment continues to play a vital role in supporting the University and fared well this year despite challenging financial markets. The University's endowment and other managed assets generated a return of -4.6% for FY22, with the total market value — after outflows from the contributions to the University budget — dropping to \$6.5 billion from its all-time high of \$6.9 billion in FY21. This decrease was driven by significant market volatility, primarily a function of the increase in inflation, which was the highest seen in the past 40 years. Brown's net assets declined modestly to \$7.5 billion, a decrease of \$282 million from the prior year, and down 4% from the FY21 result.

Spending totaled 4.8% of the endowment's 12-quarter average value. While the University temporarily increased the budget appropriation from the endowment in FY21 by 0.20% to mitigate impacts of the pandemic, it was important to return to a lower payout rate to protect the long-term value and purchasing power of the endowment. Fundraising is always critically important to supporting the University's financial health, and in FY22 Brown experienced another record year for contributions from its generous donors and alumni, with \$476.1 million in new gifts and pledges.

Brown's total debt at the end of FY22 stood at \$1.27 billion, down from \$1.45 billion in FY21. The current portfolio of debt has an average maturity of 21.8 years and carries a 2.67% blended cost of capital, one of the lowest in the higher education sector. Brown's credit rating remains at AA+/Aa1 with S&P and Moody's respectively, which is a testament to the ever-strengthening financial health of the University.

As Brown emerges from the first few years of the pandemic, the effects of inflation and the possibility of a recession continue to be a concern. Preserving the significant financial growth that has taken place over the last several years at Brown will be key to the University's long-term financial strategy.

Fortunately, Brown is well positioned to manage through this turbulent period. The number and quality of Brown's applicants is at an all-time high; Brown's pre-college programs have developed significant new online offerings; professional and graduate programs are growing rapidly; Brown's cost of capital is one of the lowest in higher education; and the University's investment and fundraising operations continue to out-perform many peers. All of this has allowed Brown to make important investments in its academic and research mission. The University's strength comes from the collective contributions and efforts of all of our remarkable faculty, staff and students, and I look forward to continuing the important work ahead.

I invite you to explore the FY22 results that follow regarding the overall financial health of the University.



Michael White
Chief Financial Officer

REVIEW OF THE 2022 FINANCIAL STATEMENTS

The following materials outline the Fiscal Year 2022 financial performance of Brown University. The University's financial statements were prepared in accordance with U.S generally accepted accounting principles (GAAP) and audited by Brown's independent outside auditors from the firm KPMG LLP. The GAAP financials have been summarized for presentation purposes in the charts and tables presented below.

Summary of GAAP Financial Statements

dollars in thousands

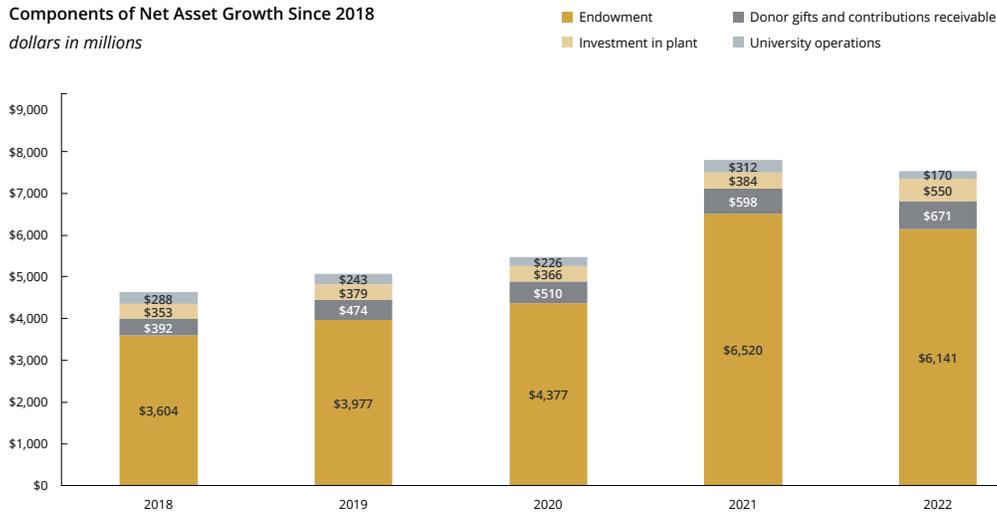
Balance Sheet	2022	2021	% Change
Assets	\$9,266,395	\$9,793,108	-5%
Liabilities	\$1,734,429	\$1,978,977	-12%
Net assets	\$7,531,966	\$7,814,131	-4%
Total liabilities and net assets	\$9,266,395	\$9,793,108	-5%
Statement of Activities	2022	2021	% Change
Operating revenues	\$1,231,020	\$965,599	27%
Operating expenses	\$1,181,472	\$1,058,957	12%
Net operating activities	\$49,548	-\$93,358	-153%
Nonoperating activities	-\$331,713	\$2,428,658	-114%
Change in net assets	-\$282,165	\$2,335,300	-112%
Net assets, beginning of year	\$7,814,131	\$5,478,831	43%
Net assets, end of year	\$7,531,966	\$7,814,131	-4%
Cash Flow	2022	2021	% Change
Change in net assets	-\$282,165	\$2,335,300	-112%
Adjustments	\$151,885	-\$2,475,581	-106%
Net cash used in operating activities	-\$130,280	-\$140,281	-7%
Cash flows from investing activities			
Additions to land, buildings and equipment	-\$249,558	-\$128,196	95%
Net investments	\$62,051	-\$58,589	-206%
Other	\$7,346	-\$3,411	-315%
Net cash used in investing activities	-\$180,161	-\$190,196	-5%
Cash flows from financing activities			
Gift-related activities	\$199,365	\$201,613	-1%
Proceeds and payments on debt instruments	-\$162,958	\$400,973	-141%
Net cash used from financing activities	\$36,407	\$602,586	-94%
Change in cash	-\$274,034	\$272,109	-201%
Beginning cash balance	\$724,876	\$452,767	60%
Ending cash balance	\$450,842	\$724,876	-38%

GAAP financials summarized for presentation purposes

NET ASSETS

The University ended FY22 with net assets of \$7.5 billion, a decrease of \$0.3 billion (-3.6%) despite recording an operating gain of \$49.5 million. The deterioration of net assets was driven by endowment performance, offset by gifts. Net investment return, after the endowment appropriation, totaled -\$549.3 million, while gifts were \$344 million. The cumulative change in net assets for the last five years totals \$2.9 billion.

