



STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements and Supplementary Schedules

June 30, 2021

(With Independent Auditors' Reports Thereon)

STEVENS INSTITUTE OF TECHNOLOGY

Table of Contents

	Page(s)
Independent Auditors' Report	1–2
Consolidated Financial Statements:	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Cash Flows	5
Notes to Consolidated Financial Statements	6–37
Supplementary Information	
Schedule of Financial Responsibility Data	38
Schedule of Expenditures of Federal Awards	39–42
Schedule of Expenditures of State of New Jersey Awards	43
Notes to Schedules of Expenditures of Federal and State of New Jersey Awards	44–45
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>	46–47
Independent Auditors' Report on Compliance for Each Major Federal and State of New Jersey Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance and Report on Schedule of Expenditures of State of New Jersey Awards Required by New Jersey OMB Circular 15-08	48–50
Schedule of Findings and Questioned Costs	51–57



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Independent Auditors' Report

The Board of Trustees
Stevens Institute of Technology:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Stevens Institute of Technology and Subsidiary (the University), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities and cash flows for the year 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 audit. We conducted our audit 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 auditor considers 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 Stevens Institute of Technology and Subsidiary as of June 30, 2021, and the changes in their net assets and their cash flows for the year 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.

Report on Summarized Comparative Information

We have previously audited Stevens Institute of Technology and Subsidiary's 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 16, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2021 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

KPMG LLP

December 3, 2021

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Statement of Financial Position

June 30, 2021

(with comparative financial information as of June 30, 2020)

(Dollars in thousands)

Assets	2021	2020
Cash (note 4)	\$ 74,171	75,803
Student, sponsor and other receivables, net (note 5)	17,753	15,877
Contributions receivable, net (note 6)	17,500	20,276
Prepaid expenses and other assets (note 2(f))	17,204	14,734
Deposits with bond trustees (notes 4 and 10)	22,260	157,630
Investments (notes 4 and 7)	281,921	213,226
Trusts held by others (note 7)	7,293	6,093
Land, buildings and equipment, net (note 8)	467,649	341,465
Right-of-use assets – operating leases (note 18)	4,409	—
Total assets	\$ 910,160	845,104
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 30,167	40,203
Deferred revenue (note 9)	17,652	12,145
Lease obligations (note 18)	4,757	893
Annuities payable	2,030	2,112
Post-retirement and pension obligations (notes 11 and 12)	6,451	6,739
Conditional asset retirement obligations (note 13)	4,708	4,729
Long-term debt, net (note 10)	336,898	341,575
Refundable advances (note 5)	2,119	3,165
Total liabilities	404,782	411,561
Net assets (notes 16 and 17):		
Without donor restrictions	228,314	201,917
With donor restrictions	277,064	231,626
Total net assets	505,378	433,543
Total liabilities and net assets	\$ 910,160	845,104

See accompanying notes to consolidated financial statements.

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Statement of Activities

Year ended June 30, 2021

(with summarized financial information for the year ended June 30, 2020)

(Dollars in thousands)

	2021			
	Without donor restrictions	With donor restrictions	Total	2020 Total
Operating activities:				
Revenues and other support:				
Tuition and fees (net of student aid of \$100,866 in 2021 and \$91,518 in 2020) (note 14)	\$ 193,788	—	193,788	197,705
Sponsored activity revenues (note 14):				
Federal	35,007	—	35,007	33,106
State	757	—	757	1,042
Private/other	2,826	—	2,826	3,091
Total sponsored activity revenues	38,590	—	38,590	37,239
Grants	9,709	—	9,709	2,757
Contributions	703	6,091	6,794	4,790
Other revenues	879	—	879	2,997
Auxiliary enterprises (note 14)	9,927	—	9,927	23,861
Investment return in support of operations (notes 7 and 17)	1,266	6,479	7,745	7,951
Net assets released from restrictions	10,036	(10,036)	—	—
Total operating revenues and other support	264,898	2,534	267,432	277,300
Expenses (note 15):				
Salaries and benefits	157,550	—	157,550	161,616
Purchased services	29,392	—	29,392	31,902
Maintenance, rents and utilities	17,177	—	17,177	20,502
Supplies and other	22,410	—	22,410	28,241
Interest expense (note 10)	3,729	—	3,729	4,028
Depreciation and amortization	17,956	—	17,956	15,409
Total operating expenses	248,214	—	248,214	261,698
Operating surplus before gain on sale of property	16,684	2,534	19,218	15,602
Gain on sale of property	1,925	—	1,925	8,275
Operating surplus	18,609	2,534	21,143	23,877
Nonoperating activities:				
Investment return (loss), net of amounts in support of operations (note 7)	2,743	39,789	42,532	(2,162)
Contributions	—	6,475	6,475	4,746
Other revenue	1,022	—	1,022	664
Post-retirement benefit changes other than service cost (note 11)	12	—	12	(837)
Change in value of split-interest agreements	—	889	889	(356)
Uncollectible contributions	—	(238)	(238)	(229)
Net assets released from restrictions	4,011	(4,011)	—	—
Total nonoperating activities	7,788	42,904	50,692	1,826
Changes in net assets	26,397	45,438	71,835	25,703
Net assets, beginning of year	201,917	231,626	433,543	407,840
Net assets, end of year	\$ 228,314	277,064	505,378	433,543

See accompanying notes to consolidated financial statements.

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Statement of Cash Flows

Year ended June 30, 2021

(with comparative financial information for the year ended June 30, 2020)

(Dollars in thousands)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 71,835	25,703
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Accretion of bond premium	(1,617)	(832)
Accretion of interest on conditional asset retirement obligations	242	279
Amortization of bond issuance costs	68	43
Amortization of cloud computing arrangements	343	—
Depreciation	17,829	16,520
(Gain) loss on disposal of property	(1,857)	(7,299)
Net (gains) losses on investments	(46,022)	901
Loss for uncollectible contributions	—	229
Post-retirement benefit changes other than net periodic benefit costs	(329)	543
Present value adjustment on annuities payable	(889)	356
Present value adjustment on contribution receivable	(182)	(358)
Change in allowance for doubtful accounts – contributions receivable	214	(179)
Change in allowance for doubtful accounts – student, sponsor, loans and other receivables	59	1,024
Contributions and grants restricted for capital and endowment	(6,475)	(4,746)
Gain on insurance reimbursement	(908)	—
Decrease (increase) in operating assets:		
Student, sponsor and other receivables	(2,524)	359
Contributions receivable	(1,006)	2,431
Prepaid expenses and other assets	(2,813)	(5,313)
Trusts held by others	(94)	(171)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(55)	7,307
Deferred revenue	5,507	783
Lease obligation	348	—
Annuities payable	596	17
Post-retirement and pension obligations	41	108
Conditional asset retirement obligations	(263)	(1,511)
Net cash provided by operating activities	<u>32,286</u>	<u>36,194</u>
Cash flows from investing activities:		
Proceeds from sale of property	1,925	8,275
Proceeds from insurance recoveries	908	—
Proceeds from sales of investments	96,507	66,202
Purchase of investments	(106,535)	(71,011)
Purchases of land, buildings and equipment	(144,081)	(99,498)
Changes in accounts payable for capital	(9,981)	—
Withdrawals from deposits with bond trustee	71,193	7,485
Additions to deposits with bond trustees	—	(80,177)
New loans to students	(64)	—
Collection of student loans	653	1,136
Net cash used in investing activities	<u>(89,475)</u>	<u>(167,588)</u>
Cash flows from financing activities:		
Receipts of contributions and grants restricted for capital and endowment	9,987	6,956
Proceeds from borrowing on line of credit	—	32,700
Repayments of line of credit	—	(38,600)
Payments to annuitants	(210)	(193)
Refundable advances for student loans	(1,046)	(1,566)
Repayments of capital lease obligations	(893)	(988)
Proceeds from issuance of long-term debt	—	209,648
Repayments of long-term debt	(3,128)	(2,977)
Payments of bond issuance costs	—	(1,174)
Net cash provided by financing activities	<u>4,710</u>	<u>203,806</u>
Net (decrease) increase in cash, cash equivalents and restricted cash	(52,479)	72,412
Cash, cash equivalents and restricted cash, beginning of year	<u>155,460</u>	<u>83,048</u>
Cash, cash equivalents and restricted cash, end of year	\$ <u>102,981</u>	\$ <u>155,460</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	\$ 12,123	6,070
Increase in amounts accrued for purchase of land, buildings and equipment	—	4,785

See accompanying notes to consolidated financial statements.

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

(1) Organization

Stevens Institute of Technology (the University), founded in 1870 and located in Hoboken, New Jersey, educates and inspires students to acquire knowledge needed to lead in the creation, application and management of technology and to excel in solving problems in any profession. The University serves approximately 7,250 students and is accredited by the Middle States Association of Colleges and Schools (MSACS), the Accreditation Board of Engineering Technology (ABET), and the Association to Advance Collegiate Schools of Business (AACSB).

The University is also committed to a comprehensive growing program of research, which strengthens the educational experience and materially contributes to our nation's goals. In this context, it follows an educational methodology by which faculty, students and colleagues from industry jointly nurture the process of conception, design, and the marketplace realization of new technologies.

The University is the sole owner of Castle Point Holdings, Inc., established for the purpose of providing a corporate interface between the University and enterprise (start-up) companies.

Current Environment

The COVID-19 pandemic continues to have a significant impact on University operations. The campus closed to students on March 27, 2020 and refunds were made to students pro rata for the Spring 2020 term for housing fees, meal plans, and parking. In fiscal 2021, the University continued to experience a loss of revenue from cancelled facility rentals, limited auxiliary services and pre-college programs. The total negative impact was offset by savings due to less spending and receipt of various COVID-19 grant funds to assist with pandemic-related expenses and lost revenues.

On March 27, 2020, Congress passed the Coronavirus Aid, Relief and Economic Security Act (CARES Act) allotting \$2.2 trillion to provide fast and direct economic aid to the American people negatively impacted by the COVID-19 pandemic. Of those funds, approximately \$14 billion was given to the Office of Postsecondary Education as the Higher Education Emergency Relief Fund (HEERF I). The University was awarded \$3.1 million of funding from HEERF I, of which \$1.56 million was used for financial aid grants to assist students with financial challenges that resulted from the COVID-19 pandemic. The remaining \$1.56 million was used to aid the institution with pandemic-related expenses.

On December 27, 2020, Congress passed The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act) providing roughly \$23 billion to institutions of higher education. The University was allotted \$4.5 million through the CRRSA Act, of which \$1.6 million was to be used to provide emergency financial aid grants to assist eligible students with financial challenges that resulted from the COVID-19 pandemic. The remainder of the allocation was allocated to aid the institution with pandemic-related expenses. The University also received \$1.7 million of Coronavirus Relief Funds (CRF) allocated through the State of New Jersey's Office of the Secretary of Higher Education (OSHE).

On March 11, 2021, Congress passed the American Rescue Plan (ARP) which included additional COVID-19 relief for institutions of higher education. This new COVID stimulus bill included \$40 billion, for higher education institutions and students. On May 24, 2021, the University received \$8.2 million under the

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

ARP (HEERF III), including \$4.1 million allocable to student aid and is currently developing a plan to disburse that funding.

(2) Summary of Significant Accounting Policies

(a) Consolidation

The accompanying consolidated financial statements include the accounts of Stevens Institute of Technology and its wholly owned subsidiary, Castle Point Holdings, Inc. (collectively, the University). All significant intercompany accounts have been eliminated in consolidation.

(b) Basis of Presentation

The University prepares its consolidated financial statements on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (U.S. GAAP) and with standards established by the Financial Accounting Standards Board (FASB) for external financial reporting by not-for-profit organizations. Accordingly, the University's resources are classified and reported based upon the existence or absence of donor-imposed restrictions, as follows:

Net Assets with Donor Restrictions

Included in these net assets are net assets subject to donor-imposed stipulations that they be maintained permanently by the University. Donors of these assets generally permit the use of all or part of investment earnings for operating or specific purposes, such as scholarships, chairs and educational and research programs. Also included are net assets subject to donor-imposed restrictions that will be satisfied either by actions of the University or the passage of time.

Net Assets without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions, and therefore are expendable for operating purposes. Net assets without donor restrictions may be designated for specific purposes by the University's Board of Trustees.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets are limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Appreciation or depreciation in the fair value of investments and gains and losses on other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless otherwise restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets are reported as net assets released from restrictions.

(c) Cash and Cash Equivalents

Cash and cash equivalents are recorded at fair value and comprises highly liquid financial instruments with original maturities of three months or less at time of purchase. Short-term highly liquid investments are not considered cash and cash equivalents if purchased with resources from a donor-restricted endowment fund or other resources limited to long-term investment. At June 30, 2021 and 2020, there were no cash equivalents within the cash balances presented in the accompanying consolidated statement of financial position.

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

(d) Concentrations of Credit Risk

Cash and investments are exposed to interest rate, market, and credit risks. The University maintains its cash in various bank deposit accounts that, at times, may exceed federally insured limits. To minimize risk, the University's cash accounts are placed with high credit quality financial institutions and the University's investment portfolio is diversified among a variety of asset categories, which are held by several investment managers. The University regularly evaluates its depository arrangements and investment strategies.

(e) Student Accounts and Loans Receivable

Student accounts receivable represent credit extended to students with no underlying collateral. Such balances are due at the beginning of each semester and are stated net of an allowance for doubtful accounts. The University determines its allowance based on the anticipated net realizable value of expected collections. Student loans receivable principally represent loans under the Federal Perkins Loan Program. Student loans under the Federal Perkins Program are guaranteed by the Federal Government.

(f) Prepaid Expenses and Other Assets

Prepaid expenses and other assets represent goods or services paid for in advance that the University will benefit from in future periods. Included in prepaid expenses and other assets are the design and implementation costs of the Workday Student system (the System) totaling \$15,288 and \$11,031 at June 30, 2021 and 2020, respectively. The System is a cloud computing arrangement (CCA) and the deferred costs will be recognized as expense over the term of the CCA once the System is placed into service, which occurred in March 2021 and will be amortized over the 15-year service contract. Amortization of the implementation costs totaled \$343 for the year ended June 30, 2021, which were recognized in purchased services in the accompanying consolidated statement of activities.

(g) Investments

The fair value of investments, which consist of fixed income and equity securities, is based on quoted market prices at June 30th. Investments in pooled private equity and other alternative investment funds are stated at estimated fair value based on the net asset value (NAV) of the funds as a practical expedient. Values of these funds, which may invest in both nonmarketable and market-traded securities, are provided by the general partner of the fund and reviewed by management for reasonableness.

(h) Fair Value Measurement

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Accounting Standards Codification (ASC) 820 establishes a fair value hierarchy, which requires an entity to maximize the use of

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices or published NAVs in active markets for identical assets or liabilities.
- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets.

(i) Split-Interest Agreements

The University's split-interest agreements include charitable remainder trusts, life income funds and perpetual trusts. The underlying assets of the trust agreements are invested in cash, cash equivalents and equity securities and are carried at fair value. Charitable remainder trusts and life income funds for one or more beneficiaries generally pay lifetime income to those beneficiaries, after which, the principal is made available to the University in accordance with donor stipulations. A liability is established for the present value of the estimated future payments to the beneficiaries, with the difference between the liability and the fair value of the proceeds received by the University recorded as a contribution. The present value calculation is performed using rates prescribed by the Internal Revenue Service.

The University operates a gift annuity program for donors/annuitants who reside in various states including New Jersey, New York, Connecticut, Florida, Kentucky, Maine, New Hampshire and Pennsylvania. The University maintains assets at least equal to the sum of the reserves on its outstanding annuity agreements. The reserves on the outstanding annuity agreements are consistent with the assumptions underlying the rates adopted by the American Council on Gift Annuities which are in effect at the time of issuance of the gift annuity. In determining the appropriate reserves, an adjustment is made for the obligation to the annuitant and the fair value of the investments. The University's gift annuity reserves are sufficient to meet the state requirements of all of the states in which the program operates.

