



SYRACUSE UNIVERSITY

Independent Auditors' Reports as Required by Title 2
U.S. Code of Federal Regulations Part 200, *Uniform Administrative
Requirements, Cost Principles, and Audit Requirements for Federal
Awards*, and *Government Auditing Standards* and Related Information

Year ended June 30, 2021

SYRACUSE UNIVERSITY

Independent Auditors' Reports as Required by Title 2
U.S. Code of Federal Regulations Part 200, *Uniform Administrative
Requirements, Cost Principles, and Audit Requirements for Federal
Awards, and Government Auditing Standards* and Related Information

Year ended June 30, 2021

Table of Contents

	Page
Consolidated Financial Statements and Schedule of Expenditures of Federal Awards	
Independent Auditors' Report	1
Consolidated Financial Statements and Related Notes	3
Supplementary Schedule of Financial Responsibility Data	33
Schedule of Expenditures of Federal Awards and Related Notes	34
Reports on Compliance and Internal Control	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	43
Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	45
Schedule of Findings and Questioned Costs	47



KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report

The Board of Trustees
Syracuse University:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Syracuse University and subsidiaries (the University), which comprise the consolidated balance sheets as of June 30, 2021 and 2020, the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Syracuse University as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.



Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Supplementary Schedule of Financial Responsibility Data, as of and for the year ended June 30, 2021, is presented for purposes of additional analysis as required by the U.S. Department of Education, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Schedule of Financial Responsibility Data is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2021, except as to notes 15 and 16, which are as of September 19, 2022, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

KPMG LLP

September 24, 2021, except as to notes 15 and 16 and our report on the Supplementary Schedule of Financial Responsibility Data, which are as of September 19, 2022

SYRACUSE UNIVERSITY
Consolidated Balance Sheets
June 30, 2021 and 2020
(Thousands of dollars)

Assets	2021	2020
Cash and cash equivalents	\$ 465,879	455,584
Receivables, net	131,654	150,242
Other assets	43,345	35,974
Investments	1,902,094	1,485,581
Funds held by bond trustee	4,330	60,089
Right-of-use assets – operating leases	14,978	
Property and equipment, net	1,356,110	1,333,855
Total assets	\$ 3,918,390	3,521,325
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	\$ 167,347	203,713
Deposits and deferred revenues	79,951	81,513
Asset retirement obligations	23,290	22,020
Accrued postretirement benefit obligation	50,727	50,544
Operating lease obligations	14,993	
Finance/capital lease obligations	2,898	2,479
Long-term debt	761,494	770,892
Refundable government student loan funds	17,739	22,672
Total liabilities	1,118,439	1,153,833
Net assets:		
Without donor restrictions	1,746,940	1,541,926
With donor restrictions	1,053,011	825,566
Total net assets	2,799,951	2,367,492
Total liabilities and net assets	\$ 3,918,390	3,521,325

See accompanying notes to consolidated financial statements.

SYRACUSE UNIVERSITY

Consolidated Statement of Activities

Year ended June 30, 2021

(With comparative totals for the year ended June 30, 2020)

(Thousands of dollars)

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>2021 Total</u>	<u>2020 Total</u>
Operating revenues:				
Tuition and fees, net of financial aid of \$364,905 in 2021 and \$351,684 in 2020	\$ 639,648		639,648	677,154
Contributions, excluding contributions to endowments	25,229	20,708	45,937	56,946
Grants and contracts	94,066		94,066	79,424
Investment return, including distributions from endowments	56,481		56,481	64,849
Auxiliaries, net of financial aid of \$6,318 in 2021 and \$6,698 in 2020	101,303		101,303	121,333
Other	67,277		67,277	90,303
Net assets released from restrictions	<u>5,766</u>	<u>(5,766)</u>		
Total operating revenues	<u>989,770</u>	<u>14,942</u>	<u>1,004,712</u>	<u>1,090,009</u>
Operating expenses:				
Instruction and departmental research	384,273		384,273	436,317
Sponsored research and other programs	67,588		67,588	64,159
Academic support	128,603		128,603	132,869
Student services	147,602		147,602	158,215
Institutional support	133,117		133,117	141,677
Auxiliaries	<u>115,716</u>		<u>115,716</u>	<u>119,026</u>
Total operating expenses	<u>976,899</u>		<u>976,899</u>	<u>1,052,263</u>
Increase in net assets from operating activities	<u>12,871</u>	<u>14,942</u>	<u>27,813</u>	<u>37,746</u>
Nonoperating activities:				
Contributions to endowments		21,097	21,097	19,207
Investment return, excluding distributions from endowments, and gains (losses) on other financial instruments	191,552	191,406	382,958	(42,970)
Postretirement benefit obligation changes other than service cost	<u>591</u>		<u>591</u>	<u>(1,969)</u>
Increase (decrease) in net assets from nonoperating activities	<u>192,143</u>	<u>212,503</u>	<u>404,646</u>	<u>(25,732)</u>
Increase in net assets	205,014	227,445	432,459	12,014
Net assets at beginning of year	<u>1,541,926</u>	<u>825,566</u>	<u>2,367,492</u>	<u>2,355,478</u>
Net assets at end of year	<u>\$ 1,746,940</u>	<u>1,053,011</u>	<u>2,799,951</u>	<u>2,367,492</u>

See accompanying notes to consolidated financial statements.

SYRACUSE UNIVERSITY

Consolidated Statement of Activities

Year ended June 30, 2020

(Thousands of dollars)

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Operating revenues:			
Tuition and fees, net of financial aid of \$351,684	\$ 677,154		677,154
Contributions, excluding contributions to endowments	33,258	23,688	56,946
Grants and contracts	78,755	669	79,424
Investment return, including distributions from endowments	64,849		64,849
Auxiliaries, net of financial aid of \$6,698	121,333		121,333
Other	90,303		90,303
Net assets released from restrictions	31,612	(31,612)	
Total operating revenues	<u>1,097,264</u>	<u>(7,255)</u>	<u>1,090,009</u>
Operating expenses:			
Instruction and departmental research	436,317		436,317
Sponsored research and other programs	64,159		64,159
Academic support	132,869		132,869
Student services	158,215		158,215
Institutional support	141,677		141,677
Auxiliaries	119,026		119,026
Total operating expenses	<u>1,052,263</u>		<u>1,052,263</u>
Increase (decrease) in net assets from operating activities	45,001	(7,255)	37,746
Nonoperating activities:			
Contributions to endowments		19,207	19,207
Investment return, excluding distributions from endowments, and gains (losses) on other financial instruments	(46,642)	3,672	(42,970)
Postretirement benefit obligation changes other than service cost	(1,969)		(1,969)
(Decrease) increase in net assets from nonoperating activities	<u>(48,611)</u>	<u>22,879</u>	<u>(25,732)</u>
(Decrease) increase in net assets	(3,610)	15,624	12,014
Net assets at beginning of year	<u>1,545,536</u>	<u>809,942</u>	<u>2,355,478</u>
Net assets at end of year	\$ <u><u>1,541,926</u></u>	<u><u>825,566</u></u>	<u><u>2,367,492</u></u>

See accompanying notes to consolidated financial statements.

SYRACUSE UNIVERSITY

Consolidated Statements of Cash Flows

Years ended June 30, 2021 and 2020

(Thousands of dollars)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Increase in net assets	\$ 432,459	12,014
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	84,574	81,681
Postretirement benefit obligation changes other than service cost	(591)	1,969
Changes in fair value of investments and financial instruments	(421,252)	(5,209)
Gifts of marketable securities, net of sales of unrestricted gifted securities	(3,148)	(1,584)
Gifts of property and equipment	(7,389)	(1,384)
Contributions restricted for investment and physical facilities	(37,913)	(32,898)
Changes in operating assets and liabilities:		
Receivables, net	13,021	781
Other assets	(7,371)	(2,162)
Accounts payable and accrued liabilities	(12,830)	36,717
Deposits and deferred revenues	(1,562)	4,117
Asset retirement obligations	1,270	414
Accrued postretirement benefit obligation	774	(133)
Net cash provided by operating activities	<u>40,042</u>	<u>94,323</u>
Cash flows from investing activities:		
Loans made to students	(4)	(68)
Loans paid by students	5,571	5,675
Purchases of investments	(602,044)	(655,402)
Sales and maturities of investments	605,876	673,726
Purchases of property and equipment	(126,540)	(182,518)
Net cash used in investing activities	<u>(117,141)</u>	<u>(158,587)</u>
Cash flows from financing activities:		
Contributions restricted for investment and physical facilities	37,913	32,898
Proceeds from sales of gifted marketable securities restricted for investment	3,148	1,584
Proceeds from commercial paper notes		30,375
Payments of commercial paper notes		(30,375)
Proceeds from issuance of long-term debt		760,170
Payments of long-term debt	(3,910)	(419,474)
Payments of finance/capital lease obligations	(324)	(201)
Payments for swap termination		(95,777)
Payment of bond issuance costs	(259)	(3,844)
Changes in interest rate swap agreements collateral		30,400
Change in funds held by bond trustee	55,759	(60,089)
Change in refundable government student loan funds	(4,933)	(5,956)
Net cash provided by financing activities	<u>87,394</u>	<u>239,711</u>
Net increase in cash and cash equivalents	10,295	175,447
Cash and cash equivalents at beginning of year	<u>455,584</u>	<u>280,137</u>
Cash and cash equivalents at end of year	\$ <u>465,879</u>	<u>455,584</u>
Supplemental disclosure:		
Interest paid	\$ 24,977	20,486
Right-of-use assets obtained in exchange for operating leases	458	
Right-of-use assets obtained in exchange for finance leases	757	
Decrease in accounts payable for property and equipment	(22,629)	(1,953)

See accompanying notes to consolidated financial statements.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(1) Organization

Syracuse University (the University) is a private, not-for-profit, coeducational and residential university granted a charter by the State of New York in 1870. The University operates under the direction of an independent Board of Trustees as an education corporation under the New York Not-for-Profit Corporation Law. The University has a total enrollment of approximately 21,300 students, including approximately 13,800 full-time undergraduate, approximately 500 law students, approximately 3,600 full-time master's and doctoral students, and approximately 3,400 part-time students. Geographically, the undergraduate student body represents 49 states and 90 foreign countries. The University offers approximately 500 degree and certificate programs in the following 13 schools and colleges: the School of Architecture; the College of Arts and Sciences; the School of Education; the College of Engineering and Computer Science; the Graduate School; the David B. Falk College of Sport and Human Dynamics; the School of Information Studies; the College of Law; the Martin J. Whitman School of Management; the Maxwell School of Citizenship and Public Affairs; the S.I. Newhouse School of Public Communications; the College of Visual and Performing Arts; and the College of Professional Studies.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP), and include the accounts of Syracuse University, Syracuse University (USA) London Program, Drumlins, Inc., Orange Insurance Company, LLC, Syracuse University Alumni Association, Inc. and Syracuse University Hotel and Conference Center LLC.