Components of Net Asset Growth Since 2018
dollars in millions



GAAP financials summarized for presentation purposes

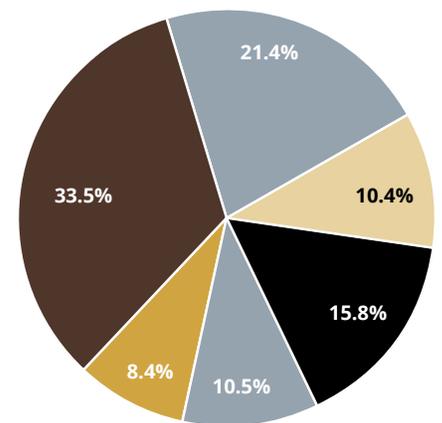
OPERATING REVENUE

The University's total operating revenues increased by \$265.4 million, or 27.5%, to \$1.2 billion in FY22 from \$965.6 million in FY21. The change in total revenue was driven by the one-time transition to three semesters for undergraduates in order to de-densify campus as a response to the COVID-19 pandemic in academic year 2020-21. The third-semester undergraduate tuition, fees and room and board revenue was recognized evenly between FY21 and FY22. As the University returned to normal operations in FY22, there was corresponding growth in net tuition and fees and auxiliary income. In addition, the University received \$30 million in FEMA funding to reimburse pandemic-related expenses incurred in the prior fiscal year.

Gross tuition increased by 20.6% (or \$113.8 million), from \$553.7 million in FY21 to \$667.5 million in FY22. The aforementioned one-time transition to three semesters as a response to the COVID-19 pandemic is a significant contributing factor to the increase of gross revenue. Scholarships grew 14.4% to \$254.9 million, reflecting the University's continued commitment to affordability for its students. In aggregate, net tuition and fees increased by 24.7% year over year to \$412.7 million.

Grants and contracts revenue from government and private sources increased by \$27 million to \$263.1 million, an 11.4% increase over FY21. Of the increase, \$18.5 million was from federally funded grants and contracts. The percentage of revenue from federal funding sources, such as the National Institutes of Health, the National Science Foundation and the Department of Defense, declined slightly to 86% in FY22 from 88% in FY21. There was also a slight decline in the University's effective indirect cost reimbursement rate from 32% in FY21 to 31% in FY22. Indirect cost reimbursement, which allows the

Components of Revenue
Total Revenue \$1,231,020
dollars in thousands



Net tuition and fees \$412,681	Grants and contracts \$263,065	Contributions \$128,151
Endowment return appropriated \$195,059	Sales and services of auxiliary \$128,819	Other income \$103,245

GAAP statements summarized for presentation purposes

University to recover certain overhead expenses related to grants, is a critical component of the operating budget as it broadly supports research at Brown. The University grew its private grant revenue, which represents 14% of the revenue in FY22 or \$8.5 million of the grant and contract revenue increase.

Operating revenue for current-use gifts increased by \$20.7 million to \$128.2 million in FY22. The strong increase in revenue is attributable to the continued generosity of donor giving, reflecting cash received and new pledges.

The Corporation approved an endowment appropriation distribution of 4.8% for Fiscal Year 2022, a decrease from the 5% approved distribution in FY21. This payout rate is applied to the average market value of the Brown endowment over the most recent three-year period. Despite a decrease in the approved endowment distribution percentage, the endowment income appropriation increased by \$13 million as a result of the investment growth in FY21. This FY22 appropriation of \$195.1 million represents approximately 15.8% of the University's operating revenue.

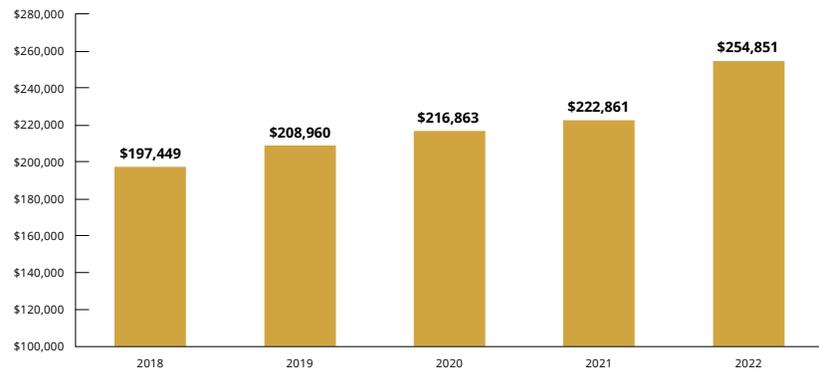
Auxiliary revenue increased significantly by \$65.9 million to \$128.8 million for FY22. Housing, dining and student health fees constitute 80% of these revenues. The pandemic negatively impacted all aspects of auxiliary revenue from housing, dining and bookstore-related revenue in FY21. The University returned to more normal operations in FY22, ultimately improving this revenue line.

OPERATING EXPENSES

Total operating expenses for the University increased by 11.6% to \$1.18 billion in Fiscal Year 2022, from \$1.06 billion in Fiscal Year 2021. Salaries, wages and benefits expenses, which represent over 50% of the operating expenses of the University, grew by 10.6% to \$604.1 million. Graduate student support, including scholarships and stipends, increased slightly by 2.4% to \$98.5 million. Non-compensation expenses increased by 14.9% to \$478.9 million as the University returned to normal operations, with increases in travel-related expenses and subcontracts for sponsored research offset by reductions in COVID-19 testing costs.

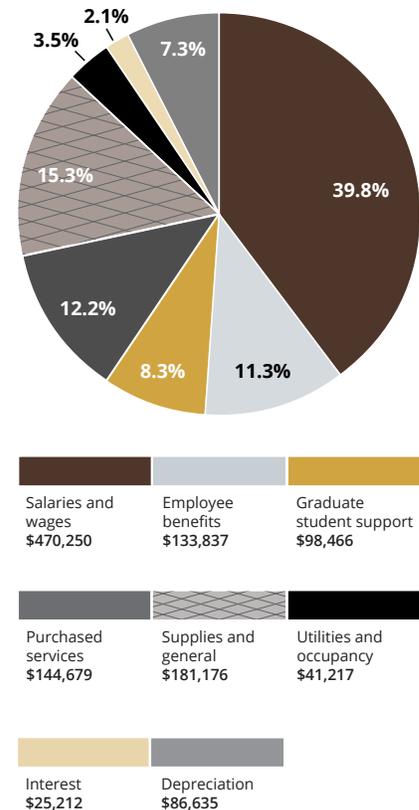
Total salaries and wages increased by 12.3% to \$470.3 million. The Corporation approved a one-time bonus payment for eligible University employees during the fiscal year in recognition of their extraordinary efforts throughout the pandemic. In addition, there was a 2.5% merit increase. Employee benefits represent approximately 11.3% of operating expenses and increased by 5.2% in FY22.