The split-interest agreements assets that are held by third party trustees are recorded in trusts held by others. These amounts are recorded at the fair value of the assets contributed to the trust and are classified within Level 3 of the fair value hierarchy of ASC 820.

(j) Land, Buildings and Equipment

Land, buildings and equipment, purchased for a value of \$5 or more and with a useful life greater than one year are stated at cost net of accumulated depreciation, or if donated, at the fair value at date of contribution. Upon disposal of fixed assets, cost and accumulated depreciation are reversed and the

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

resulting gain or loss, if any, is included within operating activities in the accompanying consolidated statement of activities.

Depreciation for all assets, except new construction greater than \$50,000, is calculated using the straight-line method and half-year convention over the following estimated useful lives:

Buildings	40 to 50 years
Building improvements	20 years
Furniture, fixtures and equipment	4 to 15 years

Depreciation for new construction greater than \$50,000 is calculated using the straight-line method based on the in-service date over 50-year estimated useful life.

(k) Leases

The University has a variety of operating leases for office space and student housing. The obligations associated with these leases have been recognized as a liability in the consolidated statement of financial position based on future lease payments, discounted by the risk-free borrowing rate. The University has elected to use the practical expedient for the short-term lease exemption, allowing leases that are for a period of 12 months or less, or contain renewals for periods of 12 months or less, to be excluded from right-of-use assets and lease liabilities on the statement of financial position. The University has elected the practical expedient to not separate lease and non-lease components. Lease terms may include options to extend or terminate certain leases. The value of options to extend or terminate are reflected in the valuation if it is reasonably certain management will exercise an option to extend or terminate a lease.

(l) Operating Measure

The University classifies its activities in the accompanying consolidated statement of activities as operating and nonoperating. Operating activities principally include all income and expenses related to carrying out the University's educational and research mission. Operating revenues also include contributions and investment return used to fund current operations, in accordance with the University's endowment spending rate policy.

Nonoperating activities principally include investment return in excess of (or less than) amounts authorized for expenditure by the University's Board of Trustees (spending rate policy); contributions and other resources intended to be held in perpetuity or for purchases of capital assets and the related release of contributions restricted for capital purposes; present value adjustments of annuities payable; and other activities considered to be a more unusual or nonrecurring nature, if any.

(m) Revenue Recognition

(i) Tuition and Fee Revenue

The University recognizes revenue from student tuition and fees within the fiscal year in which educational services are provided. Institutional aid, in the form of scholarships and grants-in-aid,

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

includes amounts funded by the endowment, research funds, and gifts, and reduces the published price of tuition for students receiving such aid. As such, institutional aid is referred to as a tuition discount and represents the difference between the stated charge for tuition and fees and the amount that is billed to the student and/or third parties making payments on behalf of the student.

Two summer terms are offered: Summer A from mid-May to the beginning of July and Summer B from early July to mid-August. Web-campus courses run from mid-May through the end of August. Revenue from tuition and fees for all of the summer terms is recognized as performance obligations are met.

(ii) *Sponsored Activity*

The University receives sponsored program funding from various governmental and corporate sources. The funding may represent a reciprocal transaction in exchange for an equivalent benefit in return, or it may be a nonreciprocal transaction in which the resources provided are for the benefit of the University, the funding organization's mission, or the public at large.

Revenues from nonexchange transactions (contributions) may be subject to conditions, in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). Revenues from conditional nonexchange transactions are recognized when the barrier is satisfied, which in some cases are as related costs are incurred. In addition, the University has elected the simultaneous release option for conditional contributions that are also subject to purpose restrictions. Under this option, net assets without donor restrictions will include the donor-restricted contributions for which the purpose restrictions are met in the same reporting period as the revenue is recognized.

(iii) *Auxiliary Enterprises*

Auxiliary enterprises exist to furnish goods or services to students, faculty, staff, or incidentally to the general public, and the University charges a fee directly related to, although not necessarily equal to, the cost of the goods or services. The distinguishing characteristic of auxiliary services is that they are managed as an essentially self-supporting activity.

Performance obligations for housing and dining services are delivered over the academic terms. Consequently, revenue from housing and dining services is recognized ratably as services are rendered.

Parking service revenue is recorded ratably over the period for which the parking permits have been sold.

(iv) *Contributions*

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Unconditional promises to give are recorded at their net realizable value if they are expected to be collected within one year or at the present value of future cash flows if they are expected to be collected over periods longer than one year. The University has been notified of

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

certain intentions to give under various wills and trusts, the realizable amounts of which are not presently determinable. The University's share of such bequests is recorded when the University has an irrevocable right to the bequest and the proceeds are measurable. At June 30, 2021 and 2020, conditional contributions, including advised bequests, totaled \$60,780 and \$52,736, respectively.

Contributions of assets other than cash are recorded at their estimated fair value at date of donation. Contributions to be received after one year are discounted using a risk-adjusted rate of return. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any. An allowance for uncollectible contributions receivable is provided based upon management's judgment of prior collection history, type of contribution and nature of fundraising activity. Net assets without donor restrictions resulting from certain large contributions may be designated by the University's Board of Trustees for capital or long-term investment.

(n) Income Taxes

The University has been classified as an organization described under Section 501(c)(3) of the Internal Revenue Code (the Code) and, therefore, is exempt from Federal income taxes under Section 501(a) of the Code and similar State of New Jersey tax provisions. Federal law imposes tax on income that is not related to an organization's tax-exempt purposes or otherwise excluded under the Code as well as an excise tax on certain excess compensation.

The University has processes presently in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated income, determine its filing and tax obligations in jurisdictions for which it has nexus, and to review other matters that may be considered tax positions. Management of the University believes there are no uncertain tax positions.

(o) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(p) Prior Year Summarized Financial Information

While comparative information is not required under U.S. GAAP, the University believes this information is useful and has included certain summarized comparative financial information from its fiscal year 2020 consolidated financial statements. Such summarized comparative information is not intended to be a complete presentation in accordance with U.S. GAAP. Accordingly, such information should be read in conjunction with the University's consolidated financial statements as of and for the year ended June 30, 2020, from which it was derived.

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

(q) New Accounting Pronouncements

The FASB issued Accounting Standards Updates (ASU) No. 2016-02, *Leases (Topic 842)*, which requires lessees to recognize most leases on the statement of financial position, increasing their reported assets and liabilities. This update was developed to provide financial statement users with more information about an entity's leasing activities. The guidance is intended to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases that extend more than twelve months. Key provisions in this guidance include additional disclosures surrounding the amount, timing and uncertainty of cash flows arising from leases. Effective July 1, 2020, the University adopted ASU No. 2016-02. The University elected the effective date transition method and the package of practical expedients that permits no reassessment of whether any expired or existing contracts are or contain a lease, the lease classification for any expired or existing leases, and any initial direct costs for any existing leases as of the effective date. The University's right-of-use assets – operating leases and lease obligations at adoption were \$5,129.

(3) Financial Assets and Liquidity Resources

As of June 30, 2021 and 2020, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt and contributions, were as follows:

	2021	2020
Financial assets available within one year:		
Cash	\$ 63,905	64,679
Accounts receivable, net	16,268	13,798
Contributions receivable available for operations	1,651	1,370
Investments appropriated for spending in following year	8,548	7,938
Total financial assets available within one year	90,372	87,785
Liquidity resources:		
Bank line of credit	35,000	35,000
Total liquidity resources	35,000	35,000
Total financial assets and liquidity resources	\$ 125,372	122,785

The University's cash flows have seasonal variations during the year attributable to timing of tuition billing and to a lesser extent a concentration of contributions received at calendar and fiscal year-end. To manage liquidity, the University has a short-term investment strategy for excess working capital. It is intended to be used for operating cash management purposes within one year and allows the University to align cash inflows with anticipated cash outflows, in accordance with policies approved by the Finance Committee of the Board.

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

As further described in Note 10, the University may draw upon a line of credit to manage cash flows, however the main purpose of that line of credit is to interim fund capital spending until permanent funding is secured.

In addition to financial assets available to meet general expenditures over the next year, the University operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows, which identifies the sources and uses of the University's cash and shows positive cash generated by operations for fiscal years 2021 and 2020.

The University also has \$22,255 in board-designated endowments, which are available for general expenditure with Board approval. The Board has approved fiscal year 2022 spending from the endowment estimated to be \$8,548, which is included in the table above.

(4) Cash and Cash Equivalents

Cash, cash equivalents, and restricted cash are included in the following lines of the consolidated statement of financial position, which sum to the total of the same such amounts shown in the consolidated statement of cash flows:

	<u>2021</u>	<u>2020</u>
Cash	\$ 74,171	75,803
Deposits with bond trustees	15,650	78,913
Investments	<u>13,160</u>	<u>744</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 102,981</u>	<u>155,460</u>

Cash includes restricted cash of \$10,266 and \$11,124 at June 30, 2021 and 2020, respectively, that represents cash received with donor-imposed restrictions that limits the use of that cash for scholarships and fellowships; chairs, professorships and lectureships; academic support, including the library and the humanities; research; and buildings and grounds.

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

(5) Student, Sponsor and Other Receivables

Student, sponsor and other receivables, net, as of June 30, 2021 and 2020, consisted of the following:

	<u>2021</u>	<u>2020</u>
Student	\$ 7,311	7,936
Sponsored contracts and grants	11,049	8,193
Student loans	2,615	3,205
Other	<u>2,424</u>	<u>2,130</u>
	<u>23,399</u>	<u>21,464</u>
Less:		
Allowance for doubtful student accounts	(2,891)	(3,079)
Allowance for doubtful sponsor accounts	(341)	(336)
Allowance for doubtful student loan accounts	(1,130)	(1,126)
Allowance for doubtful other accounts	<u>(1,284)</u>	<u>(1,046)</u>
	<u>(5,646)</u>	<u>(5,587)</u>
Student, sponsor and other receivables, net	\$ <u>17,753</u>	<u>15,877</u>

A majority of the student loans outstanding are associated with the Federal Perkins Loan Program. Funds advanced by the Federal Government of \$2,119 and \$3,165 at June 30, 2021 and 2020, respectively, are ultimately refundable to the U.S. Government and are classified as liabilities in the consolidated statement of financial position. Outstanding loans canceled under the program result in a decrease in the liability to the U.S. Government.

At June 30, 2021 and 2020, the following amounts were outstanding receivables under the Federal Perkins Loan Program:

	<u>Less than 30 days</u>	<u>Less than 90 days</u>	<u>Less than 180 days</u>	<u>Less than 360 days</u>	<u>Greater than 360 days</u>	<u>Total</u>
June 30:						
2021	\$ 1,301	45	3	5	1,197	2,551
2020	1,878	91	5	21	1,210	3,205

Also included in student loan receivables are private student loan and direct lending receivables totaling \$64 in fiscal year 2021. Allowances for doubtful accounts are established based on prior collection experiences and current economic factors, which, in management's judgment, could influence the ability of loan recipients to repay the amounts per the loan terms.

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

(6) Contributions Receivable

Contributions receivable, net, as of June 30, 2021 and 2020, consisted of the following:

	<u>2021</u>	<u>2020</u>
Amounts due in:		
Less than one year	\$ 7,505	6,972
One to five years	10,937	13,344
Greater than five years	<u>494</u>	<u>1,364</u>
	18,936	21,680
Less discount to present value	<u>(562)</u>	<u>(744)</u>
	18,374	20,936
Less allowance for doubtful contributions	<u>(874)</u>	<u>(660)</u>
Contributions receivable, net	\$ <u><u>17,500</u></u>	<u><u>20,276</u></u>

A discount for contributions receivable to be received over periods longer than the one year from date of contribution is provided using a risk-adjusted rate of return. The discount rates used range from 0.30% to 3.25%.

At June 30, 2021 and 2020, approximately 58% and 71%, respectively, of gross contributions receivable is due from five donors, respectively. For the years ended June 30, 2021 and 2020, approximately 24% and 29% of contribution revenue was received from five donors, respectively.

From time to time, the University is the recipient of contributions from donors who are also members of the Board of Trustees. At June 30, 2021 and 2020, contributions receivable included \$6,844 and \$7,182, respectively, from members of the Board of Trustees.

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

(7) Investment and Trusts Held by Others

Investment valuations are established and classified based on a variety of inputs. The fair value of investments and trusts held by others and the input classifications or levels, by investment category, at June 30, 2021 and 2020 are shown in the following tables:

2021	Total	Level 1	Level 2	Level 3
Investments:				
Cash and cash equivalents	\$ 13,160	13,160	—	—
Mutual funds	192,060	192,060	—	—
U.S. treasuries	850	850	—	—
U.S. equities	407	407	—	—
Certificates of deposit	992	—	992	—
Commercial paper	3,054	—	3,054	—
Corporate bonds	574	—	574	—
Split-interest agreements	3,227	3,227	—	—
	214,324	\$ 209,704	4,620	—
Investments reported at NAV or its equivalent:				
Pooled private equity	40,574			
Pooled alternative investments	27,023			
Total investments	\$ 281,921			
Trusts held by others	\$ 7,293	—	—	7,293

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

<u>2020</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Cash and cash equivalents	\$ 744	744	—	—
Mutual funds	170,856	170,856	—	—
U.S. equities	479	479	—	—
Split-interest agreements	<u>2,713</u>	<u>2,713</u>	—	—
	174,792	\$ <u><u>174,792</u></u>	<u>—</u>	<u>—</u>
Investments reported at NAV or its equivalent:				
Pooled private equity	28,047			
Pooled alternative investments	<u>10,387</u>			
Total investments	\$ <u><u>213,226</u></u>			
Trusts held by others	\$ 6,093	—	—	6,093

There were no transfers in or out of Levels 1, 2 or 3 within the fair value hierarchy during the years ended June 30, 2021 and 2020.

The following table summarizes the changes in value of the Level 3 investments for the fiscal year ended June 30, 2021:

	<u>Trust held by others</u>
Balance as of June 30, 2019	\$ 5,996
New trusts, net	301
Total investment return, net	<u>(204)</u>
Balance as of June 30, 2020	6,093
New trusts, net	70
Total investment return, net	<u>1,130</u>
Balance as of June 30, 2021	\$ <u><u>7,293</u></u>

The University diversifies its investments both by asset class and within asset classes. As a general practice, all investments of the University are managed by external investment management firms.

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

Investments reported at NAV as calculated by respective investment managers are subject to capital calls and specific redemption terms. Investments, valued using NAV at June 30, 2021, are as follows:

	<u>Fair value</u>	<u>Unfunded commitments</u>	<u>Redemption frequency (if currently eligible)</u>	<u>Redemption notice period (days)</u>
Pooled alternatives:				
Multi-strategy (a)	\$ 27,023	—	Quarterly	60–91 days
	<u>27,023</u>	<u>—</u>		
Pooled private equity:				
Real estate fund (b)	260	820	Not eligible	
Private equity (c)	<u>40,314</u>	<u>28,608</u>	Not eligible	
	<u>40,574</u>	<u>29,428</u>		
Total investments reported at NAV \$	<u><u>67,597</u></u>	<u><u>29,428</u></u>		

The information below includes description of the investments by class, valuation estimates used, and the redemption terms by investment class.

- (a) Multi-strategy invests in hedge funds that pursue multiple strategies to diversify risks and reduce volatility. The hedge funds' portfolio for this class includes investments in funds of funds, public and private equity and fixed income, long-term and short-term equities and credit. The fair values of the investments in this class have been estimated using the NAV per share of the investments.
- (b) The real estate fund includes investments in undervalued or inappropriately capitalized U.S. and non-U.S. real estate assets and corporate real estate. They also include public and private real estate companies in growth/emerging markets. The fair values of the investments in this class have been estimated using the NAV of the University's ownership interest in partners' capital. Each investment has specific terms regarding terminations. Upon termination of the partnership, investments in the funds are liquidated and distributed. Investments representing 57% of the value in this class will terminate on August 30, 2021 and 43% have terminated as of December 31, 2020.
- (c) Private equity includes several private equity funds that invest primarily in strategies and markets that demonstrate the potential to produce attractive returns due to market inefficiencies and/or companies with a strong potential for change, as well as managers who demonstrate differentiated capabilities in pursuing their strategies. The investments consist of 13% in Natural Resources, 26% in U.S. Private Equities, and 61% in Global Private Equities. These investments cannot be redeemed. Upon termination of the partnership, distributions will be made through the liquidation of the underlying assets. The distributions may take more than one year after the partnership termination date. The fair

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

values of the investments in this class have been estimated using the NAV of the University's ownership in partners' capital.