(b) Reclassifications

Certain reclassifications have been made to the 2020 information to conform to the 2021 presentation.

(c) Net Asset Classes

The accompanying consolidated financial statements present information regarding the University's financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions 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.

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

(d) Revenue from Contracts with Customers

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).

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

Revenue from student tuition, fees, room and board is recognized over the academic year, which generally aligns with the University's fiscal year, as services are provided. Revenues associated with academic programs that cross fiscal years are recognized based on the number of days the services are provided in each 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. Aid in excess of students' tuition and fees is reflected as a reduction of room and board charges. Amounts paid to students for living or other costs are reported as an expense.

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.

Room and board revenues are included in Auxiliaries on the consolidated statements of activities. Room revenues, net of applicable aid, totaled \$50.6 million and \$54.6 million for the years ended June 30, 2021 and June 30, 2020, respectively. Board revenues, net of applicable aid, totaled \$36.5 million and \$47.3 million for the years ended June 30, 2021 and June 30, 2020, respectively.

Revenues from students received in advance of services provided, which primarily consist of summer session revenues, are included in deposits and deferred revenues in the consolidated balance sheets and totaled \$18.4 million and \$20.6 million at June 30, 2021 and June 30, 2020, respectively.

(e) Revenue from Grants and Contracts

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. Grants and contracts whose restrictions are met in the same fiscal year as their revenue is recognized are reported as grants and contracts without donor restrictions.

Revenues received in advance of services provided are included in deposits and deferred revenues in the consolidated balance sheets, and totaled \$21.5 million and \$28.9 million at June 30, 2021 and 2020, respectively.

Conditional awards from federal and other sponsors outstanding as of June 30, 2021 were \$102.1 million.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(f) Contributions

Contributions, including unconditional pledges, are recognized at their fair values as revenues when donors' commitments are received. Conditional pledges become unconditional and are recognized as revenues when the conditions are substantially met. Unconditional pledges, net of an allowance for doubtful amounts, are reported at their estimated net present values, and are classified as with donor restrictions. Gifts whose restrictions are met in the same fiscal year as their receipt are reported as contributions without donor restrictions. Similarly, purpose-restricted investment returns earned during the same fiscal year in which those restrictions are met are reported as investment return without donor restrictions for the purposes of the statements of cash flows.

(g) Cash and Cash Equivalents

For purposes of the statements of cash flows, investments acquired with an original maturity date of three months or less are reported as cash equivalents unless they are part of funds held by bond trustee or long-term investment funds.

(h) Investments

Investments are reported at estimated fair value. The values of publicly traded fixed income and equity securities are based on quoted market prices and exchange rates. Nonmarketable securities include alternative investments in hedge funds and private partnership funds. In the absence of readily determinable public market values, alternative investments are valued using current net asset values or the equivalent as a practical expedient to approximate fair values. The University believes the carrying amounts of these financial instruments are reasonable estimates of fair value. The estimates, because of the inherent uncertainty of valuations for these investments, may differ from the values that would have been used had ready markets existed.

(i) Funds Held by Bond Trustee

Unspent bond proceeds are held by the bond trustee and are invested in money market vehicles classified as Level 1 in the fair value hierarchy.

(j) Property and Equipment

Land, land improvements, buildings, equipment, and the library collections are stated at cost or fair value at date of donation, exclusive of the library's special collection, which is recorded at the University's estimate. The art collection is recorded at appraised value adjusted for accessions and deaccessions. Depreciation is recognized using the straight-line method with useful lives of twenty or forty years for buildings, five years for equipment, ten years for library collections, excluding special collections, and one hundred years for art and library special collections. Depreciation expense for buildings and land improvements is allocated to functional classifications based on square footage. Depreciation expense for equipment is allocated to functional classifications based on the functional classifications of the departments in which equipment is located, and depreciation expense for collections is allocated to the academic support functional classification.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(k) Leases

The University determines if an arrangement is or contains a lease at inception of the contract and classifies leases as either operating or finance depending upon the terms and conditions set forth in the contract. The University uses an incremental borrowing rate to determine the present value of lease payments. At the time of recognition of a lease liability and corresponding right-of-use asset the incremental borrowing rate is determined using interest rates applicable to the University.

The University recognizes operating lease expense within operation and maintenance of plant costs on the statements of activities on a straight-line basis over the lease term. On the consolidated balance sheets, right-of-use assets represent the University's right to use the underlying assets for the lease term and right-of-use liabilities represent the University's obligation to make lease payments arising from the leases agreements. Right-of-use assets and right-of-use liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term.

(l) Fair Value

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The three levels of the fair value hierarchy are:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities that the University has the ability to access at the measurement date.

Level 2 – inputs are other than quoted prices included in Level 1 that are either directly or indirectly observable for the assets or liabilities.

Level 3 – inputs are unobservable and are derived from valuation methodologies, including pricing models, discounted cash flow models and similar techniques, and are not based on market, exchange, dealer, or broker-traded transactions.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Investments reported at net asset value or its equivalent (NAV) as a practical expedient to estimate fair value are not classified in the fair value hierarchy.

(m) Operations

The consolidated statements of activities present expenses by functional classification and reflect a subtotal for the change in net assets from operations. This subtotal reflects all transactions increasing or decreasing net assets without donor restrictions except those items associated with certain long-term investment returns, actuarial adjustments to self-insurance liabilities, changes in postretirement benefit obligations other than service cost and gains and losses on other financial instruments. Operation and maintenance of plant and depreciation are allocated to the functional expense line items based on relative square footage of facilities used for such functions and interest expense is allocated based on the functional purpose for which the debt proceeds were used.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(n) Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates made in the preparation of these consolidated financial statements include valuation of certain investments at fair value, estimated net realizable value of receivables, asset retirement obligations, and actuarially determined employee benefit and self-insurance liabilities. Actual results could differ from estimates.

(o) Risks and Uncertainties

In December 2019, a novel strain of corona virus (COVID 19) emerged globally, and in March 2020, the World Health Organization recognized COVID 19 as a pandemic. Given the emergence of the delta variant and the additional outbreak waves, the impacts of the pandemic have continued into fiscal year 2021. For the years ended June 30, 2021, and June 30, 2020, the University experienced disruptions to its ability to provide in person education to its students and allow fans to attend athletic events at the University's stadium due to COVID 19. The most significant financial impact to the University has been a reduction in athletic event ticket revenue, tuition revenue, and room and board revenues. The University swiftly responded to these lost revenues with reductions in costs such as travel and capital renovations. Close monitoring of the University's expenditures has aided significantly in the University's ability to offset these lost revenues.

Given the nature of the delta variant and additional outbreak waves, the pandemic may continue to materially affect the ability of the University to conduct its operations and the cost of its operations. Other adverse consequences may include, but are not limited to, decline in enrollment, decline in demand for campus housing or programs involving travel or international connections, volatility in financial markets with the potential for declines in the fair value of the University's endowment, and declines in philanthropic donations. The full extent of the impact of COVID 19 on the University will depend on future developments, including the duration and spread of the disease, mutations of the disease, and effectiveness of vaccination.

(p) 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 Internal Revenue Code. Orange Insurance Company, LLC and Syracuse University Hotel and Conference Center LLC, are wholly owned by the University and are reported in the University's income tax filings. Syracuse University Alumni Association Inc., of which the University is the sole member, is a tax-exempt organization that files its own tax return. Drumlins, Inc. is a taxable subsidiary of the University and files its own tax returns. The Syracuse University (USA) London Program, created for the advancement of education, is a registered charity under the laws of England. The income tax consequences, if any, from these entities are reflected in the consolidated financial statements, and do not have a material effect, individually or in the aggregate, on the University's consolidated financial statements. The University believes it has taken no significant uncertain tax positions.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(q) Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)* and has subsequently issued supplemental and/or clarifying ASUs (collectively, ASC 842). The standards were issued to increase transparency and comparability among organizations by requiring the recognition of lease assets and lease liabilities on the balance sheets and disclosing key information about leasing arrangements. The University adopted these standards in fiscal year 2021 using a modified retrospective transition approach and recorded operating lease right-of-use assets – operating leases and operating lease obligations of \$19.6 million, respectively, as of July 1, 2020. For periods prior to July 1, 2020, the University accounted for leasing transactions under ASC 840. The University elected the practical expedient package to not reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases. The University also elected the policy exemption that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and are applying this expedient to all relevant asset classes. Refer to Note 9 for further information.

(3) Financial Assets and Liquidity Resources

At June 30, 2021 and June 30, 2020, financial assets and liquidity resources available within one year for general expenditures, including operating expenses, scheduled principal payments on debt, and capital construction costs not financed by debt, are as follows (in thousands of dollars):

	2021	2020
Financial assets, at year-end	\$ 2,503,957	2,151,496
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Donor restricted endowment	(895,415)	(685,684)
Pledges receivable, net, due in greater than one year	(43,071)	(42,004)
Student loans, net, due in greater than one year	(20,083)	(25,650)
Funds held by bond trustee	(4,330)	(60,089)
Board designations:		
Quasi-endowment fund, primarily for long-term investing	(923,077)	(708,374)
Board-approved endowment spending distribution:		
Fiscal year 2021 appropriation		49,928
Fiscal year 2022 appropriation	50,924	
Financial assets available to meet cash needs for general expenditures within one year	\$ 668,905	679,623

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

The University's working capital and cash flows have seasonal variations during the year attributable to tuition billing and a concentration of contributions received at calendar and fiscal year end. To manage liquidity the University has a taxable commercial paper note program as described in footnote 8. In addition, the quasi endowment of \$923.1 million and \$708.4 million at June 30, 2021 and June 30, 2020, respectively, can be made available for general expenditure with approval from the University's Board of Trustees, subject to investment liquidity provisions.