University Scholarships Paid
dollars in thousands



GAAP financials summarized for presentation purposes

Components of Expense
Total Operating Expense \$1,181,472
dollars in thousands



GAAP statements summarized for presentation purposes

BALANCE SHEET

Fiscal Year 2022 ended with decreases to both assets and net assets when compared to Fiscal Year 2021.

Balance Sheet Summary <i>dollars in thousands</i>	2022	2021	% Change
Assets			
Cash and cash equivalents	\$450,842	\$724,876	-38%
Accounts receivable and other assets	\$81,836	\$91,975	-11%
Contributions receivable, net	\$362,957	\$306,557	18%
Funds held in trust by others	\$36,219	\$50,114	-28%
Rights-of-use assets, operating	\$91,604	\$98,634	-7%
Investments	\$6,782,034	\$7,225,770	-6%
Land, buildings and equipment, net	\$1,460,903	\$1,295,182	13%
	\$9,266,395	\$9,793,108	-5%
Liabilities			
Accounts payable and accrued liabilities	\$138,909	\$124,163	12%
Liabilities associated with investments	\$3,997	\$38,313	-90%
Student deposits and grant advances	\$104,671	\$95,822	9%
Operating lease obligations	\$92,599	\$99,172	-7%
Other long-term obligations	\$61,348	\$91,768	-33%
Retirement obligations	\$57,979	\$74,938	-23%
Bonds, loans and notes payable	\$1,274,926	\$1,454,801	-12%
	\$1,734,429	\$1,978,977	-12%
Net assets			
Without donor restrictions	\$1,495,437	\$1,567,060	-5%
With donor restrictions	\$6,036,529	\$6,247,071	-3%
	\$7,531,966	\$7,814,131	-4%
Total liabilities and net assets	\$9,266,395	\$9,793,108	-5%
<i>GAAP statements summarized for presentation purposes</i>			

Cash and Cash Equivalents

Cash and cash equivalents declined by \$274 million to \$450.8 million in FY22. The University utilized \$162.4 million to pay down debt and also strategically purchased River House, a 174-unit residential building to house Brown graduate and medical students.

Investments

Brown investments declined to \$6.8 billion during the fiscal year. The endowment and other managed assets generated a -4.6% return in FY22. Additional information on the endowment can be found later in this report, in the section prepared by the Brown University Investment Office.

Debt

Total bonds, loans and notes payable decreased from \$1.5 billion in FY21 to \$1.3 billion in FY22. The \$179.9 million decrease was driven by the \$162.4 million paydown of maturing and callable debt, plus the annual debt service payments. The University did not issue any new debt in FY22.

Capital Expenditures

Brown invested \$249.6 million in capital projects, building and equipment in FY22, which is \$121.4 million more compared to the previous fiscal year's spend of \$128.2 million. The University continued to contribute to a number of significant projects including the ongoing construction efforts at the Lindemann Performing Arts Center. In addition, and as mentioned previously, the University strategically purchased River House, a 174-unit residential building to house Brown graduate and medical students.

SUMMARY

In Fiscal Year 2022, Brown University produced a 4% margin from operations, generating \$49.5 million of operating revenue, despite a decline in investments and net assets. Brown's success lies within its community, and is represented through the generosity of our donors, University leadership, faculty and staff, and within the world-class academic and research programs that bind the Brown community together. These financial statements demonstrate that the responsibility to steward this exceptional institution is not one that is taken lightly, and reflects an enduring commitment to preserve the financial health of this great institution for generations to come.

Endowment Report

Brown University Investment Office

INTRODUCTION

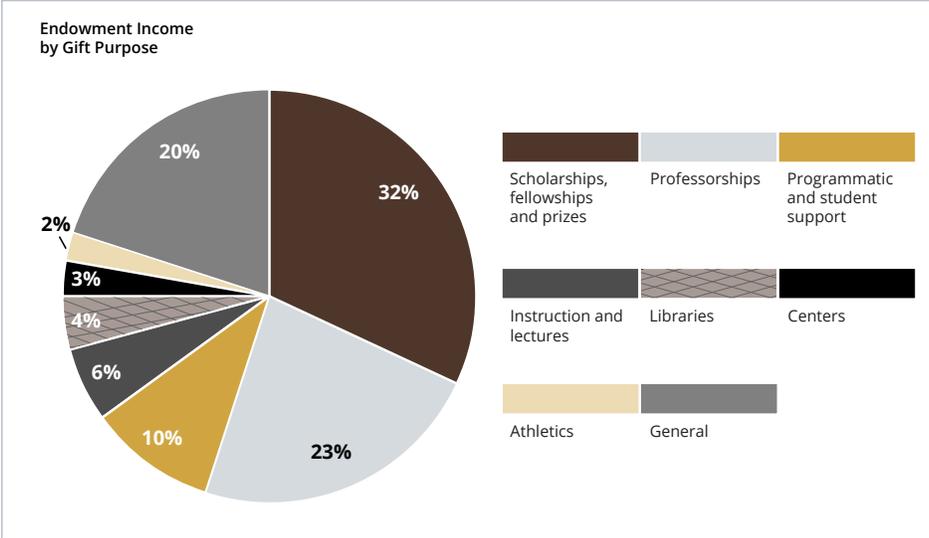
For the fiscal year ending June 30, 2022, the Brown University endowment and other managed assets declined in value by \$315 million, an investment return of -4.6%. The endowment contributed \$208 million to the University operating budget and benefited from gifts of \$133 million. As a result, at the conclusion of Fiscal Year 2022, the endowment and other managed assets totaled \$6.5 billion.

The mandate for the investment management of the endowment calls for the investment program to “protect and prudently grow” the size of the endowment. While recent years have proven rich with opportunities to grow the endowment, Fiscal Year 2022 proved to be a moment in which the protection of the endowment was the paramount goal. This report explores whether those efforts were sufficient in light of treacherous dynamics in global financial markets. As an example of those dynamics, the first half of 2022 was the worst half of a calendar year for the U.S. stock market in over half a century.