The components of investment (loss) return for the years ended June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Dividends and interest	\$ 4,738	6,104
Net realized gain	241	940
Net unrealized (depreciation) appreciation	45,781	(1,841)
Investment management fees	<u>(758)</u>	<u>(727)</u>
Total investment return	50,002	4,476
Endowment distribution	<u>(7,470)</u>	<u>(6,638)</u>
Net investment (loss) return	\$ <u>42,532</u>	<u>(2,162)</u>

In addition to the gross endowment distribution, net non-endowment investment return totaling \$275 and \$1,313 in fiscal 2021 and 2020, respectively, was included in the investment return in support of operations on the accompanying consolidated statement of activities.

Total calculated endowment distribution, less amounts associated with true endowments whose fair value is less than the original gift value, is defined as endowment distribution-gross and is presented as part of operating activities on the accompanying consolidated statement of activities. A ratable portion of the endowment distributions associated with chairs and professorships that are unnamed for a portion of the fiscal year is transferred back to the specific endowment fund and presented within nonoperating activities.

(8) Land, Buildings and Equipment, Net

At June 30, 2021 and 2020, property, plant and equipment, net consisted of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 1,692	1,721
Buildings and improvements	373,124	361,592
Furniture, fixtures and equipment	77,050	67,467
Construction in progress	<u>218,180</u>	<u>95,604</u>
	670,046	526,384
Less accumulated depreciation and amortization	<u>(202,397)</u>	<u>(184,919)</u>
Total land, buildings and equipment, net	\$ <u>467,649</u>	<u>341,465</u>

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

Depreciation and amortization expense, excluding accretion, totaled \$17,829 and \$16,520 for the years ended June 30, 2021 and 2020, respectively. Construction in progress includes costs associated with the University Center Complex, costs associated with the campus plan, and various other campus improvements. The commitments to complete these projects at June 30, 2021 are approximately \$52,756.

(9) Deferred Revenue

Deferred revenue consists of tuition revenue for summer sessions prorated based on the portion of the session that occurs within each fiscal year, as well amounts received as part of the Compass One dining contract, which will be recognized over the contract term. Also included are unexpended sponsored awards, which represent amounts received from sponsors for which the University has not yet fulfilled its obligations. Such amounts are recorded as revenues when the related services are performed, or obligations are satisfied.

		Summer tuition	Sponsored contracts (exchange)	Other deferred revenues	Total
Balance at June 30, 2019	\$	3,164	4,135	4,063	11,362
Revenue recognized		(3,164)	(4,280)	(2,924)	(10,368)
Payments received for future performance obligations		<u>2,759</u>	<u>2,608</u>	<u>5,784</u>	<u>11,151</u>
Balance at June 30, 2020		2,759	2,463	6,923	12,145
Revenue recognized		(2,759)	(1,158)	(5,615)	(9,532)
Payments received for future performance obligations		<u>4,029</u>	<u>4,208</u>	<u>6,802</u>	<u>15,039</u>
Balance at June 30, 2021	\$	<u><u>4,029</u></u>	<u><u>5,513</u></u>	<u><u>8,110</u></u>	<u><u>17,652</u></u>

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

(10) Long-Term Debt and Line of Credit

Long-term debt at June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>	<u>Maturity date</u>	<u>Interest rate range</u>
Bond issue:				
(a) 2014 Higher Education Equipment Leasing Fund	\$ 199	330	6/1/2023	5.00 %
(b) 2016 Higher Education Capital Improvement Fund Series A	—	129	9/1/2020	1.48%–2.66%
(c) 2016 Higher Education Capital Improvement Fund Series B	7,478	7,781	9/1/2036	3.00%–5.00%
(d) 2017 Revenue Bonds Series A	112,120	114,685	7/1/2047	4.00%–5.00%
(e) 2020 Revenue Bonds Series A	174,315	174,315	7/1/2050	3.00%–5.00%
(f) 2020 Revenue Bonds Series B (Taxable)	—	—	7/1/2031	Variable
Long-term debt, net	<u>294,112</u>	<u>297,240</u>		
Plus unamortized bond premium	44,679	46,296		
Less unamortized bond issuance costs	<u>(1,893)</u>	<u>(1,961)</u>		
	<u>\$ 336,898</u>	<u>341,575</u>		

(a) 2014 Higher Education Equipment Leasing Fund

In April 2013, the University was awarded \$7,250 in capital improvement grants from the State of New Jersey for two information technology infrastructure projects. A portion of the award, \$4,500, is being funded under the Higher Education Equipment Leasing Fund, using bonds issued by the New Jersey Educational Facilities Authority (the Authority). In January 2014, the University entered into lease agreements with the Authority, which require that the University pay one-fourth (25%) of the debt service of the underlying bonds, totaling \$987. The agreement requires the University to establish and maintain all original funds as deposits with a trustee, whereby the trustee, as evidenced by University payments, releases funds during construction. In fiscal 2017, the Virtual Learning Environment and the Unified Communication and Collaboration Environment projects were placed in service and the entire principal balance of \$987 has been capitalized.

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

(b) 2016 Higher Education Capital Improvement Fund Series A Bonds

In July 2016, the Authority issued bonds to advance refund the 2005A and 2006A Capital Improvement Funds. The advance refunding added to principal while lowering the overall debt service and did not generate new grants. The remaining balance represents the University's share of the bonds outstanding that funded the original grants made to the University under the 2005A and 2006A programs, of which all of the proceeds were capitalized.

(c) 2016 Higher Education Capital Improvement Fund Series B Bonds

In June 2016, the University was awarded \$19,250 in capital improvement grants from the State of New Jersey for the Academic Gateway Project. A portion of the award, \$17,435, is being funded under the Higher Education Equipment Capital Improvement Fund, using bonds issued by the Authority. In December 2016, the University entered into a grant agreement with the Authority, which requires that the University pay one-half (50%) of the debt service of the underlying bonds, totaling \$8,523. The agreement required the University to establish and maintain all original funds as deposits with trustee in an account, whereby the trustee, as evidenced by University payments, releases funds during construction. In fiscal 2020, the Gateway Academic Center has been placed in service and the entire principal balance of \$8,523 has been capitalized.

(d) 2017 Revenue Bonds Series A

In April 2017, the University entered into a loan agreement with the Authority for bonds with principal of \$119,905 to i.) refinance the costs of certain capital projects through the refunding of the 2007 Series A Bonds and the 1998 Series I Bonds; and ii.) finance capital projects for construction, renovation, expansion and equipping of certain university research and academic buildings and a garage. The University granted as security for this loan, a pledge of and lien on tuition and fee collections. The loan has a negative pledge, which states that no additional liens of greater than \$10,000 shall be pledged upon three certain campus buildings unless a provision is made to secure the bonds equally and ratably with such liens. Under the 2017 Series A Bonds, the loan agreement requires the University to establish and maintain all original funds as deposits with a trustee in a separate account. At June 30, 2021 and 2020, such deposits amounted to \$5,424 and \$12,282, respectively. As of June 30, 2021, a majority of the bond-funded projects were placed in service and the principal balance of \$70,705 has been capitalized.

(e) 2020 Revenue Bonds Series A

In March 2020, the University entered into a loan agreement with the Authority for green bonds with principal of \$174,315 to i) finance the construction, renovation and equipping of the new University Center Complex; ii) finance capital projects for construction, renovation, expansion and equipping of certain additional university research and education buildings; and iii) fund capitalized interest for the 2020 Series A bonds. The University granted as security for this loan, a pledge of and lien on tuition and fee collections. The loan has a negative pledge, which states that no additional liens of greater than \$10,000 shall be pledged upon three certain campus buildings unless a provision is made to secure the bonds equally and ratably with such liens. Under the 2020 Series A Bonds, the loan agreement requires the University to establish and maintain all original funds as deposits with a trustee

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

in a separate account. At June 30, 2021 and 2020, such deposits amounted to \$16,836 and \$145,348, respectively. At June 30, 2021, the project was in progress, with an expected completion date of Spring 2022. The entire principal balance of \$174,315 has been capitalized.

(f) 2020 Revenue Bonds Series B

In February 2020, the University entered into a bond agreement with the Authority and PNC Bank NA, as purchaser, for a taxable draw down bond in the maximum principal amount of \$26,485 to finance a portion of the construction, renovation and equipping of the new Student Housing and University Center. The University granted as security for this loan, a pledge of and lien on tuition and fee collections. The loan has a negative pledge, which states that no additional liens of greater than \$10,000 shall be pledged upon four certain campus buildings unless a provision is made to secure the bonds equally and ratably with such liens. The 2020 Series B bond bears interest at a variable rate during the drawdown period expiring February 12, 2022. Following the end of the draw down period, the interest rate on the 2020 Series B Bond will convert to a fixed rate of interest. No amount has been drawn on the 2020 Series B Bond as of June 30, 2021.

Principal and interest payments for each of the next five years and thereafter are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2022	\$ 3,153	13,464	16,617
2023	3,218	13,303	16,521
2024	3,316	13,138	16,454
2025	3,488	12,970	16,458
2026	3,657	12,795	16,452
Thereafter	<u>277,280</u>	<u>187,561</u>	<u>464,841</u>
Total	<u>\$ 294,112</u>	<u>253,231</u>	<u>547,343</u>

Interest expense related to long-term debt is \$13,548 and \$8,354 for the years ended June 30, 2021 and 2020, respectively, of which \$8,297 and \$3,597 has been capitalized, respectively.

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

Deposits with Trustees

Deposits with bond trustees represent funds held by the trustee, as required by bond indentures, and consisted of the following:

<u>2021</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Deposits with trustees:			
Cash and cash equivalents	\$ 15,650	15,650	—
U.S Treasuries	3,224	3,224	—
Federal agency obligations	3,386	—	3,386
	<u>\$ 22,260</u>	<u>18,874</u>	<u>3,386</u>
<u>2020</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Deposits with trustees:			
Cash and cash equivalents	\$ 78,913	78,913	—
U.S Treasuries	49,450	49,450	—
Federal agency obligations	29,267	—	29,267
	<u>\$ 157,630</u>	<u>128,363</u>	<u>29,267</u>

Such resources will be utilized to fund various construction projects or to satisfy certain debt service reserve requirements pursuant to the respective bond indenture agreements.

Line of Credit

At both June 30, 2021 and 2020, the University has a \$35,000 line of credit, respectively, with TD Bank for general corporate purposes, which may include the temporary financing of capital projects. This facility bears interest at seventy-five (75) basis points above the LIBOR one-month rate and has an unused fee of fifteen (15) basis points. This line of credit became effective May 20, 2016 and expires on May 31, 2022. There is one financial covenant: Debt Service Ratio of not less than 1.15 to 1.0 that is tested annually at fiscal year-end. Management believes the University is in compliance with the debt covenant. The interest rates for the line of credit were 0.875% and 1.00% at June 30, 2021 and 2020, respectively. At June 30, 2021 and 2020, no amounts were outstanding under the TD Bank line of credit. There is no interest expense recognized related to the line of credit for the year ended June 30, 2021. Interest expense related to the line of credit is \$383 for the year ended June 30, 2020.

(11) Post-Retirement Benefits

The University provides health benefits to substantially all of its employees. Upon retirement, employees may be eligible for continuation of these benefits. Amounts are accrued for such benefits during the years employees provide services to the University. The University funds its post-retirement benefit cost on a pay-as-you-go basis.

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

The following are the details of the University's postretirement benefit obligation for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 6,342	5,724
Service cost	174	127
Interest cost	150	177
Plan participants' contributions	15	9
Actuarial (gain) loss	(162)	660
Benefits paid	<u>(343)</u>	<u>(355)</u>
Benefit obligation at end of year	\$ <u>6,176</u>	<u>6,342</u>

The discount rates used to determine benefit obligations for the years ended June 30, 2021 and 2020 were 2.6% and 2.42%, respectively.

Assumed healthcare cost trend rates can have a significant effect on the amounts reported for the healthcare plans. A one percentage point change in the healthcare cost trend rates would have the following effects:

	<u>One percentage point increase</u>	<u>One percentage point decrease</u>
Effect on post-retirement benefit obligation	\$ 46	(42)
Effect on total of service and interest cost components	1	(1)

The following presents details of the University's post-retirement benefit plan assets and costs for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ —	—
Contributions (employer and plan participants)	343	355
Benefits paid	<u>(343)</u>	<u>(355)</u>
Fair value of plan assets at end of year	\$ <u>—</u>	<u>—</u>

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

	<u>2021</u>	<u>2020</u>
Components of accrued benefit cost:		
Funded status	\$ (6,176)	(6,342)
Unamortized prior service credit (cost)	255	233
Unamortized actuarial net loss	<u>2,557</u>	<u>2,910</u>
Accrued benefit cost	\$ <u><u>(3,364)</u></u>	<u><u>(3,199)</u></u>
Components of net periodic benefit cost:		
Service cost	\$ 174	127
Interest cost	150	177
Amortization of unrecognized prior service cost (credit)	(23)	(23)
Amortization of net loss	<u>190</u>	<u>140</u>
Net periodic benefit cost	\$ <u><u>491</u></u>	<u><u>421</u></u>

The following weighted average assumptions were used to determine net periodic benefit cost for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Discount rate	2.42 %	3.27 %
Assumed pre-65 medical trend rates at June 30:		
Healthcare cost trend rate assumed	4.40	4.40
Prescription drug cost trend rate assumed	6.75	6.75
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.78	3.78
Fiscal year that the rate reaches the ultimate trend rate	2075	2075

	<u>2021</u>	<u>2020</u>
Post-retirement benefit changes other than net periodic costs:		
Change in unamortized items:		
Prior service cost	\$ —	—
Actuarial (loss) gain	(162)	660
Amortization of:		
Actuarial loss	(190)	(140)
Unrecognized prior service credit	<u>23</u>	<u>23</u>
Total benefit changes other than periodic cost	(329)	543
Components of net periodic benefit cost, other than service cost	<u>317</u>	<u>294</u>
Post-retirement benefit changes other than service cost	\$ <u><u>(12)</u></u>	<u><u>837</u></u>

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

Expected Future Benefit Payments

Shown below are expected gross benefit payments (including prescription drug benefits) and the expected gross amount of subsidy receipts:

	<u>Employer contributions</u>
Year ending June 30:	
2022	\$ 330
2023	332
2024	323
2025	319
2026	315
2027 to 2031	1,540

Amounts that have not been recognized as components of net periodic benefit cost but are included in net assets without donor restriction are as follows:

	<u>2021</u>	<u>2020</u>
Prior service credit	\$ 256	233
Net loss	<u>2,557</u>	<u>2,910</u>
	<u>\$ 2,813</u>	<u>3,143</u>

Amounts in net assets without donor restriction expected to be recognized as components of net periodic benefit cost during fiscal year 2022 are as follows:

Prior service credit	\$ 38
Net loss	160

(12) Retirement Plans

The University participates in the Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF), a defined contribution plan for academic, professional administrative, nonacademic support and union personnel.

The University participated in a defined contribution plan underwritten by the Variable Annuity Life Insurance Company (VALIC) for nonacademic support and union personnel. Contributions to the VALIC plan ended in May 2009; those participants are now participants in the TIAA/CREF plan. Certain participants still have assets with VALIC.

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

Retirement costs related to these plans for the years ended June 30, 2021 and 2020 totaled approximately \$7,007 and \$7,060, respectively.

The Non-Academic Staff Employees' Pension Plan was established in 1973 as a noncontributory defined benefit plan and covered all nonacademic employees who were not eligible for coverage under the TIAA-CREF defined contribution plan described above. The plan was frozen effective June 30, 1994, after which date, no new participants were accepted into the plans. As of June 30, 2021 and June 30, 2020, the Non-Academic Staff Employees' Pension Plan had a pension obligation of \$315 and \$322, respectively.