(4) Receivables

The following is a summary of accounts receivable, pledges receivable, and matured bequests receivable at June 30, 2021 and June 30, 2020 (in thousands of dollars):

	2021	2020
Accounts receivable	\$ 72,980	88,024
Pledges receivable, net of present value discount	65,328	77,724
Matured bequests receivable	2,511	2,174
	140,819	167,922
Allowance for doubtful accounts	(9,165)	(17,680)
Total	\$ 131,654	150,242

Accounts receivable include student loans receivable of \$20.1 million and \$25.7 million at June 30, 2021 and June 30, 2020, respectively, net of allowances for doubtful accounts of approximately \$1.0 million at both June 30, 2021 and June 30, 2020.

Unconditional pledges and matured bequests at June 30, 2021 and June 30, 2020 are restricted by donors predominantly for scholarships, other operating, and capital expenditure purposes. They are expected to be realized in the following periods (in thousands of dollars):

	2021	2020
Less than one year	\$ 26,000	36,219
One year to five years	34,430	35,235
More than five years	13,144	15,105
	73,574	86,559
Allowance for doubtful accounts	(6,096)	(11,620)
Present value discount	(5,735)	(6,661)
Total	\$ 61,743	68,278

The discount rates used to present value the pledges range from 0.29% to 6.00% at June 30, 2021 and June 30, 2020.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

Conditional promises, which depend on the occurrence of a specified future or uncertain event, are recognized when the conditions are substantially met. Total unrecognized conditional pledges for the University were approximately \$70.3 million as of June 30, 2021.

(5) Investments

The investment objective of the University is to invest its assets in a prudent manner to achieve a long-term rate of return sufficient to fund a portion of its spending and to increase investment value after inflation. The University diversifies its investments among asset classes by incorporating several strategies and managers. Major investment decisions are authorized by the Investment and Endowment Committee of the University's Board of Trustees.

In addition to equity and fixed income investments, the University may also hold shares or units in institutional funds and alternative investment funds involving hedged, private partnerships, and real assets 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. Private partnership funds generally employ buyout, venture capital, and debt related strategies and often require the estimation of fair values by the fund managers in the absence of readily determinable market values. Real asset funds include investments in companies whose businesses are typically related to natural resources and real estate.

Fair values for shares in registered mutual funds are based on share prices reported by the funds as of the last business day of the fiscal year and are classified in Level 1 of the fair value hierarchy. The University's interests in alternative investment funds are generally reported at the NAV reported by the fund managers. NAV 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. As of June 30, 2021 and June 30, 2020, the University had no specific plans or intentions to sell investments at amounts different than NAV.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

The University's investments at June 30, 2021 are summarized in the following table (in thousands of dollars):

	Redemption availability	Level 1	Level 2	Total
Investments measured at fair value:				
Marketable securities:				
U.S. equity	Daily	\$ 278,485	11	278,496
International equity	Daily	40,110		40,110
Fixed income	Daily	165,461	19,059	184,520
Real asset	Daily	14,945		14,945
Total marketable securities		499,001	19,070	518,071
Funds held or administered by others	Not applicable	1,947	31,013	32,960
Subtotal		500,948	50,083	551,031
Investments measured at net asset value:				
Commingled funds:				
U.S. equity	Monthly			3,644
International equity	Monthly			1,643
Fixed income	Monthly			2,930
Hedge funds:				
Long/short	Quarterly to illiquid			274,246
Multi-strategy	Monthly to illiquid			131,018
Global and other	Monthly to illiquid			431,212
Private partnerships:				
Buyout	Illiquid			211,655
Venture capital	Illiquid			173,338
Debt related	Illiquid			37,444
Real asset	Illiquid			83,933
Subtotal				1,351,063
Total		\$ 500,948	50,083	1,902,094

The days' notice that is required to be given to investment managers to redeem the specific asset classes above are: 1 to 4 days for U.S. equity; 1 to 10 days for international equity; 1 to 15 days for fixed income; 1 to 4 days for real asset; and 1 to 125 days for hedge funds.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

The University's investments at June 30, 2020 are summarized in the following (in thousands of dollars):

	<u>Redemption availability</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments measured at fair value:				
Marketable securities:				
U.S. equity	Daily	\$ 241,698	5	241,703
International equity	Daily	115,688		115,688
Fixed income	Daily	126,176	19,917	146,093
Real asset	Daily	9,819		9,819
Total marketable securities		493,381	19,922	513,303
Funds held or administered by others	Not applicable	1,714	25,623	27,337
Subtotal		495,095	45,545	540,640
Investments measured at net asset value:				
Commingled funds:				
U.S. equity	Monthly			3,414
International equity	Monthly			1,504
Fixed income	Monthly			2,558
Hedge funds:				
Long/short	Monthly to illiquid			300,229
Multi-strategy	Quarterly to illiquid			83,914
Global and other	Monthly to illiquid			208,578
Private partnerships:				
Buyout	Illiquid			132,702
Venture capital	Illiquid			122,373
Debt related	Illiquid			28,319
Real asset	Illiquid			61,350
Subtotal				944,941
Total		\$ 495,095	45,545	1,485,581

The days' notice that is required to be given to investment managers to redeem the specific asset classes above are: 1 to 4 days for U.S. equity; 1 to 10 days for international equity; 1 to 15 days for fixed income; 1 to 4 days for real asset; and 1 to 100 days for hedge funds.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

The private partnerships have initial terms of 10 years with extensions of one to four years and have an average remaining expected life of 4.1 years and 4.4 years as of June 30, 2021 and June 30, 2020, respectively. At June 30, 2021, the University's outstanding commitments to private partnerships totaled \$234.2 million. Private partnerships are considered to be illiquid because distributions are made upon the liquidation of underlying investments.

Certain of the University's hedge fund investments are illiquid as a result of restrictions that include contractual lock up provisions, redemption notification requirements, and other restrictions. Restrictions on hedge fund investments totaling \$131.0 million, \$69.2 million, and \$30.8 million expire in fiscal years 2022, 2023 and 2024, respectively.

The following table summarizes the components of investment return in the consolidated statements of activities for the years ended June 30, 2021 and June 30, 2020 (in thousands of dollars):

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 15,936	18,339
Realized gains, net	149,534	113,552
Unrealized gains (losses), net	<u>267,507</u>	<u>(78,250)</u>
Total investment return	<u>\$ 432,977</u>	<u>53,641</u>

Netted in the interest and dividends component of investment return were investment management expenses of \$4.2 million and \$3.2 million for the years ended June 30, 2021 and 2020, respectively.

(6) Endowment Funds

The University's endowment consists of approximately 2,400 individual funds which include both donor restricted endowment funds and funds designated by the University to function as quasi endowments. These individual funds have been established for a variety of purposes, with the majority of them established for scholarships and endowed chairs.

The University employs asset allocation models having multi-year investment horizons, and it manages its long-term investments in accordance with the total return concept and the goal of maximizing long-term return within acceptable levels of risk. The University's spending policy is aligned with the asset allocation model and is designed to provide a stable level of financial support and to preserve the real value of its endowment. The University compares the performance of its investments against several benchmarks, including its asset allocation model policy indexes.

The trustee Investment and Endowment Committee (IEC) approves the annual distribution rates and spending amount for the University's investment funds. Per unit distributions are calculated by multiplying the average of the monthly unit market values during the previous three calendar years by the percentage approved by the Committee each year. The percentage approved for fiscal years 2021 and 2020 was 3.84%. There were no other distributions approved by the IEC in fiscal years 2021 and 2020.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

The University adheres to the New York State Prudent Management of Institutional Funds Act (NYPMIFA). The University has interpreted NYPMIFA as allowing the University to spend or accumulate the amount of an endowment fund that the University determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. The University classifies as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds which are available for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

In accordance with NYPMIFA, the IEC considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund
- The purposes of the University and the endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the University
- Where appropriate and where circumstances would otherwise warrant, alternatives to expenditure of an endowment fund, giving due consideration to the effect that such alternatives may have on the University
- The investment policies of the University

Endowment funds are considered to be underwater when their fair value is less than their historical gift amounts. In accordance with the Prudent Management standards contained in NYPMIFA, the University has the ability to spend from individual endowments that are underwater, if it considers such action to be prudent for that particular endowment. In addition, in accordance with the implementation of NYPMIFA in 2011, the University was required to ask certain existing donors if they wished to prevent spending from their endowment if underwater. If the donor had requested spending not occur if their endowment is underwater, the University is required to comply with this request. As of June 30, 2021 and June 30, 2020, there were no endowment funds underwater where the donor had requested that spending not occur if the endowment was underwater.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

At June 30, 2021 and June 30, 2020, 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 (in thousands of dollars):

	Without donor restrictions	With donor restrictions		Total funds 2021
		Original gift	Accumulated gains (losses)	
Quasi	\$ 923,077			923,077
Donor restricted:				
Underwater		502,349	393,066	895,415
Other				895,415
	<u>\$ 923,077</u>	<u>502,349</u>	<u>393,066</u>	<u>895,415</u>
				<u>1,818,492</u>

	Without donor restrictions	With donor restrictions		Total funds 2020
		Original gift	Accumulated gains (losses)	
Quasi	\$ 708,374			708,374
Donor restricted:				
Underwater		74,659	(4,086)	70,573
Other		402,345	212,766	615,111
	<u>\$ 708,374</u>	<u>477,004</u>	<u>208,680</u>	<u>685,684</u>
				<u>1,394,058</u>

Changes in net assets associated with endowment funds for the fiscal years ended June 30, 2021 and June 30, 2020 were (in thousands of dollars):

	2021		
	Without donor restrictions	With donor restrictions	Total
Net assets at June 30, 2020	\$ 708,374	685,684	1,394,058
Investment return	216,301	211,096	427,397
Contributions		21,080	21,080
Distributions	(26,058)	(24,844)	(50,902)
Board designated and donor required transfers	24,460	2,399	26,859
Net assets at June 30, 2021	<u>\$ 923,077</u>	<u>895,415</u>	<u>1,818,492</u>

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

	2020		
	Without donor restrictions	With donor restrictions	Total
Net assets at June 30, 2019	\$ 713,072	671,080	1,384,152
Investment return	18,157	19,268	37,425
Contributions		18,624	18,624
Distributions	(25,054)	(23,579)	(48,633)
Board designated and donor required transfers	2,199	291	2,490
Net assets at June 30, 2020	\$ <u>708,374</u>	<u>685,684</u>	<u>1,394,058</u>

(7) Property and Equipment

The following is a summary of property and equipment at June 30, 2021 and June 30, 2020 (in thousands of dollars):

	2021	2020
Land and land improvements	\$ 102,212	99,786
Buildings and related equipment	2,280,119	2,172,618
Equipment	142,097	137,639
Library and art collections	247,895	243,577
	<u>2,772,323</u>	<u>2,653,620</u>
Accumulated depreciation and finance lease amortization	<u>(1,416,213)</u>	<u>(1,319,765)</u>
Total	\$ <u>1,356,110</u>	<u>1,333,855</u>

Depreciation expense was \$89.0 million and \$82.9 million, for the years ended June 30, 2021 and June 30, 2020, respectively.