The investment program pursued by the Brown Investment Office, which benefits from guidance and oversight from the Investment Committee of the Corporation of Brown University, is designed to achieve strong, risk-adjusted returns over decades, rather than over the course of a single year. A decade ago the endowment’s value stood at \$2.6 billion, and in the ensuing years it generated \$4.8 billion in investment gains. Net of both inflows of \$900 million in gifts and outflows of \$1.8 billion in total contributions to the University, the endowment has substantially increased as a financial resource for Brown’s mission of scholarship and research over the past 10 years.

SUPPORTING THE UNIVERSITY

The endowment contributes between 4.5% and 5.5% of its value to the University each year in support of endowed professorships, libraries, lectures, centers and financial aid for students. The specific size of the contribution each year is determined by the Corporation of Brown University. In Fiscal Year 2022, the contribution of \$208 million represents 4.8% of the endowment on a trailing 12-quarter basis. Sixteen percent of the University’s annual operating budget was supplied by the endowment in FY22.



The contribution is effectively smoothed over a 12-quarter basis precisely so that in a year like this one, in which the value of the endowment's investments declined, the contribution itself does not mechanically decline alongside it. Indeed, because of the substantial growth of the endowment in the preceding years, the contribution to the University actually grew this year, both in absolute dollars and as a percentage of the University's operating budget.

PERFORMANCE

The primary driver of the prices of financial assets over the last three years has been the arrival of, and subsequent response to, the global COVID-19 pandemic. In addition to the calamity of human suffering, the pandemic's spread proved destructive for financial assets as the global economy ceased to function. The enormous fiscal response from governments across the world proved to be an effective but blunt instrument: Economies for the most part muddled through, but the availability of money combined with changes in behavior caused the value of many public and private companies to soar in value.

FY22 witnessed the receding of the worst of the pandemic. The recovery is far from complete, but during the year, students returned to classrooms, workers to factories and offices and shoppers to stores and — in general — behaviors that characterized the pre-pandemic economy returned. Economic policymakers, company managements and financial market participants turned their attention to addressing the aftermath of the pandemic and concluded that there were causes for concern.

Geopolitical instability returned with the Russian invasion of Ukraine, accompanied by disastrous consequences for the availability of food and energy for reliant nations. Central bankers set about reducing the excesses of cheap liquidity, and market participants re-assessed the rich valuations of technology businesses. Finally, the combination of low interest rates, supply chain disruptions, fiscal stimulus, war in Europe and resurgent demand from a recovering economy revealed the presence of a long-dormant economic foe: inflation.

Inflation is an imperative consideration because of the need to preserve the purchasing power of the endowment for future generations of Brown scholars. As a result, exceeding the rate of spending in real terms (net of the rate of inflation) is an important measure for evaluating the performance of the investment program. The other measures include comparisons to the performance of market benchmarks as well as the performance of peer institutions. In each case, a single year is too short a period of time to effectively evaluate outcomes; the multiyear, compounded returns are the true yardstick.

Spending

The endowment's contribution to the University's operating budget is made each year without exception, so in a year of declines for the investment portfolio, it is not possible for the endowment to keep pace with spending. The measure of inflation that is the most meaningful to Brown is the Higher Education Price Index (HEPI), which has averaged 3% over the prior 20 years. So while the FY22 single-year investment result falls short of the threshold for expanding the purchasing power of the endowment (approximately 5% payout + 3% inflation), the results exceed this hurdle in each of the three-, five-, 10- and 20-year periods. HEPI surged to 5.2% in Fiscal Year 2022, and the Investment Office is cognizant of the possibility of persistently higher inflation, and taking steps to prepare the endowment for the possibility of a higher hurdle rate in future years.

Benchmarks

Comparisons with both internally generated and market benchmarks represent another way to evaluate the endowment's performance. No single benchmark accurately captures the endowment's potential outcomes, particularly over a single year, but by examining a combination of benchmarks over a multiyear period, a fuller picture of well-founded expectations emerges.

Fiscal Year Annualized Returns

Annualized Returns as of June 30, 2022

	FY 2022	3-Year	5-Year	10-Year	20-Year
Brown Endowment	-4.6%	17.4%	15.5%	12.3%	10.0%
Aggregate Benchmark*	-2.3%	13.2%	10.9%	9.0%	7.8%
70-30 MSCI ACWI/Barclays Global Aggregate	-15.5%	3.6%	4.9%	6.3%	6.3%
70-30 S&P 500/Barclays US Aggregate	-10.3%	7.4%	8.4%	9.6%	7.7%
MSCI All-Country World (ACWI)	-15.8%	6.2%	7.0%	8.8%	7.2%
MSCI All-Country World (ACWI) ex-US	-19.4%	1.4%	2.5%	4.8%	5.8%
S&P 500 Index	-10.6%	10.6%	11.3%	13.0%	9.1%

*Note: The Fiscal Year 2022 Aggregate Benchmark is preliminary as of October 3, 2022.

The endowment outperformed all market-based benchmarks but slightly trailed the Aggregate Benchmark, which is internally maintained. The Aggregate Benchmark seeks to define a potential outcome for the endowment by combining the mix of assets owned by the endowment with returns from market indexes selected to mirror those asset exposures. In other words, the Aggregate Benchmark represents the returns from the endowment's asset allocation, but not the contributions from Brown's investment managers. Trailing the Aggregate Benchmark is quite obviously a disappointing result as it shows that Brown's external investment managers, measured as a group, actually subtracted value. Fortunately, this is an uncommon occurrence. The endowment has exceeded the Aggregate Benchmark in all other time periods, demonstrating the substantial value — net of all fees and expenses — that Brown's external managers have contributed over time.

The results of the relevant market-based benchmarks demonstrate the challenging investment environment this year. The most germane are blended benchmarks of a mix of stocks and bonds in a proportion of 70% stocks and 30% bonds. This is a simple and popular format of asset allocation because of the strong historical tendency for stocks and bonds to deliver relatively low correlation to each other, resulting in stable compounding of capital aided by the ability to re-balance from stocks into bonds and vice versa based on price fluctuations. It is a useful benchmark for the endowment because it is a measure of a reasonable expectation of what could be delivered through an entirely passive approach, with no need for a team of professional investors or active external managers.