The Local 660 Pension Plan was established in 1973 as a noncontributory defined benefit plan and covered Local 660 union who were not eligible for coverage under the TIAA-CREF defined contribution plan described above. The plan was frozen effective June 30, 1994, after which date, no new participants were accepted into the plans. As of June 30, 2021 and June 30, 2020, the Local 660 Pension Plan had a pension (asset) obligation of \$(40) and \$75, respectively.

(13) Conditional Asset Retirement Obligations

Conditional asset retirement obligations (CARO) are legal obligations associated with the retirement of long-lived assets. These liabilities are recognized for remediation or disposal of asbestos, underground storage tanks, radioactive sources and equipment, and similar hazardous materials. These liabilities were initially recorded at an estimated cost of remediation, with related asset retirement costs capitalized by increasing the carrying amount of the related assets by the same amount as the liability. The University applied retrospective application at the inception of the liability using an inflation rate of 4.40% and a discount rate of 5.19%. Asset retirement costs are subsequently depreciated over the useful lives of the related assets. Subsequent to initial recognition, the University records period-to-period changes in the CARO liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flows associated with abatement projects. In fiscal year 2014, the University modified the inflation rate to 4.0%. The University satisfies CARO liabilities when the related obligations are settled. Accretion charges in the amount of \$242 and \$279 for the years ended June 30, 2021 and 2020, respectively, were presented as a component of depreciation and amortization expense.

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

(14) Revenue

(a) Tuition and Fees

The University's tuition and fee revenue is disaggregated as follows:

	<u>2021</u>	<u>2020</u>
Undergraduate tuition and fee revenue	\$ 202,595	187,030
Undergraduate student aid	<u>(94,225)</u>	<u>(82,274)</u>
Undergraduate tuition and fee revenue, net	<u>108,370</u>	<u>104,756</u>
Graduate tuition and fee revenue	91,755	100,711
Graduate student aid	<u>(6,608)</u>	<u>(8,951)</u>
Graduate tuition and fee revenue, net	<u>85,147</u>	<u>91,760</u>
Pre-college tuition and fee revenue	304	1,482
Pre-college student aid	<u>(33)</u>	<u>(293)</u>
Pre-college tuition and fee revenue, net	<u>271</u>	<u>1,189</u>
Tuition and fee revenue, net	\$ <u><u>193,788</u></u>	<u><u>197,705</u></u>

(b) Sponsored Activities

The University receives funding or reimbursement from Federal government agencies for sponsored activity under government grants and contracts. These grants and contracts provide for reimbursement of indirect (facilities and administrative) costs. Recovery of facilities and administrative (F&A) costs of federally sponsored programs are recorded at cost reimbursement rates negotiated with the University's cognizant agency, the Office of Naval Research (ONR). The University's facilities and administrative cost reimbursements starting with fiscal year 2014 are based on a final predetermined rate that is not subject to a carry forward provision.

The Defense Contract Audit Agency (DCAA) is responsible for auditing both direct and indirect charges to grants and contracts in support of the ONR negotiating responsibility. The University has final audited rates through fiscal year 2021. The audit to establish rates for fiscal years 2022 and 2023 is complete and sent to ONR for negotiations.

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

Recovery of facilities and administrative (F&A) costs of federally sponsored programs are recorded at cost reimbursement rates negotiated with the University's cognizant agency, the Office of Naval Research.

	2021	2020
Sponsored activity revenues:		
Direct cost recoveries	\$ 29,044	27,906
Indirect cost recoveries	9,546	9,333
Total sponsored activity revenues	\$ <u>38,590</u>	<u>37,239</u>

(c) Auxiliary

Auxiliary enterprises revenue includes revenues from contracts with customers to provide student housing and dining facilities, parking services, and other miscellaneous activities, and is disaggregated as follows:

	2021	2020
Housing	\$ 5,798	16,043
Dining	3,976	7,459
Other	153	359
Total auxiliary enterprises revenue	\$ <u>9,927</u>	<u>23,861</u>

(15) Functional Classification of Expenses

The consolidated statement of activities presents operating expenses based upon their natural classification. For the years ended June 30, 2021 and 2020, operating expenses presented by their functional category with the allocation of depreciation and amortization, interest, and operations and maintenance of plant to reflect the full cost of those activities were as follows:

2021	Program services				Support	Total operating expenses
	Education	Student services	Research and public services	Auxiliary	Management and general	
Salaries and benefits	\$ 98,185	16,035	20,220	2,391	20,719	157,550
Purchased services	7,012	4,558	8,198	4,968	4,656	29,392
Maintenance, rents and utilities	5,027	1,542	1,367	7,284	1,957	17,177
Supplies and other	10,922	2,509	1,626	671	6,682	22,410
Interest expense	1,615	544	489	914	167	3,729
Depreciation and amortization	7,775	2,622	2,352	4,399	808	17,956
Total	\$ <u>130,536</u>	<u>27,810</u>	<u>34,252</u>	<u>20,627</u>	<u>34,989</u>	<u>248,214</u>

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

2020	Program services				Support	Total operating expenses
	Education	Student services	Research and public services	Auxiliary	Management and general	
Salaries and benefits	\$ 100,042	16,526	19,250	2,415	23,383	161,616
Purchased services	5,623	4,355	7,494	6,338	8,092	31,902
Maintenance, rents and utilities	5,281	1,735	1,385	10,655	1,446	20,502
Supplies and other	11,645	6,577	1,740	1,037	7,242	28,241
Interest expense	1,650	626	551	1,010	191	4,028
Depreciation and amortization	6,311	2,394	2,108	3,866	730	15,409
Total	\$ 130,552	32,213	32,528	25,321	41,084	261,698

The allocation of depreciation and amortization, interest and operations and maintenance is based on square footage occupied by functional area.

Fundraising expenses are included within management and general and totaled \$4,501 and \$4,851 for the years ended June 30, 2021 and 2020, respectively. Also included in management and general are advertising costs, which are expensed as incurred. Amounts totaled \$5,854 and \$1,570 for the years ended June 30, 2021 and 2020, respectively.

(16) Net Assets

At June 30, 2021 and 2020, net assets consisted of the following:

	2021	2020
Without donor restrictions:		
Undesignated	\$ 67,007	51,110
Net investment in plant	138,495	132,396
Endowment	22,255	17,575
Institutional portion of Federal Perkins Loans Program	557	836
Total net assets without donor restrictions	228,314	201,917
With donor restrictions:		
Restricted for time or purpose:		
Education and research programs	15,856	15,457
Capital projects	2,086	2,041
Annuity and life income funds	3,884	3,280
Endowment	129,653	90,561
Total net assets restricted for time or purpose	151,479	111,339

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

	2021	2020
To be held in perpetuity:		
Endowment	\$ 120,979	116,873
Annuity and life income funds	4,606	3,414
Total net assets to be held in perpetuity	125,585	120,287
Total net assets with donor restrictions	277,064	231,626
Total net assets	\$ 505,378	433,543

(17) Endowment

The University's endowment fund consists of 403 and 395 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the University's Board of Trustees to function as endowments at June 30, 2021 and 2020, respectively. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(a) Relevant Law

The University follows New Jersey State Uniform Prudent Management of Institutional Funds Act (UPMIFA). In accordance with UPMIFA, the University considers the following factors in making a determination to appropriate for expenditure or accumulate donor-restricted endowment funds: the purpose, duration, and preservation of the endowment fund; expected total return of investments; general economic conditions and the possible effect of inflation or deflation; other resources of the institution; and the investment policy of the institution.

While UPMIFA does not require it unless the donor gift instrument contains an express provision, the University generally requires the preservation of the fair value of the original gift, as of the gift date of the donor-restricted endowment funds. Following this approach, the University classifies as net assets with donor restrictions (a) the original value of gifts donated to its permanent endowment, (b) its original value of subsequent gifts to its permanent endowment, and the (c) accumulations to its permanent endowment made in accordance with the directions of the applicable donor gift instrument, at the time the accumulation is added to the fund.

Accumulated gains resulting from donor-restricted endowment funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the University, in a manner consistent with the standard of prudence prescribed by UPMIFA.

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

Endowment net assets consisted of the following at June 30, 2021:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ —	250,632	250,632
Board-designated endowment funds	<u>22,255</u>	<u>—</u>	<u>22,255</u>
Total endowment net assets	\$ <u>22,255</u>	<u>250,632</u>	<u>272,887</u>

Endowment net assets consisted of the following at June 30, 2020:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ —	207,434	207,434
Board-designated endowment funds	<u>17,575</u>	<u>—</u>	<u>17,575</u>
Total endowment net assets	\$ <u>17,575</u>	<u>207,434</u>	<u>225,009</u>

Changes in endowment net assets for the year ended June 30, 2021 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2020	\$ 17,575	207,434	225,009
Investment return, net	4,222	46,003	50,225
Contributions	—	3,685	3,685
Appropriation for expenditure	(548)	(6,922)	(7,470)
Distributions returned to endowment	—	116	116
Reclassification of net assets ¹	<u>1,006</u>	<u>316</u>	<u>1,322</u>
Endowment net assets, June 30, 2021	\$ <u>22,255</u>	<u>250,632</u>	<u>272,887</u>

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

Changes in endowment net assets for the year ended June 30, 2020 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2019	\$ 17,267	207,037	224,304
Investment return, net	374	3,729	4,103
Contributions	—	2,437	2,437
Appropriation for expenditure	(354)	(6,284)	(6,638)
Distributions returned to endowment	—	384	384
Reclassification of net assets ¹	288	131	419
Endowment net assets, June 30, 2020	<u>\$ 17,575</u>	<u>207,434</u>	<u>225,009</u>

¹ Amounts included in reclassification of net assets without donor restrictions represent board designated net assets that were added to the endowment in 2021 and 2020.

(b) Return Objectives and Risk Parameters

The University's primary investment objectives are to invest its endowment principal to achieve growth of both principal value and income over time sufficient to preserve and/or increase the real (inflation adjusted) purchasing power of the assets, and to provide a stable source of perpetual financial support.

(c) Strategies Employed for Achieving Objectives

The University relies on a total return strategy in which active equity managers/funds are expected to achieve an annualized total rate of return over a three-to five-year period, which exceeds an agreed upon benchmark rate of return, net of costs and fees. Total return is defined as dividend and interest income plus realized and unrealized capital appreciation or depreciation. Active fixed income managers are expected to exceed appropriate market indices, net of costs and fees. When index funds are used, the return should closely track with the appropriate index.

(d) Spending Rate Policy

The University maintains an investment pool for its long-term investments. The pool is managed to achieve the maximum prudent long-term total return. The University's Board of Trustees has authorized a spending rate designed to fulfill the following objectives:

- Preserve the value of the investment pool in real terms (after inflation); and
- Provide a predictable flow of funds to support operations.

For the years ended June 30, 2021 and 2020, the spending rate permitted the use of total returns (dividend and interest income and appreciation) at a rate of 4.5% of the average year-end fair value of the investment pool over a three-year period, on a two-year lag. Endowment funds for which the total return is restricted in perpetuity by donors, if any, are excluded from the spending rate. If the market value of an endowment fund is below the fund's historic gift value as of June 30, the University will not

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

distribute endowment return to operations for spending purposes and will be reinvested in the endowment in accordance with the investment policy.

(e) Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of accumulated gifts. When deficiencies occur, they primarily result from unfavorable market fluctuations that occur shortly after the investment of new donor restricted contributions. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in net assets with donor restriction. At June 30, 2021, there were no deficiencies of this nature reported within net assets with donor restriction. At June 30, 2020, there were 4 deficiencies of this nature reported within net assets with donor restriction totaling \$4 and a historical gift totaling \$254.

(18) Operating Leases

The University is party to various operating lease agreements, expiring through 2027, for office space and student housing. The leases generally contain renewal options. The obligations associated with these leases have been recognized as a liability in the consolidated statement of financial position based on future lease payments, discounted by the risk-free borrowing rate, which ranges from 0.04% to 0.64%. Certain leases have an escalating fee schedule.

Rent expense for the years ended June 30, 2021 and 2020, totaled \$5,048 and \$8,163, respectively.

Minimum lease payments due under these agreements are as follows:

Fiscal year ending June 30:		
2022	\$	3,065
2023		413
2024		336
2025		343
2026		349
2027		356
Less present value discount		<u>(105)</u>
Total	\$	<u><u>4,757</u></u>

(19) Commitments and Contingent Liabilities

The University is a party to various legal actions arising in the ordinary course of operations. While it is not possible to predict the outcome of these actions at this time, it is the opinion of management that the resolution of these matters will not have a material effect on the University's consolidated financial statements.

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements

June 30, 2021

(with summarized comparative financial information as of June 30, 2020)

(Dollars in thousands)

(20) Subsequent Events

The University has performed an evaluation of subsequent events through December 3, 2021, the date the consolidated financial statements were issued and has determined that there are no subsequent events for disclosure other than the matter identified above.

(21) 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. Certain 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 consolidated financial statements and related other notes to the consolidated 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) Land, buildings and equipment, net: pre-implementation	Primary Reserve	\$ 147,949
Land, buildings and equipment, net: post-implementation	Primary Reserve	319,700
Total land, buildings and equipment, net: post-implementation		<u>\$ 467,649</u>
(b) Long-term debt, net: pre-implementation		
2014 Higher Education Equipment Leasing Fund, capitalized and outstanding	N/A	\$ 199
2016 Higher Education Capital Improvement Fund Series B, capitalized and outstanding	N/A	7,478
2017 Revenue Bonds Series A, capitalized and outstanding	N/A	<u>66,151</u>
Long-term debt, net: pre-implementation	Primary Reserve	73,828
Long-term debt, net: post-implementation		
2020 Revenue Bonds Series A, capitalized and outstanding	N/A	<u>174,315</u>
Long-term debt, net: post-implementation	Primary Reserve	174,315
Bond proceeds not spent on capitalized projects, and unamortized bond premiums and issuance costs	N/A	<u>88,755</u>
Total long-term debt, net (statement of financial position)	N/A	<u>\$ 336,898</u>

Stevens Institute of Technology

Supplementary Schedule of Financial Responsibility Data

As of and for the year ended June 30, 2021

(In 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	Statement of financial position	\$ 228,314
Net assets with donor restrictions	Statement of financial position	277,064
Net assets with donor restrictions: restricted in perpetuity	Note 16	125,585
Annuity and life income funds	Note 16	3,884
Land, buildings and equipment, net: pre-implementation	Note 21	147,949
Land, buildings and equipment, net: post-implementation	Note 21	319,700
Right-of-use assets – operating leases	Statement of financial position	4,409
Long-term debt, net: pre-implementation	Note 21	73,828
Long-term debt, net: post-implementation	Note 21	174,315
Lease obligations	Statement of financial position	4,757
Post-retirement and pension obligations	Statement of financial position	6,451
<i>Denominator: total expenses and losses without donor restrictions</i>		
Total expenses	Statement of activities	248,214
Losses without donor restriction on post-retirement and pension obligations	Note 11	317
Equity ratio		
<i>Numerator: modified net assets</i>		
Net assets without donor restrictions	Statement of financial position	228,314
Net assets with donor restrictions	Statement of financial position	277,064
<i>Denominator: modified assets</i>		
Total assets	Statement of financial position	910,160
Net income ratio		
<i>Numerator: change in net assets without donor restrictions</i>		
Change in net assets without donor restrictions	Statement of activities	26,397
<i>Denominator: total revenue and gains without donor restrictions</i>		
Total operating revenues and other support	Statement of activities	264,898
Gain on sale of property	Statement of activities	1,925
Nonoperating activities: Net investment return	Statement of activities	2,743
Nonoperating activities: Other revenue	Statement of activities	1,022
Nonoperating activities: Net assets released from restriction	Statement of activities	4,011

See accompanying independent auditors' report.