The University has asset retirement obligations arising from regulatory requirements to perform certain asset retirement activities at the time of disposal of certain capital assets. The liability was initially recorded at fair value and is adjusted for accretion expense and changes in the amount or timing of cash flows. The corresponding asset retirement costs are capitalized as part of the carrying values of the related long-lived assets and depreciated over the useful lives of the assets.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(8) Long-Term Debt and Interest Rate Swap Agreements

Long-term debt outstanding at June 30, 2021 and June 30, 2020 is set forth below (in thousands of dollars):

	Fiscal years of maturity	2021	2020
Trust for Cultural Resources of the County of Onondaga Revenue Bonds:			
Series 2011 (a)	2013–2037	\$ 1,535	2,995
Series 2013 (b)	2015–2039	5,935	7,725
Series 2019 (c)	2039–2050	317,720	317,720
Onondaga Civic Development Corporation Revenue Bonds:			
Series 2020A (d)	2026–2036	114,945	114,945
Onondaga Civic Development Corporation Taxable Revenue Bonds:			
Series 2020B (e)	2036–2056	224,410	224,410
Bank Loan – Syracuse University Hotel and Conference Center LLC (f)	2028	4,070	4,730
Total principal debt		668,615	672,525
Unamortized premium		96,879	102,330
		765,494	774,855
Less bond issuance costs		4,000	3,963
Total long-term debt		\$ 761,494	770,892

Additional details on the debt portfolio are as follows:

- (a) Fixed rate tax-exempt bonds with interest rates of 5.0%. These bonds were issued at a premium that is being amortized using the effective interest method over the remaining life of each of the terms of the bonds. The University is required to make semi-annual payments of interest and annual payments of principal to bondholders through the trustee through 2022.
- (b) Fixed rate bonds with interest rates of 5.0%. These bonds were issued at a premium that is being amortized using the effective interest method over the remaining life of each of the terms of the bonds. The University is required to make semi-annual payments of interest and annual payments of principal to bondholders through the trustee through 2024.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

- (c) In 2020, the University issued \$317.7 million of Series 2019 bonds plus received additional premium in the amount of \$66.5 million. The proceeds of Series 2019 bonds and associated premium were used to redeem \$165.5 million of bonds maturing between December 1, 2020 through December 1, 2037, as well as to repay \$30.4 million of outstanding commercial paper. In connection with this transaction the University utilized \$48.1 million to terminate swaps associated with the debt series that were redeemed and used \$138.0 million to fund a portion of two renovation projects. The University recorded a loss during the year ended June 30, 2020 of approximately \$1.5 million, included in investment return, excluding distributions from endowments, and gains (losses) on other financial instruments in the accompanying 2020 statement of activities. The Series 2019 bonds are fixed rate tax-exempt bonds with interest rates at date of issuance ranging from 4.0% to 5.0% depending on the underlying principal maturity date. The bond premium is being amortized using the effective interest method over the remaining life of each of the terms of the bonds, resulting in an effective yield ranging from 1.91% to 2.36%. The University makes semi-annual payments of interest to the bondholders through the trustee. In addition, the University will make annual payments of principal to bondholders through the trustee on a portion of the bonds for fiscal years 2039 through 2042. The other portions of the bonds maturing in fiscal year 2044 through 2050 are subject to mandatory redemption on specific sinking fund redemption dates occurring in fiscal years 2043 to 2050.
- (d) In 2020, the University issued \$114.9 million of Series 2020A tax-exempt bonds plus received additional premium in the amount of \$36.6 million. The Series 2020A bonds are fixed rate tax-exempt bonds with interest rates at date of issuance of 5.0% for all principal maturity dates. The bond premium is being amortized using the effective interest method over the remaining life of each of the terms of the bonds, resulting in an effective yield ranging from 0.55% to 1.58%. The University makes semi-annual payments of interest to the bondholders through the trustee. In addition, the University will make annual payments of principal to bondholders through the trustee on the bonds for fiscal years 2026 through 2036.
- (e) In 2020, the University issued \$224.4 million of Series 2020B taxable bonds. The proceeds of the Series 2020B bonds along with the Series 2020A bonds in note 8(d), were used to redeem and partially advance refund \$208.0 million of bonds maturing December 1, 2022 through December 1, 2038. In connection with this transaction the University utilized \$47.6 million to terminate swaps associated with the debt series that were redeemed and the University received taxable proceeds of \$100.0 million. The University recorded a loss during the year ended June 30, 2020 of approximately \$10.7 million, included in investment return, excluding distributions from endowments, and gains (losses) on other financial instruments in the accompanying 2020 statement of activities. The Series 2020B bonds are fixed rate taxable term bonds with terms ending in fiscal year 2038 and 2056, with effective yields of 2.768% and 3.068%, respectively. The University makes semi-annual payments of interest to the bondholders through the trustee. The bonds maturing in fiscal year 2038 are subject to mandatory redemption on specific sinking fund redemption dates occurring in fiscal years 2036 to 2038. The bonds maturing in fiscal year 2056 are subject to mandatory redemption on specific sinking fund redemption dates occurring in fiscal years 2051 to 2056.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

- (f) Loan agreement with JPMorgan Chase Bank, N.A. It bears interest at a rate per annum equal to the adjusted LIBOR rate for the applicable interest period plus 0.40% at June 30, 2021 and June 30, 2020. The applicable LIBOR margin per annum is adjusted based on the Moody's rating assigned to the financial strength of the University at the onset of each interest period. At June 30, 2021 and June 30, 2020, the interest rates were 0.492% and 0.573%, respectively. The Syracuse University Hotel and Conference Center LLC makes monthly payments of principal and interest. The maturity date of the loan is August 5, 2027.

Aggregate principal payments of long-term debt are summarized in the table below (in thousands of dollars):

Fiscal year	Amount
2022	\$ 4,075
2023	2,635
2024	2,740
2025	660
2026	8,970
Thereafter	649,535
Total	\$ 668,615

Syracuse University Hotel and Conference Center LLC (the Hotel) has entered into an interest rate swap agreement with a counterparty as a hedge against interest rate fluctuations for variable interest rate debt. The Hotel received variable payments equal to the one-month LIBOR rate plus 0.55% from one counterparty for the interest rate swap agreement. As of June 30, 2021 and June 30, 2020, there was no requirement to collateralize the obligations under the interest rate swap agreement.

The Hotel paid the one counterparty a fixed interest rate of 5.30% on notional amounts of \$4.1 million and \$4.7 million as of June 30, 2021 and June 30, 2020, respectively, that related to its loan with JPMorgan Chase Bank, N.A.

At June 30, 2021 and June 30, 2020, the fair values of the interest rate swap agreement were \$(0.5) million and \$(0.8) million, respectively. The interest rate swap agreements are classified in Level 2 of the fair value hierarchy.

The changes of \$0.3 million and \$77.2 million in the fair values of the interest rate swap agreements and the amount associated with the termination of the University swaps, were included in investment return, excluding distributions from endowments, and gains (losses) on other financial instruments in the accompanying statement of activities for the years ended June 30, 2021 and June 30, 2020, respectively. The net cash payments of \$0.2 million and \$4.9 million made under the interest rate swap agreements were included in interest expense during fiscal years 2021 and 2020, respectively.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

The University had a surety bond aggregating approximately \$28.2 million at June 30, 2021 and letters of credit and a surety bond aggregating approximately \$145.2 million at June 30, 2020 related to its variable interest rate long-term debt and to potential claims under the University's workers' compensation plan. The expiration date for the surety bond occurs in fiscal 2022 and there were no outstanding amounts against the surety bond. The letters of credit terminated in fiscal year 2021.

In September 2017, the University instituted a taxable commercial paper notes program that allows the University to issue in aggregate up to \$75.0 million in commercial paper notes. Proceeds from the issuance of commercial paper may be used to provide bridge financing for capital projects and to finance general operations of the University. The notes bear a fixed rate of interest, established on the borrowing date, over their individual terms not to exceed 270 days. The program has an ultimate expiration of June 30, 2075. At June 30, 2021 and June 30, 2020, there was no commercial paper outstanding.

(9) Leases

The University is committed to minimum annual lease payments under several long-term non-cancellable operating and finance leases for educational and auxiliary facilities and equipment through fiscal year 2037.

The components of lease expense for the year ended June 30, 2021 and 2020 are as follows (in thousands of dollars):

	2021	2020
Lease cost:		
Finance lease expense:		
Amortization of right-of-use assets	\$ 342	
Interest on lease obligations	311	
Operating lease expense	5,023	6,176
Total lease expense	\$ 5,676	6,176

Payments due and other information related to operating and finance leases are summarized below as of June 30, 2021 (in thousands of dollars):

Fiscal year	Operating	Finance
2022	\$ 5,489	645
2023	3,715	575
2024	2,861	583
2025	2,906	584
2026	378	562
Thereafter	385	1,097
	15,734	4,046

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

<u>Fiscal year</u>	<u>Operating</u>	<u>Finance</u>
Less amount representing interest	\$ 741	1,148
Total obligation	\$ 14,993	2,898
Weighted average remaining lease term	3.27 years	7.31 years
Weighted average discount rate	2.50%	10.56%

Ground leases:

The University leases land to an outside developer of student housing complexes with lease agreement extensions available through 2059. Lease payments of \$0.6 million for the years ended June 30, 2021 and 2020 are recorded in the consolidated statements of activities when received from the developer.