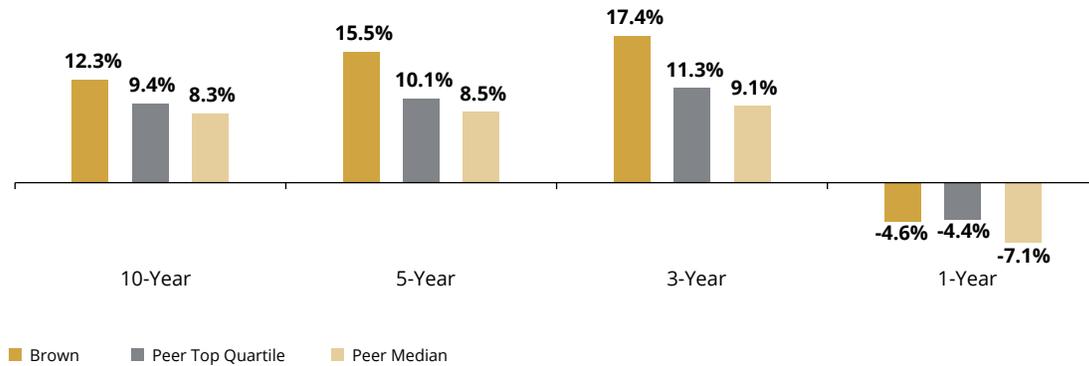
Unfortunately for the practitioners of this widely employed model, both stocks and bonds delivered substantial losses during FY22. A global 70/30 portfolio delivered losses of -15.5% while a U.S.-only 70/30 mix delivered losses of -10.3%. However, on an annualized basis, over the last five years, Brown's endowment has more than tripled the rate of return of a global 70/30 portfolio. This is a strong indication of the compounding value created by Brown's investment model of a dedicated team of professional investors working with external managers under the guidance of an engaged Investment Committee.

Peers

Brown's investment model has significant similarities but also important distinctions from peer institutions that have a common mission of scholarship and research and have both resources and spending requirements akin to Brown's. The distinctions include Brown's utilization of broad asset class ranges rather than a policy portfolio to guide asset allocation, the utilization of co-investments and direct investments, and varying appetites for position concentration and strategy specialization. As a result, a comprehensive review of the endowment's performance should also seek to measure the value creation of these choices by comparing Brown's results to those of its comparable peers.

Brown Performance vs. Peers Through FY22

annualized, as reported by Cambridge Associates (excludes peers who use lagged reporting methodology)*



*Cambridge Associates preliminary data as of October 18, 2022. All peer quartiles calculated excluding those that use lagged reporting methodology in FY22. College & University n = 153 (all) / 134 (unlagged).

Based on data collected by investment consultancy Cambridge Associates, Brown's FY22 result places it in the second quartile of college and university peers. Over longer time frames, Brown's results are exceptional, ranking in the top 5% of peers over three-, five- and 10-year periods.

ASSET ALLOCATION

A core principle of risk management for the Brown endowment is diversification. The Investment Office pursues partnerships with external investment managers who employ a broad array of strategies, with the expectation that these strategies will have differing fundamental drivers and respond differently to changing macroeconomic dynamics. The portfolio is not constructed to thrive in a specific set of circumstances but rather to show resilience under whatever outcomes may unfold.

With the emergence of the global COVID-19 pandemic, significant political uncertainty across the globe, and even the emergence of active warfare, risk of all kinds has increased. Financial risk is notoriously resistant to both definition and measurement, but when equally plausible versions of the future look starkly different, financial risk is heightened. Diversification is an effective mitigant, but during FY22 the endowment employed other methods to manage a state of increased risk, including at times holding a substantial cash balance. This is an expensive proposition in an inflationary environment, and it is not a long-term component of Brown's asset allocation strategy. But a cash position is effectively an investment in optionality, and circumstances led the endowment to hold as much as 7% in cash at times during the fiscal year.

Endowment Asset Allocation as of June 30, 2022

dollars in millions

Asset class	Market value	% of endowment
Public Equity	\$968	15%
Absolute Return	1,403	21%
Private Equity	2,822	43%
Real Assets	596	9%
Brown Total Risk Assets	\$5,790	89%
Fixed Income	\$413	6%
Hedges	0	0%
Cash and Receivables	338	5%
Total Endowment	\$6,540	100%

The endowment's portfolio is best understood by organizing the investments into asset classes, allocations to which are governed by ranges approved by the Investment Committee. The asset allocation comprises three large, equity-focused categories — Public Equities, Private Equity and Absolute Return — and two smaller ones that utilize a mix of investments in equity and debt: Real Assets and Credit Strategies. Not all of the strategies employed by Brown's investment managers fit neatly into these categories, but the asset classes remain a useful conceptual framework.

Public Equities

Public Equity strategies make up 15% of the endowment portfolio, a proportion that has declined in recent years due to the strong performance of other asset classes relative to stocks. Brown's investments are split approximately evenly between U.S. markets and developed international markets, with a modest allocation to emerging markets. Despite the decline in U.S. markets, they once again outperformed the rest of the world as China's pandemic policies and the Russian invasion of Ukraine weighed heavily on global stock markets. Brown's public equity portfolio narrowly underperformed its benchmark, declining -17.9% during the fiscal year, resulting in a loss of \$181 million.

Absolute Return

Absolute Return, which is 21% of the endowment's capital, is a broad category held together by a common thread: In addition to benefiting from the increase in value in the price of a given security, managers in these strategies utilize tools that enable their portfolios to benefit from the decline in the price of a given security. The intended result is a portfolio that can generate profits over time but bears relatively low correlation to the typically more robust, but more volatile, returns from Public Equities. Regrettably, in Fiscal Year 2022, Brown's Absolute Return portfolio failed to deliver this foundational benefit of low correlation, resulting in losses of \$220 million, or -12.2%. In particular, while some of Brown's investment managers delivered excellent results, the portfolios of other managers grew, over the course of the market cycle, to bear excessive correlation not only to each other but also increasingly to Brown's Venture Capital portfolio. Brown's longer-term results from this portfolio of investments remains excellent; the asset class has significantly exceeded the most relevant benchmark over five years. But without the successful achievement of lower correlation and lower volatility, the strategy is not serving its fundamental purpose. The effort necessary to repair the effectiveness of this portfolio is already well advanced.