STEVENS INSTITUTE OF TECHNOLOGY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program title	Federal assistance listing	Pass-through entity number/ additional award number	Federal expenditures	Amounts passed-through to subrecipients
Research and Development Cluster:				
Defense Advanced Research Projects Agency:				
Pass-through from University of California Berkeley				
Culture-on-a-chip computing: Crowdsourced simulations of culture, group formation, and collective identity	12.910	00010027, D17AC00004	\$ 62,639	—
Pass-through from Carnegie Mellon University				
A Hybrid Computer Platform to Design, Guide and Partner with Humans in the Team Problem-Solving Process	12.910	1141322-419856 (prime: N66001-17-2-4064)	14,566	—
Pass-through from Center for Open Science				
Data Enhancement of the DARPA SCORE Claims Dataset	12.XXX	PO no. 1300766259.2 (prime: N660011924015)	108	—
Pass-through from Perspecta Labs (formerly Vencore Labs)				
AIMED: Artificial Intelligence Managed Exploration of Designs	12.XXX	PO no. 0022803 (prime: FA8750-20-C-0025)	75,849	—
Defense Advanced Research Projects Agency Total			153,162	—
National Aeronautics and Space Administration:				
An Innovative Interferometry Measurement Concept with Photonic Integrated Circuits and Nonlinear Quantum Optics Suitable for Remote Sensing from Future Small Sat/CubeSat Platforms	43.009	80NSSC19K1618	17,140	—
Integrating TAT-C, STARS, and VCE for New Observing Strategies Mission Design	43.001	80NSSC20K1118	208,790	116,091
Laser beam (lidar) propagation in the atmosphere-ocean system in support of active remote sensing from space	43.001	80NSSC20K1756	82,027	—
Pass-through from Rutgers University				
New Jersey Space Grant Consortium Branch at Stevens	43.008	PO S2312550	105,843	—
Pass-through from Science Systems and Applications Inc				
LIDAR and Integrated Photonics Support for NASA Applications	43.XXX	21606-20-080 (prime: NNL16AA05C)	281,444	—
National Aeronautics and Space Administration Total			695,244	116,091
National Institutes of Health:				
BIGDATA: Causal Inference in Large-Scale Time Series with Rare Events and Latent Variables	93.879	R01LM011826-01	167,987	75,000
Improved ventilation of the edematous lung	93.838	R01HL113577-01A1	301,649	—
Structure, Spectra, and Roles of Metal and Active Site in HNO Heme Protein Complex and Metal-Mediated Biological HNO Formation, Conversion, and Detection	93.859	7R15GM08577402	72,964	—
K22 - Transcriptional regulation of oncogenic cellular plasticity in the intestinal epithelium	93.398	1K22CA218462-01	69,564	—
R21: Amplified MRI (amRI): A novel way to investigate the pathophysiology of Chiral Malformation I	93.853	R01NS111415	135,673	25,010
R01: Harnessing Patient Generated Data to Find Causes and Effects of Diet in Pregnancy	93.879	R01LM013308	232,257	52,535
In vivo imaging platform for ectopic pregnancy research in mouse models	93.286	7R21EB028409-02	226,197	28,006
R21: Personalized predictions of biomarker progression in Alzheimer's disease	93.866	R21AG067442	81,958	—
R15: Patients Perceptual/Electronic Health Record use during initial oncology outpatient clinic visits	93.301	R15NR018965	142,398	40,845
R21: High-Resolution Dynamic Imaging of Ovarian Cancer Metastasis Post Chemotherapy	93.396	R21CA256615	18,290	—
R15: Modular Approaches to Unusual Borylated Heterocycles using Novel Acylborons and alpha-Hydroxyborons as Enabling Tools	93.859	R15GM135891	45,344	—
Membrane-Acting Peptides	93.859	R15GM140421	34,913	—
Pass-through from Columbia University				
Bioactive Scaffold for TMJ Disc Regeneration by Endogenous Stem/Progenitor Cells	93.121	1(GG14774-01), SAPO no. G14887 (prime: R01DE029321)	42,096	—
FE: Bioactive Scaffold for TMJ Disc Regeneration by Endogenous Stem/Progenitor Cells	93.121	1(GG14774-01), SAPO no. G14887 (prime: R01DE029321)	21,829	—
Pass-through from University of Rochester				
Micro- and nanofiber enabled biomimetic periosium for bone repair and reconstruction	93.846	416837-G	123,179	—
R01- Metalloprotein catalysis for Asymmetric Synthesis URF	93.859	4172469LUR FAO GR510737	67,026	—
Pass-through from University of Connecticut Health Center				
Biodegradable Matrices for Bone Healing	93.286	UCHC7-95616052	72,012	—
Pass-through from Baylor College of Medicine				
Biomechanics of early mammalian cardiogenesis	93.865	PO no. 7000001042 (prime: R01HD096335)	18,163	—
Pass-through from Northwestern University				
Interdisciplinary Engineering Career Development Center in Movement and Rehabilitation Sciences	93.865	60047828 SIT / K12HD073945	54,324	—
National Institutes of Health Total			1,927,823	222,296
National Science Foundation:				
ADVANCE Stevens: Creating a Sustainable Culture that Facilitates Recruitment, Retention and Advancement of Women Faculty in STEM				
CAREER: Non-Commutative Cryptography from Hard Learning Problems: Theory and Practice	47.076	HRD-1311792	49,798	—
CAREER: Synthetic Ultra-High-Resolution Millimeter-Wave Imaging for Tissue Diagnostics	47.070	CNS-1350858	102,853	—
CAREER: Verifiable Outsourcing of Data Mining Computations	47.041	ECCS-1654402	92,970	—
CHS: Small: Collective Design Through Remixing	47.070	CNS-1350324	1,148	—
FOUNDATIONS: Integrating Evidence-based Teaching and Learning into the Core Engineering Curriculum	47.076	IIS-1422066	11,125	—
Renewal: CyberCorps: Scholarship for Service Program at Stevens	47.076	IS-1524556	583,696	—
CAREER: Additive Biomanufacturing of an Engineered Stem Cell Microenvironment	47.041	DGE-1433795	1,048,865	590,237
Bacteria-Triggered Antimicrobial Release from Microgel-Modified Surfaces	47.049	CMMI-1554150	70,192	—
Maritime Cybersecurity - Building Capacity in Critical Infrastructure Protection	47.076	DMR-1608406	107,374	—
Polymer Nanocomposites with Enhanced Optoelectronic Properties via Shear Induced Crystallization	47.041	DGE-1623714	61,022	—
Collaborative Research: The Genetic Basis, Biosynthetic Pathways and Evolution of Chemical Defense in Carabid Beetles	47.074	CMMI-1635284	228	—
Signal Processing for Passive RF Sensing	47.074	DEB - 1556898	9,528	—
CAREER: Belief Space Planning and Learning for Uncertainty-Immersion Underwater Robots	47.041	ECCS-1609393	171,255	—
CAREER: A Sparse Network-Operator Approach to Distributed Control: theory and Algorithms	47.070	IIS-1652004	73,418	—
NR: Collaborative Research: Autonomous Quadrotors for 3D Modeling and Inspection of Outdoor Infrastructure	47.041	ECCS-1653756	122,591	—
CHS: Small: Collaborative Research: Understanding and Improving Implicit Coordination in Peer Production Networks	47.041	IIS-1637761	29,568	—
Multimedia Immersion (MI) Inspires STEM Learning	47.076	1717473	104,994	—
SaTC: CORE: Small: Relational Verification for Information Assurance and Privacy	47.076	1720964	54,813	—
SaTC: CORE: Small: Collaborative: An Integrated Approach for Enterprise Intrusion-Resilience	47.070	1718713	105,869	—
Dynamic 3D printing with in situ depolymerization: A new biomanufacturing paradigm for guided cell-cell communication	47.070	1718782	25,869	—
S&AS: FND: Learning-Enabled Autonomous 3D Exploration for Underwater Robots	47.070	1683095	46,058	—
Collaborative Research: A New Nonlinear Modal Updating Framework for Soft, Hydrating Materials	47.070	1723996	90,578	—
EAGER: Model-Based Foundations of Collective Systems Design Theory	47.041	1728186	42,100	—
EAGER: Exploring the Use of Secure Multi-Party Computation in the Context of Organ Donation	47.041	CMMI-1742971	1,687	—
Ionic Transport in Ion Containing Copolymer-Grafted Nanoparticle Structures	47.041	CF-1646989	23,687	—
SHF: Small: Collaborative Research: Concurrent Software Verification with Rely/Guarantee Abstraction	47.049	DMR-1807802	91,396	—
Exploratory: Green Infrastructure Technologies Inspire STEM Interest (GI Tech)	47.070	1813745	30,162	—
Collaborative Research: Chemical and Dynamic Heterogeneities in Interfaces for Adaptive Polymer Nanocomposites	47.076	DRL-1759272	21	—
Collaborative Research: Plasmonic lasing with two-dimensional heterostructures in the intrinsic regime	47.041	CMMI-1825250	80,360	—
Collaborative Research: Mechanical Characterization of Bio-Interfaces by Shear Wave Scattering	47.041	DMR-1809235	80,508	—
SCH:INT: Collaborative Research: Aging In Place Through Enhanced Mobility and social Connectedness: An Integrated Robot and Wearable Sensor Approach	47.041	CMMI-1826270	122,160	—
CAREER: Engineering Arrays of Organic Light Harvesting Crystals from Solution	47.070	IIS 1838799	157,381	—
Understanding Pedestrian Dynamics for Seamless Human-Robot Interaction	47.041	CMMI-1846178	46,494	—
SaTC: CORE: Small: Toward Usable and Ubiquitous Trust Initialization and Secure Networking in Wireless Ad Hoc Networks	47.041	CMMI-1825709	140,124	—
NETS: Small: Collaborative Research: The Ontology of Inter-Vehicle Networking with Spatial-Temporal Correlation and Spectrum Cognition	47.070	1817438	197,941	—
RAISE: EQUIP: A Chip-integrated Platform for Photon-Efficient Quantum Communications	47.070	CNS-1841491	3,231	—
CR: CI-NEW: Collaborative Research: Constructing a Community-Wide Software Architecture Infrastructure	47.041	1842680	327,442	112,573
Advanced Wearable Cardiovascular Monitoring Platform	47.070	CNS-1823074	28,688	—
Collaborative Research: Parity-Time Symmetry and Anti-Symmetry in Quantum Optics	47.041	1855394 (ECCS)	87,945	—
EAGER: Collaborative Research: Demonstrating the Importance of Research Setting Representativeness in Systems Engineering and Design Research	47.049	PHY-1806523	115,586	—
Collaborative Research: Improving Energy Reliability by Co-Optimization Planning for Interdependent Electricity and Natural Gas Infrastructure Systems	47.041	CMMI-1841109	14,254	—
I-Corps: Flexible and Stretchable Electronic Skin Sensor	47.041	CMMI-1906780	57,346	—
US Ignite: Focus Area 1: An Integrated Reconfigurable Control and Self-Organizing Communication Framework for Advanced Community Resilience Microgrids	47.041	1933645	4,267	—
EAGER: SaTC: Early-Stage Interdisciplinary Collaboration: A Sociotechnical Metrics Framework for Network and Security Operations Centers	47.070	CNS-1915756	124,110	22,018
PREEVENTS Track 2: Collaborative Research: Geomorphic Versus Climatic Drivers of Changing Coastal Flood Risk	47.070	CNS 1915822	71,808	—
CHS: Small: Exploring Design and Evaluation Space through Crowds and Communities	47.050	ICER 1855037	143,788	—
SCH: INT: Collaborative Research: Uniting Causal and Mental Models for Shared Decision-Making in Diabetes	47.070	IIS 1909803	127,203	—
Collaborative Research: Research Initiation: Market-driven design concept formation in undergraduate engineers	47.070	IIS 1915182	112,359	—
SpecEES: Cooperative Green RF Sensing over Shared Spectrum	47.041	1927037	37,779	—
Collaborative Research: GOALI: Bio-inspired bistable energy harvesting for fish telemetry tags	47.041	1923789	69,977	—
I-Corps: Artificial Cornea of Microtextured Hydrogel	47.041	1939564	65,958	—
PH:TT: Point-of-care Skin Cancer Imaging Device	47.041	1946450	39	—
CAREER: Reinforcement-Learning Assisted-Ax-Needed Control for Robot-Assisted Gait Training	47.070	2000722	50,139	—
SHF: Small: Scalable Spectral Sparsification of Graph Laplacians and Integrated Circuits	47.041	IFP 1919194	136,412	—
III: SMALL: Moving Beyond Knowledge to Action: Evaluating and Improving the Utility of Causal Inference	47.041	1944033	54,567	—
Collaborative Research: SaTC: CORE: Medium: Rethinking Fuzzing for Security	47.070	1907951	69,823	—
Model theory of nonabelian free groups	47.070	2031377	48,063	—
	47.049	1953784	42,102	—