(10) Net Assets

At June 30, 2021 and June 30, 2020, net assets were comprised as follows (in thousands of dollars):

	<u>2021</u>		<u>2020</u>	
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Without donor restrictions</u>	<u>With donor restrictions</u>
Undesignated	\$ 823,863		833,552	
Pledges and matured bequests receivable		61,746		68,278
Other		20,291		22,387
Funding for facilities		40,883		17,492
Funding for student loans		2,214		4,386
Life income, annuity, and similar funds		32,462		27,339
Endowment funds:				
Scholarships	56,980	427,683	42,683	327,870
Endowed chairs	20,175	208,094	15,778	160,661
General purposes and other	845,922	259,638	649,913	197,153
Total net assets	\$ 1,746,940	1,053,011	1,541,926	825,566

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(11) Natural Classification of Expenses

The University's primary program service is academic instruction and research. Expenses reported as student services, institutional support and auxiliaries are incurred in support of this primary program activity. Expenses presented by natural classification and function are as follows for the fiscal year ended June 30, 2021 and June 30, 2020 (in thousands of dollars):

	2021					Totals
	Salaries and benefits	Supplies and services	Occupancy and related expenses	Depreciation and interest	Other operating expenses	
Instruction and departmental research	\$ 269,542	64,973	16,830	29,414	3,514	384,273
Sponsored research and other programs	36,013	13,716	1,350	5,773	10,736	67,588
Academic support	94,516	5,693	13,018	14,975	401	128,603
Student services	88,453	17,409	10,978	14,494	16,268	147,602
Institutional support	83,926	26,076	5,542	8,752	8,821	133,117
Auxiliaries	40,623	2,583	8,140	37,485	26,885	115,716
Total expenses	\$ 613,073	130,450	55,858	110,893	66,625	976,899

	2020					Totals
	Salaries and benefits	Supplies and services	Occupancy and related expenses	Depreciation and interest	Other operating expenses	
Instruction and departmental research	\$ 281,165	81,932	22,342	30,457	20,421	436,317
Sponsored research and other programs	34,239	12,574	2,086	4,658	10,602	64,159
Academic support	95,914	7,046	14,281	13,706	1,922	132,869
Student services	94,059	19,864	9,982	11,309	23,001	158,215
Institutional support	80,719	26,336	6,542	6,878	21,202	141,677
Auxiliaries	43,524	5,495	5,841	36,767	27,399	119,026
Total expenses	\$ 629,620	153,247	61,074	103,775	104,547	1,052,263

(12) Retirement Plans

Certain full-time and regular part-time employees of the University are eligible for the University's defined contribution plan. The amounts contributed by the University to the Teachers Insurance and Annuity Association Fund in fiscal years 2021 and 2020 were approximately \$37.8 million and \$37.1 million, respectively.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

The University also provides health and life insurance benefit plans for eligible employees upon retirement at the University's early or normal retirement ages. The plans are funded by the University as claims are paid. Information with respect to the plans is as follows (in thousands of dollars):

	<u>2021</u>	<u>2020</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 50,544	48,708
Service cost	2,749	2,121
Interest cost	1,229	1,425
Plan participants' contributions	1,243	1,450
Actuarial (gain) loss	(1,820)	544
Benefits paid	(3,222)	(3,715)
Medicare Part D prescription drug federal subsidy	4	11
Benefit obligation at end of year	<u>\$ 50,727</u>	<u>50,544</u>

Other changes in the postretirement benefit obligation recognized in net assets without donor restrictions in the consolidated statements of activities included the following components (in thousands of dollars):

	<u>2021</u>	<u>2020</u>
Actuarial gain (loss)	\$ 1,820	(544)
Amortization of:		
Actuarial gain	(135)	(767)
Prior service credits	(160)	(160)
Total increase (decrease) in net assets without restrictions	<u>\$ 1,525</u>	<u>(1,471)</u>

Net periodic postretirement benefit cost included as expense in the consolidated statements of activities is as follows (in thousands of dollars):

	<u>2021</u>	<u>2020</u>
Operating activities:		
Service cost	\$ 2,749	2,121
Nonoperating activities:		
Interest cost	1,229	1,425
Amortization of actuarial gain	(135)	(767)
Amortization of prior service credits	(160)	(160)
Net periodic postretirement benefit cost	<u>\$ 3,683</u>	<u>2,619</u>

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

For measurement purposes, annual rates of increase in the per capita cost of covered healthcare of 6.75% and 4.40% for pre-65 and post-65 retirees, respectively, were assumed as of June 30, 2021. An annual rate of increase in the per capita cost of covered prescription drug benefits of 6.75% was assumed as of June 30, 2021. The rates were assumed to decrease to 3.78% for both healthcare and prescription drug benefits by fiscal year 2075 and remain at those levels thereafter.

As of June 30, 2021 and June 30, 2020, the discount rates used in determining the benefit obligations were 2.65% and 2.48%, respectively, and the discount rates used in determining the net periodic postretirement benefit costs were 2.48% and 3.35%, respectively.

Contributions to the postretirement benefit plans, net of employee contributions and the Medicare subsidy, were \$2.0 million in fiscal year 2021 and are estimated to be \$1.9 million for fiscal year 2022.

The net benefits expected to be paid in each fiscal year from 2022 through 2026 are approximately \$2.1 million and the net aggregate expected payments including years through fiscal year 2031 total approximately \$24.1 million. The expected benefits are based on the assumptions used to measure the University's benefit obligation at June 30, 2021, and include estimated future employees' service.

In addition to service and interest costs, the components of projected net periodic postretirement benefit cost for fiscal year 2021 are amortization of prior service credits of approximately \$0.2 million and amortization of actuarial gain of approximately \$0.1 million. The unamortized prior service credits and unamortized net actuarial loss were \$0.9 million and \$6.6 million, respectively, at June 30, 2021.

(13) Contingencies and Commitments

The University is involved in legal actions arising in the normal course of activities and is subject to periodic audits and inquiries by regulatory agencies. Although the ultimate outcome of such matters is not determinable at this time, management, after taking into consideration advice of legal counsel, believes that the resolutions of pending matters will not have a materially adverse effect, individually or in the aggregate, upon the University's consolidated financial statements.

At June 30, 2021, the University had approximately \$20.0 million of construction commitments.

(14) Subsequent Events

The University evaluated subsequent events for potential recognition or disclosure through September 24, 2021, the date on which the consolidated financial statements were available to be issued.

Concession Agreement

On September 30, 2020, the University completed the financial closing of its Long-Term Concession and Operating Agreement (the Concession), pursuant to which the University transferred to CenTrio (f/k/a Enwave Energy) (the Concessionaire) the exclusive right to operate its utility system (generation and distribution) and provide utility services to the University's main campus, as well as other third-party customers. In August 2021, the University received an upfront payment of \$100 million from the Concessionaire, as compensation equal to an estimate of the net present value attributable to the savings accruing to the University under the 40-year term of the concession. The upfront payment, to be paid back (with interest) over 30 years through the University's utility fee under the Concession, will be reported as a long-term liability in fiscal year 2022 and will be amortized over the same period.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

Under the agreement, the Concessionaire operates, maintains, and makes capital investments in the utility system, including an initial modernization, and charges the customers, including the University, a utility fee that includes a return on and off the Concessionaire's investment as well as fixed and variable and operating and maintenance costs

Student Housing Purchase

On July 9, 2021, the University utilized operating cash to purchase the student housing complex known as the Marshall located adjacent to the main campus for \$69.4 million. This building is intended to enhance the University's main campus housing options for students.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(15) Financial Responsibility Standards

The University participates in federal Title IV student financial assistance programs, which require it to meet standards of financial responsibility based on criteria determined by the U.S. Department of Education (ED), as set forth in 34 CFR Subpart 668.171. The criteria for private institutions include the annual calculation by ED of a financial responsibility composite score, as further outlined in 34 CFR Subpart 668.172, using audited financial statements submitted through ED's eZ-Audit system. The composite score has been and will continue to be based on three ratios: Primary Reserve, Equity, and Net Income. Inputs to these ratios as of and for the year ended June 30, 2021 are bolded below and include (a) elements directly from the accompanying financial statements and related other notes to the financial statements, as well as (b) certain other financial data. Additional financial information, which is not bolded, has also been presented to facilitate understanding and reconciliation of such data elements to the accompanying financial statements and related other notes.

<u>Data element</u>	<u>Direct input to ratio</u>	<u>Amount</u>
(a) Long-term debt, net: pre-implementation	Primary reserve	\$ 11,540
Long-term debt, net: post-implementation	Primary reserve	138,000
Long-term debt, net: used for non-capital purposes	NA	611,954
Total long-term debt, net (consolidated balance sheet)	NA	\$ 761,494
<p>Long-term debt, net as of June 30, 2021 is classified in three categories. Proceeds from Series 2019, Series 2020A and Series 2020B, bonds which were issued during the year ended June 30, 2020, were used primarily to refinance the debt issues previously outstanding as of June 30, 2019 (note 8).</p>		
(b) Net assets with donor restrictions: restricted in perpetuity:		
Contributions receivable, net	NA	\$ 24,829
Donor restricted endowment funds	NA	502,349
Student loans	NA	2,214
Life income and annuity funds	NA	24,263
Net assets with donor restrictions: restricted in perpetuity	Primary reserve	\$ 553,655
(c) Donor restricted endowment funds: accumulated gains (losses)		
Donor restricted endowment funds	NA	\$ 393,066
Donor restricted endowment funds	NA	502,349
Total donor restricted endowment funds (note 6)	NA	\$ 895,415
(d) Life income and annuity funds with donor restrictions	Primary reserve	\$ 8,199
Life income and annuity funds with donor restrictions: restricted in perpetuity	NA	24,263
Total life income and annuity funds with donor restrictions (note 10)	NA	\$ 32,462

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

Data element	Direct input to ratio	Amount
(e) Property, plant and equipment, net: pre-implementation	Primary reserve	\$ 1,081,182
Property, plant and equipment, net: post-implementation:		
Land and land improvements	NA	3,623
Buildings and related equipment	NA	250,296
Equipment	NA	10,564
Library and art collections	NA	<u>8,346</u>
Total property, plant and equipment, net: post-implementation	Primary reserve	272,829
Lease right-of-use assets, net		<u>2,099</u>
Total property, plant and equipment, net (consolidated balance sheet)		<u>\$ 1,356,110</u>
<p>The June 30, 2021 carrying value of land, land improvements, buildings, equipment, and collections, net, placed in service prior to July 1, 2019 is classified as pre-implementation. The June 30, 2021 carrying value of land, land improvements, buildings, equipment, and collections, net, placed in service after July 1, 2019 is classified as post-implementation. As noted in (a) above, \$138,000 of post-implementation borrowings have been used to fund investment in post-implementation buildings and buildings' equipment during the year ended June 30, 2021.</p>		
(f) Lease right-of-use assets:		
Gross leased asset	NA	\$ 4,216
Accumulated depreciation on leased asset	NA	<u>(2,117)</u>
Lease right-of-use assets, net	Primary reserve	\$ <u>2,099</u>
(g) Changes in net assets without donor restrictions (consolidated statement of activities):		
Total operating expenses	NA	\$ 976,899
Plus: expenses and losses included within nonoperating activities	NA	<u>—</u>
Total expenses and losses without donor restrictions	Primary reserve	\$ <u>976,899</u>
(h) Changes in net assets without donor restrictions (consolidated statement of activities):		
Changes in net assets from operating activities:		
Total operating revenues	NA	\$ 989,770
Changes in net assets from nonoperating activities:		
Plus: investment return, excluding distributions from endowments, and gains (losses) on other financial instruments	NA	191,552
Less: endowment distributions utilized in operations	NA	<u>56,481</u>
Total revenue and gains without donor restrictions	Net income	\$ <u>1,124,841</u>

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(16) Related Party Transactions

Members of the University's Board of Trustees and Officers may, from time to time, be associated, either directly or indirectly, with companies doing business with the University. The University requires an annual disclosure of significant financial interests in, family relationships, significant management function, or substantial business with entities doing business with the University by members of the University's Board of Trustees and Officers. When such relationships exist, measures are taken to assess potential conflicts of interest to protect the best interests of the University and ensure compliance with relevant conflict of interest laws and policy. The University's conflict of interest policy also requires, among other things, that no member of the Board of Trustees or Officer may participate in any decision in which they (or an immediate family member) has a material financial interest.