Private Equity

After a strong run of performance for several preceding years by both of the core strategies of Private Equity — Buyouts and Venture Capital — the asset class has grown to 43% of the endowment. In aggregate, for FY22, Private Equity strategies generated gains of 3.0%, or \$78 million. The returns were led by the endowment's Buyouts portfolio, which is a collection of shares in smaller businesses with lower valuations in industries such as health care and industrials that have remained somewhat insulated from the speculative fervor that has characterized some corners of the financial markets. The Venture Capital portfolio generated modest losses in FY22 after spectacular gains in the prior two years. The shares of businesses that Brown owns through Venture Capital strategies tend to be young, fast-growing technology companies that, admittedly, were at the nexus of the aforementioned speculation. Reductions in valuations for private technology-driven companies have not yet fully reflected the declines of publicly listed peers. Brown's investment managers, however, tend to use more conservative valuation methodologies than the industry overall. So while additional headwinds are likely, they will not be as severe as those observed in the most highly valued public and private companies.

Private Equity is inherently a cyclical business where investment returns that are the product of several years of work can sometimes be realized in a single year. Successful execution of a Private Equity investment program requires not only diversification across geographies and industries but also diversification through time, often referred to as vintage diversification. To enable this risk-reducing dynamic, the endowment invests steadily throughout the cycle, focusing on identifying partners with integrity, ability and a demonstrable competitive advantage, rather than on the often futile pursuit of timing the investment and business cycle.

Real Assets

The Real Assets portfolio represents 9% of the endowment and encompasses strategies including real estate, commodities and infrastructure assets. Historically, dedicated fossil fuels investments would have been included in Real Assets but Brown's exposure in the space has been reduced to effectively zero. Real Assets provided diversification benefits during the fiscal year, generating profits of \$27 million, or 6.9% gains.

Credit Strategies

In recent years, as the long decline in interest rates reached extreme levels, the Brown endowment largely ceased investing in traditional fixed-income strategies. While bonds have historically served an important role as a liquid stabilizer for endowment portfolios, the tradeoff between risk and return appeared starkly unequal when supposedly safe bond portfolios generated virtually no yield. In the absence of attractive investment opportunities in bonds, Brown's Investment Office sought out skilled managers capable of utilizing credit instruments to generate uncorrelated returns, both through private, direct lending to companies and in absolute return formats. Additionally, this group of managers was selected in part for an ability to take advantage of turmoil in the credit markets.

The feared turmoil arrived in Fiscal Year 2022 and delivered a bruising market for bonds. This painfully undermined investment portfolios that relied on bonds to generate steady — albeit low — returns to reduce the volatility of their stock holdings. Brown's managers in the credit space, however, generated \$10 million of profits for the endowment, a gain of 2.5%. At the end of FY22, this group of strategies totaled 6% of the endowment. As interest rates rise and bond prices fall, the endowment is actively assessing the role that fixed income can play going forward.

IN CLOSING

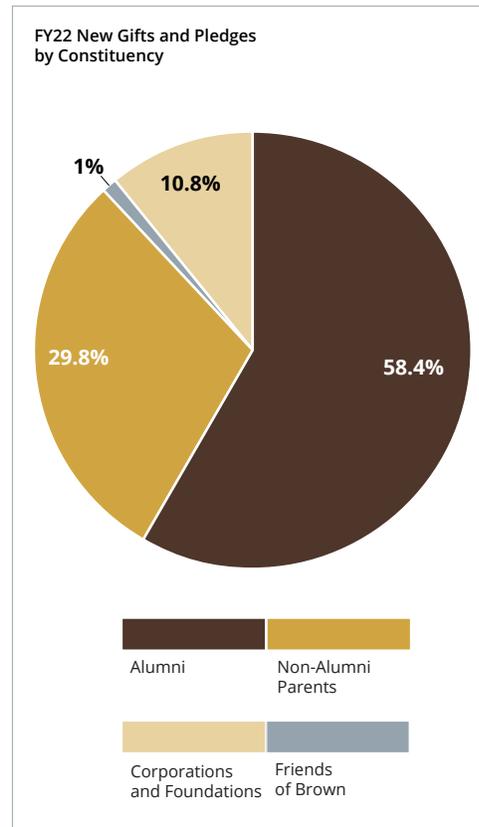
Investment results were exceptionally strong in the preceding fiscal year for virtually every educational endowment, and Brown's was no exception. As the global community slowly but steadily emerged from the most difficult days of the pandemic, economic conditions were unsustainably ideal for the value of financial assets. Fiscal Year 2022 witnessed an end to that environment, with a new set of conditions taking hold that includes inflation, higher interest rates and deepened geopolitical uncertainty.

The Brown endowment is not managed, however, to succeed in a certain set of conditions or to anticipate changes in them. The endowment's investment program instead is managed with a repeatable, long-term investment process rooted in risk management. It is conducted by a dedicated team of professional investors committed to Brown's mission of scholarship and research, and supported by an informed and equally committed Investment Committee of volunteers. The intended result is a portfolio that can, over decades, grow the purchasing power of the endowment to support all of Brown's scholars.

Report on Fundraising

Brown University Division of Advancement

Fiscal Year 2022 surpassed FY21 to become the most successful fundraising year in Brown University’s history. More than 33,250 donors came together to contribute \$476.1 million, the highest total ever for new gifts and pledges. This represents an increase of \$45.6 million over the previous record established last fiscal year. In addition, the Brown Annual Fund crossed the \$50 million threshold for the first time in its history with \$50.1 million raised for immediate use.

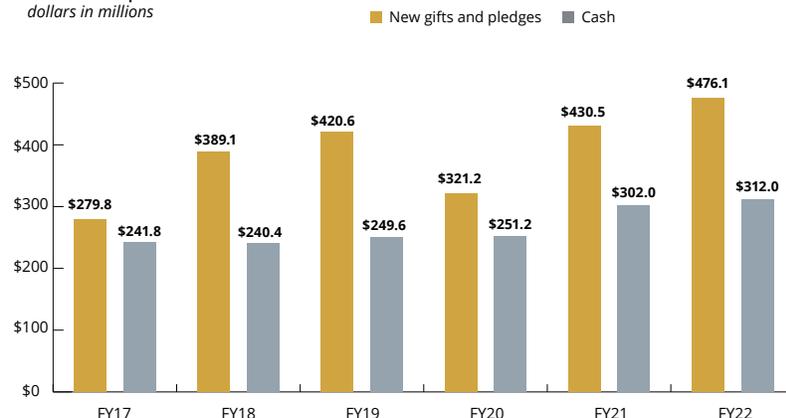


While alumni continue to constitute a majority of Brown’s donor base, non-alumni parents contributed more than \$142 million toward the year’s total new gifts and pledges — a new record for the Parent and Family Giving Program — and corporations and foundations surpassed \$50 million in grants, awards and gifts to the University. Brown Athletics also exceeded its goals for the year with more than \$17 million raised, and donors contributed a total of \$104.6 million in planned gifts to the University.