STEVENS INSTITUTE OF TECHNOLOGY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program title	Federal assistance listing	Pass-through entity number/ additional award number	Federal expenditures	Amounts passed-through to subrecipients
Research and Development Cluster, continued:				
National Science Foundation, continued:				
CRII: III: Learning Dynamic Graph-based Precursors for Event Modeling	47.070	1948432	\$ 87,646	—
Collaborative Research: Charge Transport in Helicoidal Molecular Crystals	47.049	2003997	14,291	—
Supporting Sustainable Evolution of Energy Systems via Closed-Loop Consumer Behavior and Market System Modeling	47.041	1953774	74,782	—
SHF-Small: Spectral Reduction of Large Graphs and Circuit Networks	47.070	2021309	59,713	—
Planning IUCRC Stevens Center for Cyber-SMART	47.070	1939088	12,326	—
LEAP-HI: Tackling brain diseases with mechanics: A data-driven approach to merge advanced neuroimaging and multi-physics modeling	47.041	1953323	250,365	88,065
SII Planning: SPECTRA: Spectrum Policies, Economics, Coexistence, and Technological Research Advancements	47.049	2037873	158,254	99,999
SHF: SMALL: Symbolic Commutativity Analysis for Multicore Concurrency	47.070	2008633	62,106	—
CAREER: Understanding Strategic Dynamics in the Engineering of Decentralized Systems	47.041	1943433	120,726	—
CAREER: Adaptive Sonification to Improve Balance during Everyday Mobility	47.041	1944207	74,171	—
Enhancing Quantum Efficiency of Thin Film Solar Cells via Joint Characterization of Radiation and Recombination	47.041	2103008	37,900	—
SaTC: CORE: Medium: Privacy for All: Ensuring Fair Privacy Protection in Machine Learning	47.070	2029038	83,909	—
CAREER: Leveraging Heterogeneous Manycore Systems for Scalable Modeling, Simulation and Verification of Nanoscale Integrated Circuits	47.070	2041519	45,913	—
CRII: III: Efficient and Robust Statistical Estimation from Nonlinear Compressed Measurements	47.070	1948133	29,516	—
Collaborative Research: NRI: INT: Cooperative Underwater Structure Inspection and Mapping	47.070	2024653	4,069	—
CAREER: Consecutive Assembly-and-Mineralization Processed Calcium-Silicate-Hydrate Nacre with High Specific Flexural Strength and Fracture Toughness	47.041	2046407	8,074	—
REU/RET Site: Interdisciplinary Research Experience in Sustainable Energy and Bioengineering	47.049	2050921	23,795	—
Mechanistic Investigation of Heme-based Catalysts for Sustainable Carbene Transfer Reactions	47.049	2054897	25,764	—
Pass-through from Columbia University				
Strauf: EFRI ACQUIRE: Development of Amorphous-Silicon Platform for Chip-Based Quantum Information Applications	47.041	2(GG012507-02)	40,426	—
EFRI ACQUIRE: Development of Amorphous-Silicon Platform for Chip-Based Quantum Information Applications	47.041	2(GG012507-02)	(2,764)	—
Pass-through from University of Pennsylvania				
RAISE-EQuIP: Integrated Higher-Dimensional Quantum Photonic Platform	47.041	575401, PO no. 4175345 (prime: ECCS-1842612)	88,603	—
Pass-through from Virginia Polytechnic Institute and State University				
SII Planning: ARIES: Center for Agile, Reliable, Scalable Spectrum	47.049	480450-19821 (prime: 2037870)	24,998	—
Pass-through from University of Maryland				
CoPe RCN: Advancing Interdisciplinary Research to Build Resilient Communities and Infrastructure in the Nation's Estuaries and Bays	47.050	SA07523110 PO85840 (prime: 1940273)	15,049	—
National Science Foundation Total			7,279,247	912,892
Naval Postgraduate School:				
Risk Quantification of Acquisition Programs through Systems Complexity Measures	12.300	HQ00341910005	30,230	—
Naval Postgraduate School Total			30,230	—
Office of Naval Research:				
Modeling and Control for High-Speed Systems	12.300	N00014-13-C-0198	411,321	—
ABIDES: Adaptive Binary Debloating and Security	12.300	N00014-17-1-2788	943,167	587,528
Automatically Verifying Temporal Alignment of Transformed Software	12.300	N00014-17-1-2787	736,098	205,112
Quantum-enhanced FAST CARS for remote detection using a multistatic platform	12.300	N00014-20-1-2096	147,206	—
Distributional Reinforcement Learning for Safe Autonomous Navigation	12.300	N00014-20-1-2570	89,357	—
DURIP: Indraft Tunnel for High-Speed Aerodynamics Research	12.300	N00014-19-1-2523	5,042	—
FE: Scaling and Structure in Transitional and Turbulent Hypervelocity Flows	12.300	N00014-20-1-2549	43,155	—
Scaling and Structure in Transitional and Turbulent Hypervelocity Flows	12.300	N00014-20-1-2549	35,534	—
Time Resolved, Non-Intrusive Measurements in Unsteady Hypersonic Flows	12.300	N00014-20-1-2637	750,440	—
DURIP - Laser Metal Deposition System for Additive Manufacturing and Corrosion Study of Metals	12.300	N00014-18-1-2268	34,590	—
Pass-through from Advanced Technology & Research Corporation				
Computational and Physical Modeling of ESB Elevator System Dynamics	12.300	ATR-18-S-4760-000-01 (Option 1 Task No. 104760.000.020)	23,170	—
Computational and Physical Modeling of ESB Elevator System Dynamics	12.300	ATR-18-S-4760-000-01	87,528	—
Pass-through from University of Minnesota				
Particulate and Precipitation Effects on High-speed Flight Vehicles	12.300	A008174603 (prime: N00014-20-1-2682)	24,227	—
Office of Naval Research Total			3,329,835	792,640
United States Agency for International Development:				
Pass-through from Virginia Polytechnic Institute and State University				
Evaluation of Combinations of Energy Harvesting and Desalination Technologies	98.001	418416-19821 (prime: 2000009131/AID-263-A-15-00002)	15,965	—
United States Agency for International Development Total			15,965	—
United States Air Force Office of Scientific Research:				
Radiative and Dispersive Behavior of Instabilities in a Highly-Cooled Hypersonic Boundary Layer	12.800	FA9550-18-1-0403	231,637	174,752
FE: Radiative and Dispersive Behavior of Instabilities in a Highly-Cooled Hypersonic Boundary Layer	12.800	FA9550-18-1-0403	84,183	—
United States Air Force Office of Scientific Research Total			315,820	174,752
United States Air Force Research Laboratory:				
Unmanned Aircraft System Acoustic Detection, Tracking and Classification System	12.XXX	FA8750-21-C-1004	18,926	—
Pass-through from ANDRO Computational Solutions, LLC				
Dynamic Spectrum Access Policy Algorithms and Impact on Security and Resilience	12.800	NSC-17-7031	65,493	—
United States Air Force Research Laboratory Total			84,419	—
United States Army:				
ART-002 Transforming Systems Engineering through Model-Based Systems Engineering	12.XXX	W15QKN-18-D-0040, TO W15QKN18F0102	1,237,038	246,110
Characterization of Emerging Technologies in Military Environments	12.XXX	W15QKN-18-D-0040, TO W15QKN18F0290	103,981	87,822
ART-004: Methods to Assess Cost/Technical Risk and Opportunity Decisions for Security Assurance in Design	12.XXX	W15QKN-18-D-0040/TO 0001	32	—
ART 006: Risk-Based Approach to Cyber Vulnerability Assessment	12.XXX	W15QKN-18-D-0040/W15QKN19F0445	8,451	6,635
ART 005: Methods for Integrating Dynamic Requirements and Emerging Technologies	12.XXX	W15QKN-18-D-0040/W15QKN19F0385	117,389	96,250
ART 009: Intelligent Defense Systems (IDS)	12.XXX	W15QKN-18-D-0040, DO W15QKN19F0746	78,231	—
ART 008: Design Evaluation, Automation and Optimization Dashboard for Armament and Ammunition Packaging	12.XXX	W15QKN-18-D-0040, DO W15QKN19F0649	36,182	—
ART 007: Cognitive Bias in Intelligent Systems	12.XXX	W15QKN-18-D-0040, DO W15QKN19F0653	95,116	65,890
ART 010: Managing System-of-Systems Complexity for Distributed Command and Control (C2)	12.XXX	W15QKN-18-D-0040, DO W15QKN19F0738	119,120	107,313
ART 014: Quantum Photonics Tasks for Research	12.XXX	W15QKN-18-D-0040, DO W15QKN20F0002	855,289	—
ART 016: Integrated Mission Equipment (IME) Architecture Process for Vertical Lift Systems	12.XXX	W15QKN-18-D-0040, DO W15QKN20P0091	577,855	502,013
ART 015: New Observing Strategies Testbed (NOS-T) Design and Development	12.XXX	W15QKN18D0040, DO W15QKN20F0551	153,480	—
ART 018: Characterization of Poling Materials in Military Environments	12.XXX	W15QKN-18-D-0040, DO W15QKN20F0649	56,898	45,652
United States Army Total			3,440,062	1,157,685
United States Army Medical Research Acquisition Activity:				
A Novel Class of Antagonists for Robust Inhibition of Mutant Estrogen Receptor Action in Endocrine-Resistant Metastatic Breast Cancer	12.420	W81XWH1910077	139,496	—
Compressing Time and Space for an In Situ Dermal Graft Printing Paradigm	12.420	W81XWH1910158	96,619	—
Engineering Composite Nanofibrous Scaffolds for Repairing Segmental Bone Defect	12.420	W81XWH-20-1-0321	78,176	24,535
Pass-through from Georgia Institute of Technology				
Tunable resonant actuation for magnetic resonance elastography of active tissues	12.420	AWD-000755-G1 (prime: W81XWH-20-1-0043)	20,551	—
United States Army Medical Research Acquisition Activity Total			334,842	24,535
United States Army Research Office:				
MUSICA: Musical Improvising Collaborative Agent	12.431	W991NF-16-0567	468,213	—
Multifunctional Antimicrobial Microgels (Research Area 9: Materials Science)	12.431	W911NF-17-1-0332	51,355	—
Analysis and Robust Techniques for MIMO RF Sensing with Timing and Phase Errors	12.431	W911NF1920234	26,622	—
MUSICA: Musical Improvising Collaborative Agent	12.431	W991NF-16-1-0567	408,279	224,749
Complexation Phenomena in Polyelectrolyte Microgels	12.431	W911NF20010277	80,339	—
United States Army Research Office Total			1,032,808	224,749
United States Department of Commerce:				
Compound Fluvial-Coastal Flood and Climate Adaptation: A Transferable Framework of Engagement, Modeling and Cost-Benefit Analysis	11.431	NA19OAR4310307	134,868	39,665
Pass-through from Columbia University				
Supporting Regional Implementation of Integrated Climate Resilience: Consortium for Climate Risk in the Urban Northeast (CCRUN) Phase II	11.431	2(GG012355)	33,958	—
Enabling urban residents to adapt to coastal flooding: Evidence from New York City neighborhoods	11.431	1(GG015474) (prime: NA19OAR4310311)	15,381	—
Pass-through from New Jersey Sea Grant Consortium				
Green Retrofits of Stormwater BMPs for Pollution Prevention in Urban Coastal Communities of New Jersey	11.417	NJUSGC Project No. 6198-0003	16,909	—
Sea Grant Coastal Processes Extension (Amendment VIII)	11.417	6187-0001	(25)	—
Sea Grant Coastal Processes Extension (Amendment VIII)	11.417	6197-0001 (NA18OAR4170087)	41,815	—
Sea Grant Coastal Processes Extension (Amendment VIII)	11.417	6207-001 (NA18OAR4170087)	21,317	—
Sea Grant Coastal Processes Extension (Amendment VIII)	11.417	6187-0001, 6197-0001, 6207-001, 7505-0001 (NA18OAR4170087)	16,013	—
Physics-Based Assessment of Hurricane-Induced Wave Hazards Under Climate Change: Barrier Islands of New Jersey	11.417	6208-0006 (prime: NA18OAR4170087)	61,974	—
United States Department of Commerce Total			342,210	39,665

STEVENS INSTITUTE OF TECHNOLOGY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program title	Federal assistance listing	Pass-through entity number/ additional award number	Federal expenditures	Amounts passed-through to subrecipients
Research and Development Cluster, continued:				
United States Department of Defense:				
RT-197 - SE Capstone Marketplace	12.XXX	HQ0034-13-D-0004, DO HQ003418F0047	\$ 6,922	—
WRT-1004 Helix - Organizational Systems Engineering Effectiveness 2019	12.XXX	HQ003419D0003, DO HQ003419F0127	7,120	—
RT-201: Human-Machine Team (HMT) Concepts for Resilient Autonomous Systems	12.XXX	HQ0034-13D-0004/Delivery Order HQ003418F0185	687	—
RT-213: Systems Engineering Business and Analytics	12.XXX	HQ0034-13-D-0004, DO HQ003418F0495	280	—
WRT-1005: Safety assessment methods for Supercritical Water Oxidation (SCWO) facility at Blue Grass Chemical Agent Destruction Pilot Plant (BGCAPP)	12.XXX	HQ003419D0003, DO HQ003419F0163	1,616	—
WRT-1002: Approaches to Achieve Benefits of Modularity in Defense Acquisition - Part 2	12.XXX	HQ003419D0003, DO HQ003419F0102	1,177	—
WRT-1006: Preparing the Acquisition Workforce for Digital Engineering - Developing a Digital Engineering Competency Framework	12.XXX	HQ003419D0003, DO HQ003419F0286	337,437	77,518
WRT-1001: Digital Engineering Measures	12.XXX	HQ003419D0003, DO HQ003419F0100	1,278	—
WRT-1010: Meshing Capability and Threat-based Science and Technology (S&T) Resource Allocation - Part 2	12.XXX	HQ003419D0003, DO HQ003419F0343	308,391	—
WRT-1008: Transforming Systems Engineering through Model-Centric Engineering - Phase 6	12.XXX	HQ003419D0003, DO HQ003419F0302	8,719	5,896
WRT-1007: SE Capstone Marketplace 2019-2020	12.XXX	HQ003419D0003, DO HQ003419F0363	4,148	—
WRT-1012: Global Positioning Systems - Mission Engineering and Integration of Emerging Technologies	12.XXX	HQ003419D0003, DO HQ003419F0298	740,313	703,212
WRT-1013: Security Engineering - 2019	12.XXX	HQ003419D0003, DO HQ003419F0358	76,928	71,529
WRT-1009: Model Curation Innovation & Implementation	12.XXX	HQ003419D0003, DO HQ003419F0242	583	—
WRT-1018: DAU Credential Development	12.XXX	HQ003419D0003, DO HQ003419F0588	427,826	—
WRT-1021: Systems Engineering Research Center (SERC) Research Task Management	12.XXX	HQ003419D0003, DO HQ003419F0674	352,939	—
WRT-1023: Analyzing and Assessing Contracts for Embedded Risk	12.XXX	HQ003419D0003/HQ003419F0638	203,115	—
WRT-1020: Systems Engineering Research Center (SERC) Program Management	12.XXX	HQ003419D0003, DO HQ003419F0704	845,708	25,996
WRT-1017: Keyphrase Extraction using Language Embeddings - Phase I & Phase II	12.XXX	HQ003419D0003, DO HQ003420F0028	104,512	—
WRT-1011: New Project Incubator	12.XXX	HQ003419D0003, DO HQ003419F0330	1,251	—
WRT-1014: Foundations for a Model-Based, Portfolio Analysis Capability for JPEO-CBRN	12.XXX	HQ003419D0003, DO HQ003419F0591	97,489	75,875
WRT-1016: Reducing Total Ownership Cost (TOC) and Schedule	12.XXX	HQ003419D0003, DO HQ003419F0620	72,316	68,635
WRT-1003: Data Assimilation, Analysis and Fusion across Modalities and Varying Latencies: Earth Orientation Parameters Estimation and Prediction	12.XXX	HQ003419D0003, DO HQ003419F0658	119,022	95,530
WRT-1019: Adaptive Cyber-Physical-Human Systems Testbed	12.XXX	HQ003419D0003, DO HQ003420F0027	162,099	153,480
WRT-1024: Improved Test Data Analysis Methods to Characterize Counter-Unmanned Aerial System (CUAS) Performance	12.XXX	HQ003419D0003, DO HQ003420F0083	199,827	—
WRT-1025: Using AI/ML Design Patterns for Digital Twins and Model-Centric Engineering	12.XXX	HQ003419D0003, DO HQ003420F0201	181,309	104,716
WRT-1037: Center for Acquisition Excellence (CAE) Program Management	12.XXX	HQ003419D0003, DO HQ003420F0653	1,337,460	679,155
WRT-1036: Transforming Systems Engineering through Model-Centric Engineering - Phase 7	12.XXX	HQ003419D0003, DO HQ003420F0602	214,619	64,129
WRT-1035: SE Capstone Marketplace 2020-21	12.XXX	HQ003419D0003, DO HQ003420F0615	314,638	77,688
WRT-1022: Developmental Test and Evaluation (DT&E) and Cyberattack Resilient Systems	12.XXX	HQ003419D0003, DO HQ003420F0200	246,409	172,511
WRT-1033: Transitioning Mission Aware Concepts and Methods to Evaluate Cost/Risk Decisions for Security Assurance Design	12.XXX	HQ003419D0003, DO HQ003420F0657	226,145	114,186
WRT-1040: Application of Digital Engineering Measures (WRT-1001 Follow On)	12.XXX	HQ003419D0003, DO HQ003421F0011	103,970	80,206
WRT-1034: SERC Research Workshops	12.XXX	HQ003419D0003, DO HQ003421F0016	34,281	—
WRT-1030: Electronic Warfare Mission Engineering Analysis - Framework for a Reference Architecture	12.XXX	HQ003419D0003, DO HQ003420F0793	344,101	308,872
WRT-1027: Ecology-Inspired Techniques for Resilient Design of System of Systems (SoS)	12.XXX	HQ003419D0003, DO HQ003420F0537	58,655	57,500
WRT-1028: Validation Framework for Assuring Adaptive and Learning-Enabled Systems	12.XXX	HQ003419D0003, DO HQ003420F0671	43,065	42,459
WRT-1035: 2020 NSWG 31 Dry Combat Submersible (DCS) Fatigue/Stress Monitoring	12.XXX	HQ003419D0003, DO HQ003420F0615	308	—
WRT-1043: DAU - Digital Engineering Simulation	12.XXX	HQ003419D0003, DO HQ003421F0179	6,912	—
WRT-1042: Policy Innovations to Enhance the STEM Talent Pipeline	12.XXX	HQ003419D0003, DO HQ003421F0177	19,945	19,945
United States Department of Defense Total			7,213,160	2,999,038
United States Department of Energy:				
Floating Oscillating Surge Wave Energy Converter Using Controllable Efficient Power Takeoff System	81.087	DE-EE0008953	759,820	356,634
Exploring Multidimensional Spatial-Temporal Hydropower Operational Flexibilities by Modeling and Optimizing Water-Constrained Cascading Hydroelectric	81.087	DE-EE0008944	104,302	79,384
Pass-through from Princeton University				
Surface Chemistry and Reactions for Bimetallic Au Catalysis	81.049	SUB000286,DE-SC0019052	64,710	—
Pass-through from Missouri University of Science & Technology				
Modeling and Optimizing Pumped Storage in a Multi-stage Large Scale Electricity Market under Portfolio Evolution	81.087	00065501-03 (prime: DE-EE000878)	276,323	—
Pass-through from University of California - Lawrence Berkeley National Laboratory				
Graphic Processing Unit (GPU) Based Parallel Symbolic Factorization for SuperLU-DIST	81.XXX	7507302	66,500	—
Pass-through from FactualVR				
SBIR Phase II: Hypertunnel - a MR/VR remote collaboration system	81.049	Agreement executed January 13, 2020	67,104	—
Pass-through from Brookhaven National Laboratory				
Accelerating Machine Learning Inference for Architectural Simulation	81.XXX	382692 (Prime: DE-SC0012704)	15,587	—
Accelerated Machine Learning Interface for Architectural Simulation Using GPU's	81.XXX	388735 (prime: DE-SC0012704)	46,630	—
Research Support for Single Photon LiDAR	81.XXX	385321 (prime: DE-SC0012704)	3,903	—
Pass-through from Pacific Ocean Energy Trust				
Electrically Engaged Undulation (EEL) Marine Energy System	81.XXX	TASK ORDER #Stevensinstitute_L_PyroE	9,715	—
United States Department of Energy Total			1,414,594	436,018
United States Department of Health and Human Services:				
Pass-through from Hackensack University Medical Center				
Ex Vivo Culture Platform Validation for Preservation of Patient-Derived Multiple Myeloma Cells	93.395	2017-R33CA	78,002	—
United States Department of Health and Human Services Total			78,002	—
United States Department of Homeland Security:				
The Center for Maritime Research (CMR)	97.061	2014-ST-061-ML0001	1,014,364	—
The Center for Maritime Research (CMR)	97.061	2014-ST-061-ML0001/17STMSC00001-01-01	861,153	303,764
Collection of Performance Data on Maritime Counter Unmanned Aerial Systems	97.XXX	HSHQDC-16-A-B0004, Order No. 70RSAT18FR0000024, Req. No. RSAR-17-00089	358,420	—
United States Department of Homeland Security Total			2,233,937	303,764
United States Department of Housing and Urban Development:				
Pass-through from Michigan Technological University				
A novel phytoremediation method to cleanup lead-based paint contaminated soils: Phase-III - Demonstration Study	14.906	Subaward No. 170504621	57,314	—
Pass-through from New Jersey Department of Environmental Protection				
Refinement of Existing Living Shorelines Design Guidelines with Further Consideration of Urban Environments	14.272	CFR20-008	55,218	—
United States Department of Housing and Urban Development Total			112,532	—
United States Department of Transportation:				
Distributed Fiber Optic Sensor Network for Real-time Monitoring of Pipeline Interactive Anomalies	20.724	693JK31950008CAAP	50,230	11,806
United States Department of Transportation Total			50,230	11,806
United States Environmental Protection Agency:				
Pass-through from Rutgers University				
Developing a Watershed Restoration Plan for Southern Barnegat Bay - Little Egg Harbor Tributaries	66.605	1773, PO no. 1434196 (prime: BG99248807)	6,952	—
Pass-through from New Jersey Sea Grant Consortium				
Determination of Main Factors Influencing Arsenic Removal from Municipal Wastewater	66.436	4904-0047 (prime: WM20-046)	38,926	—
Pass-through from University of the District of Columbia				
Green Roof Research and Monitoring	66.460	Subaward Agreement signed 7/24/19; (Prime 2018-1808-WPD-04)	7,234	—
Pass-through from Ocean County Department of Planning				
Cattus Island Living Shorelines Project	66.XXX	Agreement signed 12/02/2020	19,425	—
United States Environmental Protection Agency Total			72,537	—
United States Fish & Wildlife Service:				
Pass-through from The Nature Conservancy				
Wave Attenuation Monitoring Gandy's Beach Living Shoreline	15.677	Agreement dated 7/19/19	4,796	—
United States Fish & Wildlife Service Total			4,796	—
United States National Security Agency:				
Stevens Institute of Technology CySP Grant	12.902	H98230-19-1-0294	85,480	11,233
Privacy in an Ever-changing Networked World Exploring the Concept of Contextual Integrity for Health Data	12.905	H98230-20-1-0342	13,551	—
2020 DOD Cyber Scholarship Program	12.905	H98230-20-1-0320	88,083	—
Pass-through from Norwich University				
2020 CAE Grant: NSA CAE Evidencing Competency Assessment	12.905	Z2595-RS011 (H98230-20-4-0380)	54,204	—
United States National Security Agency Total			241,318	11,233
United States Navy:				
Pass-through from Fincantieri Marinette Marine				
DL-P-3876: Design and Fabrication of a 1/40th Physical Scale Model of a ~325ft Catamaran Hull (LAW)	12.XXX	PO688374 (N00024-20-C-2301)	2,066	—
United States Navy Total			2,066	—