SYRACUSE UNIVERSITY

Supplementary Schedule of Financial Responsibility Data

As of and for the year ended June 30, 2021
(Thousands of dollars)

Data element	Source of data element in financial statements or related notes to financial statements	Amount used as ratio input
Primary reserve ratio		
<i>Numerator: expendable net assets</i>		
Net assets without donor restrictions	Consolidated balance sheets	\$ 1,746,940
Net assets with donor restrictions	Consolidated balance sheets	1,053,011
Long-term debt, net: pre-implementation	Note 15(a)	11,540
Long-term debt, net: post-implementation	Note 15(a)	138,000
Liability related to lease right-of-use assets	Consolidated balance sheets	2,898
Net assets with donor restrictions: restricted in perpetuity	Note 15(b)	553,655
Life income and annuity funds with donor purpose restrictions	Note 15(d)	8,199
Post-employment and defined benefit plan liabilities	Consolidated balance sheets	50,727
Property, plant and equipment, net: pre-implementation	Note 15(e)	1,081,182
Property, plant and equipment, net: post-implementation	Note 15(e)	272,829
Lease right-of-use assets	Note 15(f)	2,099
<i>Denominator: total expenses and losses without donor restrictions</i>		
Total expenses and losses without donor restrictions	Note 15(g)	976,899
Equity ratio		
<i>Numerator: modified net assets</i>		
Net assets without donor restrictions	Consolidated balance sheets	1,746,940
Net assets with donor restrictions	Consolidated balance sheets	1,053,011
<i>Denominator: modified assets</i>		
Total assets	Consolidated balance sheets	3,918,390
Net income ratio		
<i>Numerator: change in net assets without donor restrictions</i>		
Change in net assets without donor restrictions	Consolidated statement of activities	205,014
<i>Denominator: total revenue and gains without donor restrictions</i>		
Total revenue and gains without donor restrictions	Note 15(h)	1,124,841

See accompanying independent auditors' report.

SYRACUSE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Federal Assistance Listing Number	Direct or pass-through identifying number	Passed through to subrecipients	Total federal expenditures
Research and Development Cluster:				
Department of Agriculture:				
Consumer Data and Nutrition Research	10.253	Direct	\$ 3,006	17,763
Agriculture and Food Research Initiative (AFRI)	10.310	Direct	27,453	242,874
Agriculture and Food Research Initiative (AFRI) – Boston University	10.310	4500002373	—	33,909
Agriculture and Food Research Initiative (AFRI) – Clarkson University	10.310	101011-2	—	—
Agriculture and Food Research Initiative (AFRI) – Iowa State University	10.310	416-42-10B	—	26,374
Agriculture and Food Research Initiative (AFRI) – Princeton University	10.310	SUB0000374	—	43,410
Agriculture and Food Research Initiative (AFRI) – University of Kentucky	10.310	3200002889-20-247	—	41,912
Agriculture and Food Research Initiative (AFRI) – University of Kentucky	10.310	3200002889-20-243	—	9,270
Agriculture and Food Research Initiative (AFRI) – University of Missouri - Columbia	10.310	C00069782-1	—	80,742
Agriculture and Food Research Initiative (AFRI) – Insulights	10.310	SU31918	—	28,562
Subtotal			27,453	507,053
USDA Forest Service	10.699	Direct	—	10,355
Total Department of Agriculture			30,459	535,171
Department of Commerce:				
TAA for Firms	11.313	31,237	—	12,856
Climate and Atmospheric Research	11.431	Direct	46,211	76,403
Total Department of Commerce			46,211	89,259
Department of Defense:				
Air Force Research Laboratory – Technergetics, LLC	12.000	FA8750-16-C-0130-002	—	489
Air Force Research Laboratory – Thales USA, INC	12.000	RCI-MM3085	—	44,002
Air Force Research Laboratory – Intelligent Automation INC	12.000	FA8649-21-P-0657	—	5,777
Defense Advanced Research Projects Agency – Assured Information Security	12.000	C240-SA	50,778	169,914
Defense Advanced Research Projects Agency – PAR Government Systems Corporation	12.000	PGSC-SC-111371-04	—	241,477
Department of the Navy	12.000	Direct	—	13,089
Missile Defense Agency – Novateur Research Solutions	12.000	HQ0147-18-C-7007	—	15,785
Naval Facilities Engineering and Expeditionary Warfare Center	12.000	Direct	—	25,782
Naval Facilities Engineering and Expeditionary Warfare Center – University of St Andrews	12.000	SMC7 ZOBL09	—	25,888
US Army Medical Research and Material Command – Critical Link LLC	12.000	2018-1	—	17,748
SRC, INC	12.000	SCRS02102	—	1,819
US Air Force Research Lab/ Wright Air Force Patterson Base - Massachusetts Institute of Technology	12.000	S5091-PO478955	—	63,995
Subtotal			50,778	625,765
Air Force Research Laboratory – Basic and Applied Scientific Research	12.300	Direct	—	86,774
Office of Naval Research – Basic and Applied Scientific Research	12.300	Direct	—	246,762
Department of Defense - Basic and Applied Scientific Research	12.300	Direct	—	49,802
Office of Naval Research – Basic and Applied Scientific Research – Regents of the University of Michigan	12.300	3004683942	—	5,685
Office of Naval Research – Basic and Applied Scientific Research – University of Maryland	12.300	69703-Z8143201	—	95,611
Subtotal			—	484,634
Military Medical Research and Development	12.420	Direct	—	167,753
Military Medical Research and Development - Seattle Children's Research Institute	12.420	12290SUB	—	394,185
Army Medical Research and Material Command - Research Foundation of State University	12.420	1163541-89105	—	14,249
Subtotal			—	576,187
Army Research Office – Basic Scientific Research – University of Wisconsin – Madison	12.431	814K542	—	329,527
US Army Research Office - Northwestern University	12.431	60056367 SU	—	29,999
US Army Research Office - University of Colorado	12.431	1560341	—	37,539
US Army Research Office - University of Colorado	12.431	1559194	—	15,416
Department of the Army – Basic Scientific Research	12.431	Direct	—	61,630
Defense Advanced Research Projects	12.431	Direct	—	190,449
Subtotal			—	664,560

SYRACUSE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Federal Assistance Listing Number	Direct or pass-through identifying number	Passed through to subrecipients	Total federal expenditures
Air Force Defense Research Sciences Program	12.800	Direct	149,624	346,587
Air Force Defense Research Sciences Program – Wright Patterson AFB	12.800	FA8650-18-2-6978	53,291	184,669
Air Force Defense Research Sciences Program – The Boeing Company	12.800	1639476	—	20,049
Air Force Defense Research Sciences Program – Queens University	12.800	6027765	—	37,312
Subtotal			<u>202,915</u>	<u>588,617</u>
Department of Defense - Booz Allen Hamilton - Enhancing Usability of Malware Analysis Pipelines	12.902	S905899BAH	—	69,480
Defense Advanced Research Projects Agency – Center for Open Science	12.910	N660011924015	—	43,537
Total Department of Defense			<u>253,693</u>	<u>3,052,780</u>
Department of the Interior:				
National Park Service Conservation, Protection, Outreach and Education	15.954	Direct	—	12,547
National Park Service Conservation, Protection, Outreach and Education - Duke University	15.954	343-0941	—	68,395
Subtotal			<u>—</u>	<u>80,942</u>
Assistance to State Water Resources Research Institutes – Cornell University Characterizing Transformation Products of Organic Micropollutants in Groundwater – Cornell University	15.805	78963-11245	—	4,337
	15.805	89767-11340	—	25,575
Subtotal			<u>—</u>	<u>29,912</u>
Total Department of the Interior			<u>—</u>	<u>110,854</u>
Department of Justice:				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Direct	71,430	123,324
National Institute of Justice Research, Evaluation, and Development Project Grants - Iowa State University	16.560	021595B	—	14,235
Subtotal			<u>71,430</u>	<u>137,559</u>
Comprehensive Opioid Abuse Site – Based Program - Research Foundation for Mental Hygiene	16.838	1015799/1/27370	—	126,730
Total Department of Justice – National Institute of Justice			<u>71,430</u>	<u>264,289</u>
Department of Labor:				
Disability Employment Policy Development – Onondaga Community College	17.720	OCC14-024	—	10,544
Total Department of Labor			<u>—</u>	<u>10,544</u>
Department of Transportation – Federal Aviation Administration - Iowa State University				
	20.200	021231A	—	47,608
Total Department of Transportation			<u>—</u>	<u>47,608</u>
National Aeronautics and Space Administration:				
National Aeronautics and Space Administration – Pointwise	43.000	30260	—	19,900
National Aeronautics and Space Administration – Bay Area Environmental Research	43.001	NNX12AD05A	—	60,606
NASA Shared Services Center	43.001	Direct	—	17,925
Subtotal			<u>—</u>	<u>78,531</u>
NASA Langley Research Center – Aeronautics	43.002	Direct	44,787	82,416
NASA Shared Services Center STEM - Cornell University	43.008	90830-20375	—	23,333
Total National Aeronautics and Space Administration			<u>44,787</u>	<u>204,180</u>
National Endowment For the Humanities:				
Promotion of the Humanities Fellowships and Stipends - The John Carter Brown Library	45.160	Direct	—	3
Promotion of the Humanities Fellowships and Stipends	45.160	Direct	—	60,000
Total National Endowment for the Humanities			<u>—</u>	<u>60,003</u>
Institute of Museum and Library Science:				
Institute of Museum and Library Science – National Leadership Grants	45.312	Direct	—	69,094
Laura Bush 21st Century Librarian Program – Illinois State Library	45.313	099861-17898	—	2,282
Total Institute of Museum and Library Science			<u>—</u>	<u>71,376</u>