These outstanding results build on the Brown community’s sustained support of the *BrownTogether* campaign, which eclipsed its initial fundraising goal of \$3 billion more than a year ahead of schedule in September 2021. Following this achievement, President Christina H. Paxson announced that the University would extend the campaign through December 2024,

with the goal of raising an additional \$1 billion. The key priorities of the extension are reflected in FY22 gifts that advance research and teaching in medicine, public health, the creative arts, and diversity and inclusion initiatives, as well as undergraduate financial aid, endowed professorships, Brown Athletics, and the planned transformation of Brown’s career services program.

Fiscal Year 2022 Fundraising Results Comparison
dollars in millions



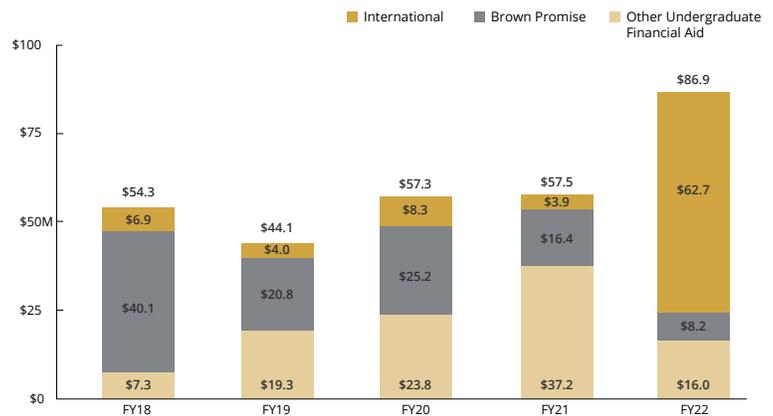
In particular, donors responded to President Paxson’s announcement that Brown would aggressively grow its financial aid budget for international undergraduate students, with the goal of becoming fully need-blind for international students for the graduating Class of 2029 (who will begin at Brown in Fall 2025). Since the launch of this initiative on Sept. 25, 2021, alumni, parents and friends of the University have contributed a total of \$61.8 million in endowed funding in FY22 toward the ultimate goal of \$120 million in endowed funding for international undergraduate financial aid. Overall, fundraising for undergraduate financial aid of all types reached \$86.9 million in FY22, a 51.1% increase over the previous year.

The following sections provide a snapshot of progress in key campaign priority areas in the extended *BrownTogether* comprehensive campaign during Fiscal Year 2022. The campaign was launched publicly in October 2015 to support priorities outlined in the strategic plan, *Building on Distinction: A New Plan for Brown*, and has built momentum with the generosity of Brown’s alumni, parents, friends and community partners.

FINANCIAL AID

Financial aid continues to be one of the fastest-growing areas in Brown’s comprehensive budget and is a top priority of the *BrownTogether* campaign extension. Donors contributed a total of \$86.9 million to undergraduate financial aid in FY22, including nearly \$63 million in total funding for international student aid and \$8.2 million for the Brown Promise endowment, which allows Brown to eliminate loans from all University-awarded undergraduate financial aid packages. The University received a \$25 million gift from alumni siblings to support the move toward need-blind admissions for international students. This gift — the largest individual donation to international financial aid in Brown’s history — will enable the University to expand access to a Brown education for international students from all socioeconomic groups.

Financial Aid Fundraising (Current-Use and Endowment)
dollars in millions



The commitment to build international financial aid expands upon two decades of significant efforts to make a Brown education more accessible. In 2003, Brown became a need-blind institution for new domestic undergraduate students, which eliminated any consideration of an applicant’s ability to pay tuition from the admission process for these students. The Brown Promise launched in the 2018-19 academic year, and the University instituted need-blind admissions for undergraduates who have served in the military, while significantly increasing their scholarships, beginning in the 2020-21 academic year.

PROFESSORSHIPS

The *BrownTogether* campaign set a goal of raising funds to establish 123 endowed professorships to give Brown the means to attract and retain the best educators and scholars in a competitive academic landscape. As of the drafting of this report, Brown had met that goal, having brought the total number of established endowed professorships to 119 by the end of FY22 and having raised the four additional endowments since then. These positions help build academic strength in top-priority disciplines, including public health, applied mathematics, economics, cancer research, history, medicine, and public and international affairs, among other disciplines. Two of the new positions established in FY22 are part of the Provost’s Professorship Initiative, which aims to raise professorships that provide additional flexibility to the senior academic administration as Brown identifies new areas to strengthen scholarship, research and teaching.

In addition, the University received a \$5 million gift to expand the Royce Family Professorships in Teaching Excellence. Established in 2004, the Royce Family Professorships recognize, reward and encourage innovation and excellence in teaching among current Brown University faculty.

RESEARCH

Brown is committed to making significant new investments in research for all disciplines across the University to address some of the most important issues society faces today. Donors continued to support both foundational and translational research in areas where Brown is well positioned to lead. The University received a \$25 million gift from non-alumni parents to expand capacity at the Legorreta Cancer Center and position it to work toward earning a National Cancer Institute designation. The gift will enable the center's leaders to recruit world-class physician-scientists, leading investigators and other experts; launch pilot research projects; and build the infrastructure to bring basic science discoveries, new technologies and other innovations to patients facing cancer diagnoses.

In addition, an anonymous \$20 million gift will support the planning of an integrated life sciences building in Providence's Jewelry District. This facility, which will be located in proximity to the Warren Alpert Medical School, the School of Public Health, the Laboratories for Molecular Medicine and Brown's hospital partners, will provide state-of-the-art laboratory space for researchers in biology, medicine, brain science, bioengineering, public health and other disciplines to work together on pressing health-related issues.

Among other major gifts, a Providence-based foundation pledged \$8.5 million to support research programs within the Hassenfeld Child Health Innovation Institute, while a \$5 million gift from an alumnus and parent will establish a director's fund to advance research at Brown's Center for Alzheimer's Disease Research. More than \$23 million was raised in FY22 to support the construction and operations of the new Lindemann Performing Arts Center, which has been designed to inspire innovative new art-making, enable unprecedented artistic collaboration and serve as a hub for performance at Brown. The pioneering academic building and performance venue will open in 2023.