STEVENS INSTITUTE OF TECHNOLOGY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal grantor/pass-through grantor/program title	Federal assistance listing	Pass-through entity number/ additional award number	Federal expenditures	Amounts passed-through to subrecipients
Research and Development Cluster, continued:				
United States Securities and Exchange Commission:				
IPA application	58.XXX	IPA signed 9/18/2019	\$ 127,790	—
United States Securities and Exchange Commission Total			<u>127,790</u>	<u>—</u>
Total Research and Development Cluster			<u>30,532,629</u>	<u>7,427,164</u>
Student Financial Assistance Cluster:				
U.S. Department of Education:				
Federal Supplemental Educational Opportunity Grant, including administrative costs of \$43,961	84.007		923,183	—
Federal Work Study Program, including administrative costs of \$9,152	84.033		192,186	—
Federal Perkins Loan Program (note 2)	84.038		3,204,251	—
Federal Pell Grant Program	84.063		3,322,765	—
Federal Direct Loan Program (note 3)	84.268		<u>29,486,913</u>	<u>—</u>
Total Student Financial Assistance Cluster			<u>37,129,298</u>	<u>—</u>
Education Stabilization Fund:				
U.S. Department of Education:				
Coronavirus Aid, Relief, and Economic Security Act:				
COVID-19 – Higher Education Emergency Relief Fund – Student Portion	84.425E	P425E201772	804,814	—
Coronavirus Response and Relief Supplemental Appropriations Act:				
COVID-19 – Higher Education Emergency Relief Fund – Student Portion	84.425E	P425E201772	1,560,853	—
COVID-19 – Higher Education Emergency Relief Fund – Institutional Portion	84.425F	P425F204328	2,916,795	—
American Rescue Plan Act:				
COVID-19 – Higher Education Emergency Relief Fund – Institutional Portion	84.425F	P425F204328	<u>3,357,087</u>	<u>—</u>
Total Education Stabilization Fund			<u>8,639,549</u>	<u>—</u>
Grand Total			<u>\$ 76,301,476</u>	<u>7,427,164</u>

See accompanying notes to schedules of federal and State of New Jersey awards.

STEVENS INSTITUTE OF TECHNOLOGY

Schedule of Expenditures of State of New Jersey Awards

Year ended June 30, 2021

Cluster/state grantor/pass-through grantor/program or award name	Award number	Grant period		Grant amount	State expenditures
		From	To		
Research and Development Cluster:					
New Jersey Department of Environmental Protection:					
NJDEP: Coastal Protection- Technical Assistance Service	Annual Legislation	7/21/1993	6/30/2021	\$ 500,000	\$ 452,832
New Jersey Department of Environmental Protection Total					<u>452,832</u>
New Jersey Department of Transportation:					
Pass-through from Rutgers University					
Development and Implementation of NJ UHPC	1261(2010R003 TO:349Mod3)	9/1/2019	3/31/2021	50,000	24,318
New Jersey Department of Transportation Total					<u>24,318</u>
Research and Development Cluster Total					<u>477,150</u>
Student Financial Assistance Cluster:					
New Jersey Commission on Higher Education:					
Tuition Aid Grant	21-100-074-2405-007	7/1/2020	6/30/2021	4,772,077	4,772,077
Educational Opportunity Fund	21-100-074-2401-001	7/1/2020	6/30/2021	194,650	194,650
New Jersey Student Tuition Assistance Reward Scholarship II (NJ STARS II) Program	21-100-074-2405-313	7/1/2020	6/30/2021	8,750	8,750
Governor's Urban Scholarship (NJ GUS)	21-100-074-2405-278	7/1/2020	6/30/2021	5,500	5,500
NJ BEST	N/A	7/1/2020	6/30/2021	21,000	21,000
Total New Jersey Commission on Higher Education					<u>5,001,977</u>
Student Financial Assistance Cluster Total					<u>5,001,977</u>
Other State of New Jersey Assistance:					
New Jersey Commission on Higher Education:					
Educational Opportunity Fund – Article III – Math Immersion Program Summer 2020	N/A	6/1/2020	8/7/2020	68,143	15,491
Educational Opportunity Fund – Article III Ed Initials and Renewals (Bridge Program Summer 2020)	N/A	6/28/2020	8/7/2020	105,587	47,863
Educational Opportunity Fund – Article IV – Academic Year Support (FY 2021)	N/A	6/1/2020	6/30/2021	143,444	130,109
Educational Opportunity Fund – Article IV Academic Year Support (AY FY 20 5th Quarter)	N/A	6/1/2020	9/30/2021	46,194	42,775
Educational Opportunity Fund – Article IV – Math Immersion Program Summer 2020	N/A	6/1/2020	6/30/2021	4,324	4,234
Educational Opportunity Fund – Article IV – Winter 2021	N/A	1/4/2021	1/16/2021	2,550	1,572
Educational Opportunity Fund – Article IV Ed Initials and Renewals (Bridge Program Summer 2020)	N/A	6/28/2020	8/7/2020	4,234	4,234
Total New Jersey Commission on Higher Education					<u>246,278</u>
Department of Treasury:					
Aid to Independent Colleges and Universities	20-100-082-2155-001	7/1/2020	6/30/2021	231,079	231,079
Total Other State of New Jersey Assistance					<u>477,357</u>
Total Expenditures of State of New Jersey Awards					<u>\$ 5,956,484</u>

See accompanying notes to schedules of federal and State of New Jersey awards.

STEVENS INSTITUTE OF TECHNOLOGY

Notes to Schedules of Expenditures of Federal and State of New Jersey Awards

Year ended June 30, 2021

(Dollars in thousands)

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) for the year ended June 30, 2021, has been prepared on the accrual basis of accounting in accordance with 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*. The accompanying Schedule of Expenditures of State of New Jersey Awards (the Schedule) for the year ended June 30, 2021, has been prepared on the accrual basis of accounting in accordance with the State of New Jersey Office of Management and Budget Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. The purpose of these schedules is to present a summary of those activities of Stevens Institute of Technology (the University) for the year ended June 30, 2021, which have been financed by the U.S. Government (Federal awards) and the State of New Jersey Government. For purposes of the schedules, awards include any assistance provided by a Federal or State of New Jersey agency directly or indirectly in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, direct appropriations, and other noncash assistance. Because the schedules present only a selected portion of the activities of the University, it is not intended to, and does not, present either the financial position, changes in net assets or cash flows of the University and may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements.

The accounting principles followed by the University in preparing the accompanying Schedule follow:

- Expenditures for direct costs are recognized as incurred in accordance with Title 2 U.S. Code of Federal Regulation Part 200, Subpart E *Cost Principles* for Federal awards with terms and conditions. Under these cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.
- The University has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance. Instead, the University elected to use its negotiated indirect cost rate. The University uses a facilities and administrative (F&A) rate, generally based upon the modified total direct cost base, to charge F&A costs to particular sponsored projects. The F&A rate, which is negotiated and subject to review by the Office of Naval Research (ONR), the University's cognizant agency, is the result of cost allocation methodologies that the University uses to allocate its indirect costs to both sponsored and nonsponsored activities.
- During the year ended June 30, 2021, the University charged facilities and administrative costs using ONR-approved fixed rates, rates agreed to with other funding agencies, or State of New Jersey agreed-upon rates.

STEVENS INSTITUTE OF TECHNOLOGY

Notes to Schedules of Expenditures of Federal and
State of New Jersey Awards

Year ended June 30, 2021

(Dollars in thousands)

(2) Federal Perkins Loan Program

The balance of loans outstanding under the Federal Perkins Loan Program at June 30, 2021 were as follows:

Beginning balance	\$	3,204
New loans		—
Repayments		(644)
Cancellations		<u>(9)</u>
Ending balance	\$	<u><u>2,551</u></u>

(3) Federal Direct Loans

During the year ended June 30, 2021, the University processed \$29,487 of new loans under the Federal Direct Loan Program, which have been included in the accompanying schedule of expenditures of Federal awards. The University is responsible only for the performance of certain administrative duties in connection with this loan program and, accordingly, the value of these loans is not reflected in the University's consolidated financial statements and it is not practical to determine the balance of loans outstanding to students of the University under this program.

(4) Subrecipients

The University passed through \$7,427 of Federal awards to subrecipients during the year ended June 30, 2021. There were no amounts passed through for State of New Jersey awards during the year ended June 30, 2021.



KPMG LLP
New Jersey Headquarters
51 John F. Kennedy Parkway
Short Hills, NJ 07078-2702

**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
Stevens Institute of Technology:

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 Stevens Institute of Technology and Subsidiary (the University), which comprise the consolidated statement of financial position as of June 30, 2021, and 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 December 3, 2021.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



Purpose of this Report

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

KPMG LLP

December 3, 2021



KPMG LLP
New Jersey Headquarters
51 John F. Kennedy Parkway
Short Hills, NJ 07078-2702

**Independent Auditors' Report on Compliance for Each Major Federal and State of New Jersey Program;
Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal
Awards Required by Uniform Guidance and Report on Schedule of Expenditures of State of New Jersey
Awards Required by New Jersey OMB Circular 15-08**

The Board of Trustees
Stevens Institute of Technology:

Report on Compliance for Each Major Federal and State of New Jersey Program

We have audited Stevens Institute of Technology and Subsidiary's (the University) compliance with the types of compliance requirements described in the Federal *OMB Compliance Supplement* and New Jersey Office of Management and Budget (New Jersey OMB) *State Grant Compliance Supplement* (the Compliance Supplements) that could have a direct and material effect on each of the University's major Federal and State of New Jersey programs for the year ended June 30, 2021. The University's major Federal and State of New Jersey 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 and State of New Jersey statutes, regulations, and the terms and conditions of its Federal and State of New Jersey awards applicable to its Federal and State of New Jersey programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the University's major Federal and State of New Jersey 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, Uniform Guidance and New Jersey OMB Circular 15-08 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 or State of New Jersey 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 major Federal and State of New Jersey program. However, our audit does not provide a legal determination of the University's compliance.

Opinion on Each Major Federal and State of New Jersey 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 and State of New Jersey programs for the year ended June 30, 2021.



Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, and 2021-003. Our opinion on each major Federal and State of New Jersey program is not modified with respect to these matters.

The University's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The University is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The University's response and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response or the corrective action plan.

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 and State of New Jersey 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 and State of New Jersey program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, 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 or State of New Jersey 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 or State of New Jersey 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 or State of New Jersey 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. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, and 2021-003 that we consider to be significant deficiencies.

The University's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The University is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The University's response and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response or the corrective action plan.