SYRACUSE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Federal Assistance Listing Number	Direct or pass-through identifying number	Passed through to subrecipients	Total federal expenditures
National Science Foundation:				
Engineering Grants	47.041	Direct	27,642	2,061,462
Engineering Grants – Akrobotix, LLC	47.041	SU31487	—	6,039
Engineering Grants – University of Nevada, Reno	47.041	UNR-20-67	—	55,156
Engineering Grants – Ohio State University	47.041	60064237	—	7,141
Engineering Grants – 3D Microfluidics	47.041	2013942	—	20,000
Subtotal			27,642	2,149,798
Mathematical and Physical Sciences	47.049	Direct	—	4,314,722
Mathematical and Physical Sciences – California State University Fullerton Auxiliary Services Corp	47.049	S-6149-SYSE	—	99,252
Mathematical and Physical Sciences – University of Notre Dame	47.049	PHY-0715396	—	900
Mathematical and Physical Sciences – Arizona State University	47.049	ASUB00000729	—	2,366
Subtotal			—	4,417,240
Geosciences	47.050	Direct	—	712,268
Computer and Information Science and Engineering	47.070	Direct	301,728	2,208,303
Computer and Information Science and Engineering – University of Pennsylvania	47.070	578,569	—	98,493
Computer and Information Science and Engineering – University of Illinois	47.070	087856-16493	—	24,634
Computer and Information Science and Engineering – University of Illinois	47.070	099725-17867	—	12,020
Subtotal			301,728	2,343,450
Biological Sciences	47.074	Direct	24,524	1,047,672
Biological Sciences – Cary Institute of Ecosystem Studies	47.074	3340/200201861	—	79,598
Subtotal			24,524	1,127,270
Social, Behavioral, and Economic Sciences	47.075	Direct	161,628	1,036,624
Social, Behavioral, and Economic Sciences – University of California	47.075	1,556,131	—	9
Subtotal			161,628	1,036,633
Education and Human Resources	47.076	Direct	280,842	1,295,294
Office of Integrative Activities - Emergent Collective Behavior in a Developmental Model	47.083	Direct	—	168,379
Total National Science Foundation			796,364	13,250,332
Department of Energy:				
Argonne National Laboratory	81.000	0F - 60124	—	52,205
FERMI National Accelerator Laboratory	81.000	650881	—	3,213
Lawrence Livermore National Laboratory	81.000	B638265	—	95,117
Rocky Mountain Institute	81.000	SU31279	—	18,454
Subtotal			—	168,989
Office of Science Financial Assistance Program	81.049	Direct	—	690,122
Office of Science Financial Assistance Program – University of Iowa	81.049	S00458-01	—	38,001
Office of Science Financial Assistance Program – Upstate Parts & Supply	81.049	SU-DE0-SC0019977	—	102,087
Subtotal			—	830,210
Conservation Research and Development	81.086	Direct	126,011	256,030
Aerial Intelligence for Retrofit Building Energy Modeling - Georgia Institute of Technology	81.086	AWD-000286-G1	—	80,275
Subtotal			126,011	336,305
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	Direct	4,993	252,605
Nuclear Energy Research, Development and Demonstration	81.121	Direct	66,278	225,271
Advanced Research Projects Agency – Energy	81.135	Direct	148,399	351,325
Advanced Research Projects Agency – Energy - Texas A&M University	81.135	M2100649	—	16,473
Subtotal			148,399	367,798
Total Department of Energy			345,681	2,181,178
Department of Education:				
Rehabilitation Training Technical Assistance Centers – Continuing Education San Diego State University	84.264	SA0000493	—	63,132
Education Research, Development and Dissemination – Tulane University	84.305	TUL-SCC-556406-18/19	—	163,665
Education Research, Development and Dissemination	84.305	Direct	25,279	69,384
Subtotal			25,279	233,049

SYRACUSE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Federal Assistance Listing Number	Direct or pass-through identifying number	Passed through to subrecipients	Total federal expenditures
Special Education_Educational Technology Media and Materials for Individuals with Disabilities - University of Kansas Center for Research	84.327	FY2020-029	—	67,354
Total Department of Education			25,279	363,535
Department of Health and Human Services:				
Environmental Public Health and Emergency Response - Health Research, INC.	93.070	6702-01	—	5,537
<i>National Institutes of Health:</i>				
Research on Research Integrity	93.085	Direct	—	106,129
Human Genome Research	93.172	Direct	—	91,467
Research Related to Deafness and Communication Disorders	93.173	Direct	—	309,317
Research Related to Deafness and Communication Disorders – New York University	93.173	F1072-02	—	217,661
Subtotal			—	526,978
Mental Health Research Grants	93.242	Direct	—	9,956
Mental Health Research Grants - University of South Dakota	93.242	A21-0006-S002	—	10,456
Subtotal			—	20,412
Alcohol Research Programs	93.273	Direct	500,414	1,511,537
National Institute On Alcohol Abuse and Alcoholism – Alcohol Research Programs – University of California, San Francisco	93.273	10946sc	—	12,292
National Institute On Alcohol Abuse and Alcoholism – Alcohol Research Programs – Boston University	93.273	4500003138	—	18,371
National Institute On Alcohol Abuse and Alcoholism – Alcohol Research Programs – Rutgers University	93.273	8237	—	4,795
National Institute On Alcohol Abuse and Alcoholism – Alcohol Research Programs – University of New Mexico	93.273	028400-874J	—	37,775
National Institute On Alcohol Abuse and Alcoholism – Alcohol Research Programs – University of Rochester	93.273	417,390	—	34,880
Subtotal			500,414	1,619,650
Drug Abuse and Addiction Research Programs	93.279	Direct	—	35,182
Drug Abuse and Addiction Research Programs - University of Rochester	93.279	417658G	—	13,997
Subtotal			—	49,179
Discovery and Applied Research for Technological Innovations to Improve Human Health Monitoring	93.286	Direct	410	121,831
Minority Health and Health Disparities Research	93.307	Direct	—	6,276
Research Infrastructure Programs	93.351	Direct	—	584,494
Diabetes, Digestive, and Kidney Diseases Extramural Research – Arthritis, Musculoskeletal and Skin Diseases Research	93.846	Direct	—	78,804
Diabetes, Digestive, and Kidney Diseases Extramural Research – New York University School of Medicine	93.847	16-A1-00-004770-01	—	127,160
Diabetes, Digestive, and Kidney Diseases Extramural Research – University of Pennsylvania	93.847	581381	—	78,680
Subtotal			—	205,840
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Direct	—	696,392
Allergy and Infectious Diseases Research	93.855	Direct	—	188,758
Allergy and Infectious Diseases Research - University of California San Francisco	93.855	12660sc	—	3,899
Subtotal			—	192,657
Biomedical Research and Research Training	93.859	Direct	26,077	2,101,433
National Institute Of General Medical Sciences - University of Georgia	93.859	SUB00002164	—	85,254
Subtotal			26,077	2,186,687
Child Health and Human Development Extramural Research	93.865	Direct	190,781	1,515,066
Child Health and Human Development Extramural Research – Lemoyne College	93.865	01R15HD076379	—	807
Child Health and Human Development Extramural Research – Central Michigan University	93.865	F63374	—	56,502
Child Health and Human Development Extramural Research – Pennsylvania State University	93.865	S000275-DHHS	—	5,344
Subtotal			190,781	1,577,719
Aging Research	93.866	Direct	446,876	1,376,954
Aging Research – Pennsylvania State University	93.866	S000088-DHHS	—	5,561
Aging Research – University of Kentucky	93.866	3200002223-1-9-099	—	50,481
Subtotal			446,876	1,432,996

SYRACUSE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Federal Assistance Listing Number	Direct or pass-through identifying number	Passed through to subrecipients	Total federal expenditures
<i>Administration For Community Living:</i>				
ACL National Institute on Disability, Independent Living and Rehabilitation Research	93.433	Direct	240,532	2,001,062
ACL National Institute on Disability, Independent Living and Rehabilitation Research – Memorial Hermann Health System	93.433	18-1835	—	101,761
Subtotal			<u>240,532</u>	<u>2,102,823</u>
<i>Substance Abuse and Mental Health Services Administration</i>				
Developmental Disabilities Projects of National Significance – University of Kansas Center for Research	93.631	FY2020-033	—	7,279
University Centers for Excellence in Developmental Disabilities Education, Research, and Service - University of Kansas Center for Research	93.632	FY2021-044	—	18,695
Total Department of Health and Human Services			<u>1,405,090</u>	<u>11,631,845</u>
Social Security Administration:				
Social Security Research and Demonstration – Boston College	96.007	5107172-01	—	18,573
Total Social Security Administration			—	18,573
Total Research and Development Cluster			<u>3,018,994</u>	<u>31,891,527</u>
Student Financial Assistance Cluster:				
Department of Education:				
Federal Supplemental Educational Opportunity Grant	84.007	Direct	—	2,001,147
Federal Work-Study Program	84.033	Direct	11,694	3,734,363
Federal Perkins Loan Program (note 2)	84.038	Direct	—	26,912,112
Federal Pell Grant Program	84.063	Direct	—	12,598,476
Federal Direct Student Loan Program (note 3)	84.268	Direct	—	135,152,045
Teacher Education Assistance for College and Higher Education Grants	84.379	Direct	—	143,120
Total Department of Education			<u>11,694</u>	<u>180,541,263</u>
Total Student Financial Assistance Cluster			<u>11,694</u>	<u>180,541,263</u>
Economic Development Cluster:				
Department of Commerce:				
Regional Innovation Strategies	11.020	Direct	64,663	91,569
Total Economic Development Cluster			<u>64,663</u>	<u>91,569</u>
TRIO Cluster:				
Department of Education:				
Student Support Services - 2020 - 2025	84.042	Direct	—	381,426
Office of Postsecondary Education (Graduate Assistance in Areas of National Need)	84.200	Direct	—	
McNair Post-Baccalaureate Achievement	84.217	Direct	—	225,299
Total TRIO Cluster			—	<u>606,725</u>
Other Federal Awards:				
Department of Agriculture:				
Technical Assistance and Training Grants	10.761	Direct	—	50,455
Technical Assistance and Training Grants	10.762	Direct	—	117,481
Solid Waste Management Grants	10.762	Direct	—	223,160
Subtotal			—	<u>340,641</u>
Total Department of Agriculture			—	<u>391,096</u>