Brown also deepened its interdisciplinary work related to international and public affairs with the establishment of the Saxena Center for Contemporary South Asia at the Watson Institute. Non-alumni parents made a generous gift to support a \$10 million endowment for the center that will fuel expanded research and scholarship around urban development, pluralism, democracy, inequality and public health across South Asia.

DIVERSITY, EQUITY AND INCLUSION

Brown remains committed to ensuring it can develop, maintain and support a community of individuals from a wide range of backgrounds and life experiences. In FY22, the University and Tougaloo College, a historically Black college in Mississippi, received a gift of \$10 million from non-alumni Brown parents. Half of this gift will support financial aid at Tougaloo and half will support students involved in Brown's long-standing partnership program with Tougaloo College. The partnership funding will be used to aid Tougaloo students who choose to pursue a graduate degree, a medical degree or an academic exchange at Brown through the partnership.

In addition, more than \$2 million was raised this year to support expanded diversity in Brown's public health master's programs, and giving to the current-use Pathways to Diversity and Inclusion Fund topped \$1.3 million.

The Center for the Study of Slavery and Justice (CSSJ) received a \$1.25 million grant from a Boston-based foundation to support the collection of previously untold stories about the history of racial slavery around the world and the way it affects society today. The project will result in a historical archive of oral histories that will live in Brown's John Hay Library and a museum exhibition that will start in Washington, D.C., at the Smithsonian's National Museum of African American History and Culture and later travel to museums in Europe, Africa and South America. Separately, the Center for the Study of Race and Ethnicity in America (CSREA) received a \$1 million gift for its Director's Fund and a grant of \$795,000 for "How Systemic Racism Works: An Interactive Experience."

STRENGTHENING THE STUDENT EXPERIENCE

Donors stepped forward in FY22 to support Brown in pursuing new and expanded approaches to academic excellence, career services and campus life. A \$10 million gift from alumni siblings will support academic innovation at both the undergraduate and graduate levels across Brown disciplines and departments. A separate \$10 million gift from non-alumni parents will provide funding for the University's development of best-in-class career planning programming. Specifically, the gift will

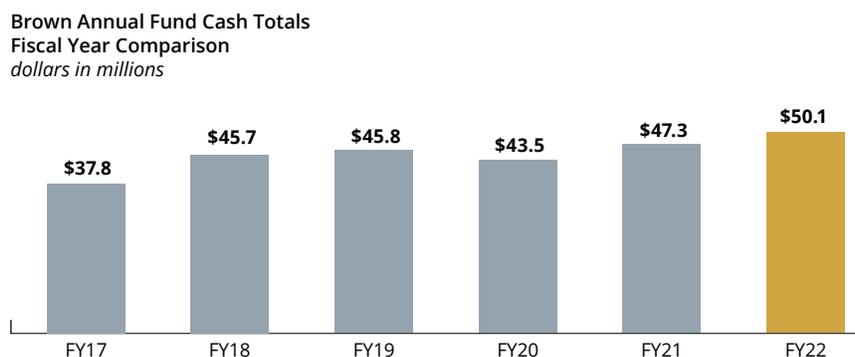
support an assistant dean position to lead the University's Careers in the Common Good program, student participation in experiential learning experiences through the program, and career advising.

The Division of Athletics and Recreation is shaping a new strategic plan focused on enhanced competitiveness, student-athlete development and expanded opportunities for recreation and wellness programming across campus. In FY22, donors helped advance that plan by establishing or augmenting endowed coaching positions, such as the head coaching position for women's rugby, multiple coaching positions for wrestling and a track and field coaching position specifically for throwing events. In addition, a generous gift of \$1 million from two alumnae established an endowed fund to support academic enrichment, leadership and personal development training, mental health programming, and nutrition counseling for student-athletes. Donors also supported the ongoing renovation of Meehan Auditorium, the continued upkeep of the newly renovated Marston Boathouse, and the installation and maintenance of a video board at Stevenson-Pincince Field.

BROWN ANNUAL FUND

The Brown Annual Fund (BAF) family of funds — which includes The Brown Fund, three professional school funds and four targeted impact funds — raised \$50.1 million from more than 30,000 donors during the fiscal year, setting a new all-time high. This total included \$37.1 million in unrestricted, immediate-use funding through The Brown Fund and a record-breaking \$9.6 million through the Parents Annual Fund. In addition, the Athletics Annual Fund saw a 16% increase in dollars raised, topping \$5.1 million.

Brown's three professional school annual funds all saw significant increases in dollars raised from last year. Both the Brown Medical Annual Fund and the School of Engineering Annual Fund topped the \$1 million mark, raising \$1.4 million and \$1.3 million respectively. Giving to the School of Public Health Annual Fund jumped 74% in FY22, totaling \$491,525.



Among the BAF impact funds, the Inman Page Council BAF Scholarship, which provides financial aid for Black and African American undergraduates, raised more than \$1 million for the second straight year, including \$500,000 in challenge funds. The Pathways to Diversity and Inclusion Fund also surpassed the \$1 million mark, with \$1.3 million raised from more than 900 donors. These funds are used to support diversity and inclusion initiatives across campus, from new course development to academic conferences, lectures and cultural programming that explore and reflect the diverse lived experiences of historically underrepresented groups.

Special giving days contributed to these extraordinary results and involved donors at all giving levels. Giving Tuesday, held in November 2021, raised more than \$4.1 million from more than 4,000 donors; Bruno Gives Back Day, held in October 2021, netted more than \$1.8 million for the Athletics Annual Fund and funds to support individual teams; and Brunonians Pay It Forward Day in April 2022 eclipsed \$2.7 million in giving.

The level of generosity demonstrated through gifts across all of the campaign's priority areas ensures that Brown can strengthen its academic programs; enhance its distinctive campus culture; build on its reputation for service to society; and remain accessible to the most talented students from all backgrounds from around the world.

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Big Ocean

President's Introduction

Office of the President

Excellence in Funded Research

Office of the Vice President for Research

Financial Statement Overview

Division of Finance and Administration

Endowment Report

Brown University Investment Office

Fundraising Report

Division of Advancement



ABOUT THE COVER

The cover is a detail of the public art piece “Lines of Sight” (2006) by Diane Samuels, which consists of engraved and cut glass shapes integrated into the glass walls of the pedestrian bridge connecting the two sides of the Sidney E. Frank Hall for Life Sciences.

Brown University **Annual Financial Report** **Fiscal Year 2022**

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