The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and Report on Schedule of Expenditures of State of New Jersey Awards Required by New Jersey OMB Circular 15-08

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 December 3, 2021, 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 is presented for purposes of additional analysis as required by the Uniform Guidance and the accompanying schedule of expenditures of State of New Jersey awards is presented for purposes of additional analysis as required by New Jersey OMB Circular 15-08 and are 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 schedules of expenditures of Federal and State of New Jersey awards are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

March 15, 2022

STEVENS INSTITUTE OF TECHNOLOGY
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 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 consolidated financial statements: **No**
- (d) Internal control deficiencies over major Federal and State of New Jersey programs disclosed by the audit:
- Material weaknesses: **No**
 - Significant deficiencies: **2021-001 and 2021-002 for Federal programs and 2021-003 for State of New Jersey programs**
- (e) Type of report issued on compliance for major Federal and State of New Jersey programs: **Unmodified**
- (f) Audit findings that are required to be reported in accordance with 2 CFR 200.516(a) or New Jersey OMB Circular 15-08: **2021-001 and 2021-002 for Federal programs and 2021-003 for State of New Jersey programs**
- (g) Major programs:
- Federal*
- Research and Development Cluster (various assistance listings)
 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act (assistance listings 84.425E and 84.425F)
- State of New Jersey*
- Student Financial Assistance Cluster (various award numbers)
- (h) Dollar threshold used to distinguish between Type A and Type B Federal programs: **\$2,289,044**
Dollar threshold used to distinguish between Type A and Type B State of New Jersey programs: **\$750,000**
- (i) Auditee qualified as a low-risk auditee for both Federal and State of New Jersey awards: **Yes**

STEVENS INSTITUTE OF TECHNOLOGY
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

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

None.

(3) Findings and Questioned Costs Related to Federal and State of New Jersey Awards

Federal Awards

Finding No. 2021-001

Education Stabilization Fund:

U.S. Department of Education:

COVID-19 – Higher Education Emergency Relief Fund – Student Portion Assistance

Listing 84.425E (award number P425E201772)

Statistically valid sample: No and it was not intended to be.

Repeat finding: This is a repeat finding from the prior year single audit report (finding no. 2020-002).

Compliance Requirement – Reporting – Significant Deficiency and Noncompliance

Criteria

Quarterly Public Reporting for (a)(1) Student Aid Portion (Assistance Listings 84.425E)

For CARES, beginning on May 6, 2020, ED required institutions that received a HEERF I Section 18004(a)(1) Student Aid Portion award to publicly post certain information on their website no later than 30 days after award, and update that information every 45 days thereafter (by posting a new report). This was announced through an electronic announcement (EA).

On August 31, 2020, ED revised the EA by decreasing the frequency of reporting after the initial 30-day period from every 45 days thereafter to every calendar quarter. Grantees posting a 45-day report on or after August 31, 2020, should instead post a report every calendar quarter, with the first calendar quarter report due by October 10, 2020, and covering the period from after their last 45-day or 30-day report through the end of the calendar quarter on September 30, 2020.

On May 13, 2021, ED published an additional notice for student aid public reporting under CRRSAA and ARP, which requires that institutions publicly post certain information on their website. Institutions must publicly post their report as soon as possible, but no later than 30 days after the publication of the notice or 30 days after the date ED first obligated funds under HEERF I, II, or III to the institution for Emergency Financial Aid Grants to Students, whichever comes later. The report must be updated no later than 10 days after the end of each calendar quarter (September 30, and December 31, March 31, June 30).

Key Line Items – The following are identified as critical information for the Quarterly Public Reporting for Student Aid Portion:

STEVENS INSTITUTE OF TECHNOLOGY

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

1. Item #3: The total amount of Emergency Financial Aid Grants distributed to students under the CARES (a)(1) subprogram and the CRRSAA and ARP (a)(1) subprograms as of the date of submission (i.e., as of the initial report and every calendar quarter thereafter).
2. Item #4: The estimated total number of students at the institution that are eligible to receive Emergency Financial Aid Grants to Students under the CARES (a)(1) subprogram and the CRRSAA and ARP (a)(1) subprograms.
3. Item #5: The total number of students who have received an Emergency Financial Aid Grant to students under the CARES (a)(1) subprogram and the CRRSAA and ARP (a)(1) subprograms.
4. Item #6: The method(s) used by the institution to determine which students receive Emergency Financial Aid Grants and how much they would receive under the CARES (a)(1) subprogram and the CRRSAA and ARP (a)(1) subprograms.

Further, the non-Federal entity must establish and maintain an effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and terms and conditions of the Federal award (2 CFR 200.303).

Condition and Context

During the year ended June 30, 2021, the University submitted 3 reports for Higher Education Emergency Relief Fund (HEERF) I and two reports for HEERF II related to the Student Aid Portion. Originally, the Assistant Vice President for Financial Aid and Undergraduate Admissions prepared each report utilizing the disbursement detail as well as other available support from the University's student information system. Then each report was discussed amongst a working group and reviewed by those individuals prior to posting it on the University's website. Formal evidence was not retained to document management's review and approval of the report prior to our finding in last year's audit. To remediate the prior year finding, management implemented a change to their process to retain documentation related to management's review and approval.

Due to the timing of when the change was implemented, for one of our selections (report for the quarter ended September 30, 2020 for HEERF I), management could not provide evidence of review of the Report. However, based on the support provided, we noted that it was complete and accurate.

Further, for the other report selected for test work (report for quarter ended June 30, 2021 for HEERF II), we noted that the estimated total number of students at the institution that are eligible to receive a grant (key line item #4) was not properly supported, nor did the University include the method used to determine which students received a grant and the amount of such grant (key line item #6).

Cause

Prior to remediation of the prior year finding, management did not request formal documentation of the working group's review of the Report. Further, management's review is not to the precision level necessary to ensure that all the key line items are included in the report and that the amounts reported are accurate.

Effect

The University may submit reports that are incomplete or inaccurate.

STEVENS INSTITUTE OF TECHNOLOGY
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

Questioned Costs

There were no questioned costs identified as key line items identified as incorrect or missing do not have a monetary impact on the program.

Recommendation

The University should strengthen its policies and practices to ensure that management's review is precise enough to ensure that reports are complete and accurate.

Views of Responsible Official

Management agrees with the recommendation. The University will ensure that each Report submitted as required to support spending under each of the Higher Education Emergency Relief Funds and other new funding has formal supporting documentation to evidence appropriate review of the Report. The Assistant Vice President for Financial Aid and Undergraduate Admissions will be responsible for preparing each Report as required for spending from each of the Higher Education Emergency Relief Funds. Each Report will be reviewed and approved by the Associate Vice President for Finance. This review and approval will be documented. The submitted Reports will be provided to the CFO, Vice President for Finance and Treasurer. The Assistant Vice President for Financial Aid and Undergraduate Admissions will ensure that the total number of students eligible to receive a grant and the total number who receive a grant is properly reviewed and documented.

Finding No. 2021-002

Research and Development Cluster:

U.S. Department of Defense:

DURIP – Laser Metal Deposition System for Additive Manufacturing and Corrosion Study of Metals, Assistance Listing 12.300 (award number: N00014-18-1-2268)

Statistically valid sample: No and it was not intended to be.

Repeat finding: Not a repeat finding.

Compliance Requirement – Equipment and Real Property – Significant Deficiency and Noncompliance

Criteria

Per guidance included in 2 CFR part 200.313, non-Federal entities other than States must follow regulations which require that:

Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the Federal award identification number), who holds title, the acquisition date, cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sales price of the property.

STEVENS INSTITUTE OF TECHNOLOGY

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

Further, the non-Federal entity must establish and maintain an effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and terms and conditions of the Federal award (2 CFR 200.303).

Condition and Context

Utilizing the listing of equipment additions provided by the Plant Fund manager, the Fixed Asset Specialist schedules a visit with the asset custodian to identify and tag the equipment. This process consists of affixing a barcode asset tag to the equipment. After tagging the equipment, the Fixed Asset Specialist will create an entry in Kuali. This entry will automatically generate a unique asset number in Kuali, for which, the Fixed Asset Specialist will then add all the required data related to that asset, including the tag number.

We selected twenty-five pieces of equipment and noted for two selections, the asset's tag did not agree to the tag number included in the Kuali Asset Management System, therefore the property records were not accurate.

Cause

Management is not properly ensuring the accuracy of the tag number within fixed asset management system.

Effect

The University may not be able to properly identify equipment funded with federal awards to ensure proper inventorying, safeguarding, and maintenance.

Questioned Costs

There are no questioned costs associated with this finding as the equipment was within the University's possession.

Recommendation

The University should strengthen its policies and procedures related to maintaining property records and tagging equipment.

STEVENS INSTITUTE OF TECHNOLOGY
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

Views of Responsible Official

Management agrees with the recommendation. The University will ensure that each individual fixed asset is appropriately tagged and that the information for the asset reconciles to the information reported in the Kual Financial System. The Division of Finance has instituted an additional procedure to address this issue. The Staff Accountant takes a picture of the asset tag for new assets which is attached to the supporting documentation in the Kual Financial System. The Senior Accountant reviews the documentation for each asset and ensures that the appropriate asset tag is reflected in the Kual Financial System. The Division of Finance engages an outside firm to conduct a complete physical inventory every two years. The Executive Director of Finance and Controller, the Senior Accountant and the Staff Accountant will ensure that all asset records are properly reflected in the Kual Financial System.

State of New Jersey Awards

Finding No. 2021-003

State of New Jersey Student Financial Aid Cluster:

 New Jersey Commission on Higher Education:

 Tuition Aid Grant (award number: 21-100-074-2405-007)

 Educational Opportunity Fund (award number: 21-100-074-2401-001)

Statistically valid sample: No and it was not intended to be.

Repeat finding: Not a repeat finding.

Compliance Requirement – Eligibility – Significant Deficiency and Noncompliance

Criteria

Determination of eligibility for and value of student assistance

The information on the financial aid form, as well as additional information provided for each student, shall be evaluated by employing the methodology used to calculate the New Jersey Eligibility Index (NJEI). The evaluation results in an estimate of the family or student's ability to contribute to the cost of education. This estimate is then used to determine the student's eligibility for and award value under the Tuition Aid Grant Programs (N.J. Admin. Code §9A:9-3.1).

The institution's EOF and financial aid directors shall have the authority to adjust student grants within the minimum and maximum award ranges. An EOF undergraduate grant awardee shall receive not less than the minimum nor more than the maximum semester award, except that under no circumstances shall the grant when combined with other aid exceed the cost of attendance as determined by the institution (N.J. Admin. Code §9A:11-2.6).

Further, the entity must establish and maintain an effective internal control over the State of New Jersey award that provides reasonable assurance that the entity is managing the State of New Jersey award in compliance with State of New Jersey statutes, regulations, and terms and conditions of the State of New Jersey award.

STEVENS INSTITUTE OF TECHNOLOGY
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

Condition and Context

The cost of attendance is based on the rates approved by the Board of Trustees on an annual basis and are dependent on a student's enrollment status and whether they will reside on-campus, off-campus, or at home. An Associate Director of the Office of Financial Aid reviews student files regularly to ensure that students are not over-awarded and are eligible to receive the aid that is awarded to them. The files are reviewed on an individual basis and when a special circumstance arises (i.e., student appealing the financial aid award). Once the student file is obtained, the Associate Director ensures that all the necessary components required for financial aid are present in the student file.

We selected forty students who received financial aid disbursements during the year for test work and noted for three selections, the University did not properly calculate COA based on the budget components approved by the Board of Trustee and the adjustments that were documented within the student's file. For each, the student's COA was in excess of our calculated COA, however, none of the students were awarded in excess of appropriate COA.

Cause

The files of these students were not properly reviewed after making manual adjustments to COA to ensure they were calculated correctly.

Effect

The University could award and disburse to students excess awards for which they are not eligible, therefore would be unallowable.

Questioned Costs

None, as the students were not awarded or disbursed awards greater than the corrected COA.

Recommendation

The University should strengthen its policies and procedures surrounding review of COA determinations to ensure that they are appropriately calculated using the budget components approved by the Board of Trustees and any professional judgment adjustments documented within the file. The University should provide training to the staff responsible for calculation of COA.

Views of Responsible Officials

Management agrees with the recommendation. The University will ensure that individual student files are reviewed by the Department of Financial Aid and Undergraduate Admissions to ensure accurate calculation of Cost of Attendance. We will ensure that all employees in the Department of Financial Aid and Undergraduate Admissions have been trained in the areas of Cost of Attendance and the required information to be maintained in student files. The Assistant Vice President for Financial Aid and Undergraduate Admissions will be responsible for ensuring compliance in this area.



Summary Schedule of Prior Year Audit Findings
Single Audit for the Year Ended June 30, 2021

Finding No. 2020-001

Compliance Requirement – Activities Allowed or Unallowed – Significant Deficiency and Noncompliance

Status

Corrective action was taken.

Finding No. 2020-002

Compliance Requirement – Reporting – Significant Deficiency

Status

Partially corrected, see finding 2021-001.

The University has instituted a process to ensure that each Report submitted as required to support spending under each of the Higher Education Emergency Relief Funds and other new funding has formal supporting documentation to evidence appropriate review of the Report. This process was implemented in FY21 based on finding 2020-002 but was not instituted until after the 9/30/20 reporting period which resulted in a recurring finding. The Assistant Vice President for Financial Aid and Undergraduate Admissions will be responsible for preparing each Report as required for spending from each of the Higher Education Emergency Relief Funds. Each Report will be reviewed and approved by the Associate Vice President for Finance. This review and approval will be documented. The submitted Reports will be provided to the CFO, Vice President for Finance and Treasurer.



Corrective Action Plan

Single Audit for the Year Ended June 30, 2021

Finding No. 2021-001

Compliance Requirement – Reporting – Significant Deficiency and Noncompliance

Planned Corrective Action

The University will ensure that each Report submitted as required to support spending under each of the Higher Education Emergency Relief Funds and other new funding has formal supporting documentation to evidence appropriate review of the Report. The Assistant Vice President for Enrollment Management will be responsible for preparing each Report as required for spending from each of the Higher Education Emergency Relief Funds. Each Report will be reviewed and approved by the Associate Vice President for Finance. This review and approval will be documented. The submitted Reports will be provided to the CFO, Vice President for Finance and Treasurer. The Assistant Vice President for Enrollment Management will ensure that the total number of students eligible to receive a grant and the total number who receive a grant is properly reviewed and documented.

Timing of Completion

This corrective action has been implemented in FY22.

Responsible for Corrective Action

Louis Mayer, CFO, Vice President for Finance and Treasurer (201) 216-8761, Joseph Cassidy, Associate Vice President for Finance (201) 216-5287 and Susan Gross, Assistant Vice President for Enrollment Management (201) 216-3400.



Finding No. 2021-002

Compliance Requirement – Equipment and Real Property – Significant Deficiency and Noncompliance

Planned Corrective Action

The University will ensure that each individual fixed asset is appropriately tagged and that the information for the asset reconciles to the information reported in the Quali Financial System. The Division of Finance has instituted an additional procedure to address this issue. The Staff Accountant takes a picture of the asset tag for new assets which is attached to the supporting documentation in the Quali Financial System. The Senior Accountant reviews the documentation for each asset and ensures that the appropriate asset tag is reflected in the Quali Financial System. The Division of Finance engages an outside firm to conduct a complete physical inventory every two years. The Executive Director of Finance and Controller, the Senior Accountant and the Staff Accountant will ensure that all asset records are properly reflected in the Quali Financial System.

Timing of Completion

This corrective action has been implemented in FY22.

Responsible for Corrective Action

Joseph Cassidy, Associate Vice President for Finance (201) 216-5287, Jamie Houghtaling, Executive Director of Finance and Controller (201) 216-3348, Roger Moussallem, Senior Accountant (201) 216-3491 and HJ Ahn, Staff Accountant (201) 216-3552.



Finding No. 2021-003

Compliance Requirement – Eligibility – Significant Deficiency and Noncompliance

Planned Corrective Action

The University will ensure that individual student files are reviewed by the Department of Financial Aid and Undergraduate Admissions to ensure accurate calculation of Cost of Attendance. We will ensure that all employees in the Department of Financial Aid and Undergraduate Admissions have been trained in the areas of Cost of Attendance and the required information to be maintained in student files. The Assistant Vice President for Enrollment Management will be responsible for ensuring compliance in this area.

Timing of Completion

This corrective action has been implemented in FY22.

Responsible for Corrective Action

Susan Gross, Assistant Vice President for Enrollment Management (201) 216-3400.