SYRACUSE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Federal Assistance Listing Number	Direct or pass-through identifying number	Passed through to subrecipients	Total federal expenditures
Department of Defense:				
Defense Media Activity	12.000	Direct	—	777,378
Department of the Army	12.000	Direct	—	1,635,706
Destination Inspection Contracts	12.000	Direct	—	
Defense Intelligence Agency	12.000	Direct	50,918	112,310
Subtotal			50,918	2,525,394
Defense Intelligence Agency - Office of the Director of National Intelligence	12.598	Direct	14,785	228,360
Department of Defense - Centra Technology, INC.	12.598	AQ011-020-011	—	49,905
Subtotal			65,703	2,803,659
Department of Defense Education Activity – Competitive Grants:				
Promoting K-12 Student Achievement at Military-Connected Schools –				
Indian River Central School District	12.556	02172017	—	381
Indian River Central School District	12.556	20170120	—	20,320
Copenhagen Central School District	12.556	01232017	—	4,342
Watertown Central School District	12.556	11102015	—	6,472
Watertown Central School District	12.556	01202017	—	8,027
Subtotal			—	39,542
US Central Intelligence Agency - (OGC Seminar on AI & National Security Law)	12.902	Direct	—	9,999
National Security Agency - Mission Assurance	12.902	Direct	—	157,391
Subtotal			—	167,390
Department of Defense - Quanterion Solutions, Inc	12.910	2019-HDIAC-04	—	49,071
Total Department of Defense			65,703	3,059,662
Department of Justice:				
Crime Victim Assistance/Discretionary Grants - Vera House	16.582	OVC-2020-18114	—	5,521
Total Department of Justice			—	5,521
Department of State:				
Academic Exchange Programs – Undergraduate Programs –				
International Research & Exchanges Board	19.009	FY20-YALI-PM-Syracuse-07	—	35,488
Fullbright International Teachers				
International Research & Exchanges Board	19.408	FY20-FDAI-SU-01	—	12,729
Academic Exchange Programs – Hubert H. Humphrey Fellowship Programs –				
Institute of International Education	19.010	3,000,194,499	—	231,289
Institute of International Education	19.010	3,000,206,252	—	20,036
Institute of International Education	19.010	HHH1901-Syracuse_7.1.19	—	1,185
Institute of International Education - Foreign Fulbright English	19.010	S-ECAGD-20_CA-0009	—	152,869
Subtotal			—	405,379
Total Department of State			—	453,596
Department of the Treasury:				
Internal Revenue Service – Low Income Taxpayer Clinics	21.008	Direct	—	99,333
Total Department of the Treasury			—	99,333

SYRACUSE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Federal assistance listing number	Direct or pass-through identifying number	Passed through to subrecipients	Total federal expenditures
National Science Foundation - Intergovernmental Personnel Act (IPA) Assignment	27.011	Direct	—	360,186
Total National Science Foundation			—	360,186
National Endowment For the Humanities:				
Promotion of the Humanities Fellowship and Stipends	45.160	Direct	—	452
National Endowment For the Humanities - Americans For The Arts	45.024	SU0720	—	9,994
National Endowment For the Humanities - Humanities New York	45.129	R-2004-02899	—	2,804
Total National Endowment For the Humanities			—	13,250
Institute of Museum and Library Science:				
Institute of Museum and Library Science – Librarians for the 21st Century	45.313	Direct	38,498	107,062
Total Institute of Museum and Library Science			38,498	107,062
Small Business Administration:				
Women’s Business Ownership Assistance	59.043	Direct	—	404,659
Veterans Outreach Program	59.044	Direct	—	976,428
Total Small Business Administration			—	1,381,087
Environmental Protection Agency:				
Environmental Finance Center Grants	66.203	Direct	—	50,024
Southeast New England Coastal Watershed Restoration- University of Southern Maine	66.129	SNEP1-04	—	19,841
Surveys, Studies, Investigations, Demonstrations, and Training Grants – Section 1442 of the Safe Drinking Water Act – University of North Carolina	66.424	5111286	—	75,511
Total Environmental Protection Agency			—	145,376
Department of Education:				
National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program – Cornell University	84.015	88039-11128	—	220,266
Cornell University	84.015	87309-11116	—	55,492
Subtotal			—	275,758
Fund for the Improvement of Postsecondary Education – Association on Higher Education and Disability	84.116	03042016	—	9,950
Javits Gifted and Talented Students Education	84.206	Direct	—	386,512
Inclusive Consortium of Leaders in urban Disabilities Education - Florida International University	84.325	800011810 – 02UG	—	225,913
Transition Programs for Students with Intellectual Disabilities into Higher Education	84.407	Direct	—	123,554
COVID-19 Higher Education Emergency Relief Fund Student Portion	84.425(e)	Direct	—	5,859,004
COVID-19 Higher Education Emergency Relief Fund Institutional Support	84.425(f)	Direct	—	28,460,858
Subtotal			—	34,319,862
Total Department of Education			—	35,341,549
Department of Health and Human Services:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance – Vibrant Emotional Health	93.243	31154	—	14,101
Administration for Community Living	93.433	Direct	—	19,440
Development Disabilities Basic Support and Advocacy Grants - The ARC of Northern Virginia	93.630	NOVA-19-06	—	51,206
Administration For Community Living: Developmental Disabilities Projects of National Significance – Quality Trust for Individuals	93.631	27794	—	1,028
Developmental Disabilities Projects of National Significance – University of Missouri	93.631	0098723/00068233	—	2,192
Subtotal			—	3,220
Total Department of Health and Human Services			—	87,967
Total Other Federal Expenditures			104,201	41,445,685
Total Expenditures of Federal Awards			\$ 3,199,552	254,576,769

See accompanying notes to schedule of expenditures of federal awards.

SYRACUSE UNIVERSITY

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

(1) Basis of Presentation

The accompanying supplementary schedule of expenditures of federal awards (the Schedule) summarizes the expenditures of Syracuse University (the University) under programs of the federal government for the year ended June 30, 2021.

For purposes of the Schedule, federal awards include all grants, contracts and similar agreements entered into directly between the University and agencies and departments of the federal government and all subawards to the University by nonfederal organizations pursuant to federal grants, contracts and similar agreements.

Expenditures for direct costs are recognized as incurred using the accrual method of accounting and the cost accounting principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. Moreover, expenditures include a portion of costs associated with general University activities (facilities and administrative costs) which are allocated to awards under negotiated formulas commonly referred to as facilities and administrative cost rates.

(2) Federal Student Financial Assistance

The Perkins Loan Program (CFDA 84.038) listed below is administered directly by the University, and balances and transactions relating to this program are included in the University's consolidated financial statements. Loan activities and balances consist of the following:

	<u>Balance as of June 30, 2020</u>	<u>Loans issued</u>	<u>Payments and adjustments</u>	<u>Balance as of June 30, 2021</u>
\$	26,912,112		(6,013,682)	20,898,430

As required by the Uniform Guidance, the amount shown on the Schedule as expenditures for the Perkins Loan Program is equal to the balance of loans outstanding at June 30, 2020. Under federal law, the Perkins Loan Program ended on September 30, 2017, and final disbursements under the program were permitted through June 30, 2018.

(3) Federal Direct Student Loans

During the year ended June 30, 2021, the University processed new loans of \$135,152,045 under the Federal Direct Student Loans program.

With respect to this program, the University is responsible only for the performance of certain administrative duties and, accordingly, these loans are not included in the University's consolidated financial statements. It is not practical to determine the balances of loans outstanding to students of the University under the Federal Direct Student Loans program as of June 30, 2021.

SYRACUSE UNIVERSITY

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

(4) Facilities and Administrative Costs

The University has obtained predetermined facilities and administrative cost rates for fiscal year 2021, which have been reviewed and approved by the U.S. Department of Health and Human Services. The base rate for on-campus research was 50.0% and for off-campus research was 26.0%. The University did not elect to utilize the 10% de minimus indirect cost rate in Part 200.514 of the Uniform Guidance.

Total facilities and administrative costs recovered for fiscal year 2021 amounted to approximately \$8.6 million.



KPMG LLP
515 Broadway
Albany, NY 12207-2974

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

The Board of Trustees
Syracuse University:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Syracuse University and subsidiaries (the University), which comprise the consolidated balance sheet as of June 30, 2021, the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 24, 2021, except as to notes 15 and 16, which are as of September 19, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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



Purpose of This Report

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

KPMG LLP

September 24, 2021, except as to notes 15 and 16 to the consolidated financial statements, which are as of September 19, 2022



KPMG LLP
515 Broadway
Albany, NY 12207-2974

**Independent Auditors' Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and Report on Schedule of Expenditures
of Federal Awards Required by the Uniform Guidance**

The Board of Trustees
Syracuse University:

Report on Compliance for Each Major Federal Program

We have audited Syracuse University's (the University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2021. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each of the University's major federal programs. However, our audit does not provide a legal determination of the University's compliance.

Opinion on Each Major Federal Program

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing



procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the consolidated financial statements of the University as of and for the year ended June 30, 2021, and have issued our report thereon dated September 24, 2021, except as to notes 15 and 16, which are as of September 19, 2022, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards (the Schedule) is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

September 19, 2022

SYRACUSE UNIVERSITY
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

(1) Summary of Auditors' Results

- (a) Type of report issued on whether the consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles: **Unmodified**
- (b) Internal control deficiencies over financial reporting disclosed by the audit of the consolidated financial statements:
 - Material weaknesses: **No**
 - Significant deficiencies: **None reported**
- (c) Noncompliance material to the financial statements: **No**
- (d) Internal control deficiencies over major programs disclosed by the audit:
 - Material weaknesses: **No**
 - Significant deficiencies: **None reported**
- (e) Type of report issued on compliance for each major program: **Unmodified**
- (f) Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?: **No**
- (g) Major programs:
 - Student Financial Assistance Cluster – various Federal Assistance Listing numbers
 - Department of the Army – 12.000
 - Higher Education Emergency Relief Act (HEERF) - 84.425(e) and 84.425(f)
- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$1,790,615**
- (i) Auditee qualified as a low-risk auditee: **Yes**

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*

None.

(3) Findings and Questioned Costs Relating to Federal Awards

None.