



STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Financial Statements and Supplementary Schedules

June 30, 2022

(With Independent Auditors' Reports Thereon)

STEVENS INSTITUTE OF TECHNOLOGY

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

Independent Auditors' Report

The Board of Trustees
Stevens Institute of Technology:

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Stevens Institute of Technology and its subsidiary (the University), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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



In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of financial responsibility data is presented for purposes of additional analysis 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 GAAS. In our opinion, the information 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 the University's 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 3, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, 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 2, 2022 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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

Short Hills, New Jersey
December 2, 2022

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Statement of Financial Position

June 30, 2022

(with comparative financial information as of June 30, 2021)

(Dollars in thousands)

Assets	2022	2021
Cash (note 4)	\$ 107,533	74,171
Deposits with bond trustees (notes 4 and 10)	9,337	22,260
Student, sponsor and other receivables, net (note 5)	20,543	17,753
Contributions receivable, net (note 6)	11,300	17,500
Prepaid expenses and other assets (note 2(f))	19,392	17,204
Investments (notes 4 and 7)	274,099	281,921
Trusts held by others (note 7)	6,146	7,293
Land, buildings and equipment, net (note 8)	520,415	467,649
Right-of-use assets – operating leases (note 18)	1,956	4,409
Total assets	<u>\$ 970,721</u>	<u>910,160</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 40,383	30,167
Deferred revenue (note 9)	20,917	17,652
Lease obligations (note 18)	1,832	4,757
Annuities payable	1,512	2,030
Post-retirement and pension obligations (notes 11 and 12)	5,064	6,451
Conditional asset retirement obligations (note 13)	4,608	4,708
Long-term debt, net (note 10)	358,679	336,898
Refundable advances (note 5)	1,514	2,119
Total liabilities	<u>434,509</u>	<u>404,782</u>
Net assets (notes 16 and 17):		
Without donor restrictions	268,400	228,314
With donor restrictions	267,812	277,064
Total net assets	<u>536,212</u>	<u>505,378</u>
Total liabilities and net assets	<u>\$ 970,721</u>	<u>910,160</u>

See accompanying notes to consolidated financial statements.

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Statement of Activities

Year ended June 30, 2022

(with summarized financial information for the year ended June 30, 2021)

(Dollars in thousands)

	2022			2021 Total
	Without donor restrictions	With donor restrictions	Total	
Operating activities:				
Revenues and other support:				
Tuition and fees (net of student aid of \$118,864 in 2022 and \$100,866 in 2021) (note 14)	\$ 230,468	—	230,468	193,788
Sponsored activity revenues (note 14):				
Federal	41,579	—	41,579	35,007
State	923	—	923	757
Private/other	4,528	—	4,528	2,826
Total sponsored activity revenues	47,030	—	47,030	38,590
Grants	10,479	—	10,479	9,709
Contributions	963	2,764	3,727	6,794
Other revenues	1,777	—	1,777	879
Auxiliary enterprises (note 14)	23,251	—	23,251	9,927
Investment return in support of operations (notes 7 and 17)	1,273	7,358	8,631	7,745
Net assets released from restrictions	9,530	(9,530)	—	—
Total operating revenues and other support	324,771	592	325,363	267,432
Expenses (note 15):				
Salaries and benefits	172,545	—	172,545	157,550
Purchased services	52,665	—	52,665	29,392
Maintenance, rents and utilities	18,058	—	18,058	17,177
Supplies and other	28,463	—	28,463	22,410
Interest expense (note 10)	4,837	—	4,837	3,729
Depreciation and amortization	20,424	—	20,424	17,956
Total operating expenses	296,992	—	296,992	248,214
Operating surplus before gain on sale of property	27,779	592	28,371	19,218
Gain on sale of property	—	—	—	1,925
Operating surplus	27,779	592	28,371	21,143
Nonoperating activities:				
Investment return (loss), net of amounts in support of operations (note 7)	6,145	(17,195)	(11,050)	42,532
Contributions	—	11,015	11,015	6,475
Other revenue	1,764	—	1,764	1,022
Post-retirement benefit changes other than service cost (note 11)	1,027	—	1,027	12
Change in value of split-interest agreements	—	(401)	(401)	889
Change in allowance and uncollectible contributions	—	108	108	(238)
Net assets released from restrictions	3,371	(3,371)	—	—
Total nonoperating activities	12,307	(9,844)	2,463	50,692
Changes in net assets	40,086	(9,252)	30,834	71,835
Net assets, beginning of year	228,314	277,064	505,378	433,543
Net assets, end of year	\$ 268,400	267,812	536,212	505,378

See accompanying notes to consolidated financial statements.

STEVENS INSTITUTE OF TECHNOLOGY

Consolidated Statement of Cash Flows

Year ended June 30, 2022

(with comparative financial information for the year ended June 30, 2021)

(Dollars in thousands)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ 30,834	71,835
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Accretion of bond premium	(1,620)	(1,617)
Accretion of interest on conditional asset retirement obligations	220	242
Amortization of bond issuance costs	69	68
Amortization of cloud computing arrangements	1,073	343
Depreciation	20,204	17,829
Loss (gain) on disposal of property	617	(1,857)
Net losses (gains) on investments	9,028	(46,022)
Loss for uncollectible contributions	108	238
Post-retirement benefit changes other than net periodic benefit costs	(1,383)	(329)
Change in value of split-interest agreements	401	(889)
Present value adjustment on contribution receivable	(61)	(182)
Change in allowance for doubtful accounts – contributions receivable	(162)	214
Change in allowance for doubtful accounts – student, sponsor, loans and other receivables	1,691	59
Contributions and grants restricted for capital and endowment	(11,015)	(6,475)
Gain on insurance reimbursement	—	(908)
Decrease (increase) in operating assets:		
Student, sponsor and other receivables	(4,839)	(2,524)
Contributions receivable	877	(1,006)
Prepaid expenses and other assets	(3,261)	(2,813)
Trusts held by others	135	(94)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	3,414	(55)
Deferred revenue	3,265	5,507
Lease obligation	(472)	348
Annuities payable	(314)	596
Post-retirement and pension obligations	(4)	41
Conditional asset retirement obligations	(320)	(263)
Net cash provided by operating activities	<u>48,485</u>	<u>32,286</u>
Cash flows from investing activities:		
Proceeds from sale of property	—	1,925
Proceeds from insurance recoveries	—	908
Proceeds from sales of investments	69,879	96,507
Purchase of investments	(81,055)	(106,535)
Purchases of land, buildings and equipment	(66,785)	(144,081)
Decrease in accounts payable for capital	—	(9,981)
Withdrawals from deposits with bond trustee	6,600	71,193
Additions to deposits with bond trustees	(51)	—
New loans to students	(55)	(64)
Collection of student loans	413	653
Net cash used in investing activities	<u>(71,054)</u>	<u>(89,475)</u>
Cash flows from financing activities:		
Receipts of contributions and grants restricted for capital and endowment	16,453	9,987
Payments to annuitants	(188)	(210)
Refundable advances for student loans	(605)	(1,046)
Repayments of capital lease obligations	—	(893)
Proceeds from issuance of long-term debt	26,485	—
Repayments of long-term debt	(3,153)	(3,128)
Net cash provided by financing activities	<u>38,992</u>	<u>4,710</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	16,423	(52,479)
Cash, cash equivalents and restricted cash, beginning of year	<u>102,981</u>	<u>155,460</u>
Cash, cash equivalents and restricted cash, end of year	\$ <u>119,404</u>	\$ <u>102,981</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	\$ 13,716	12,123
Increase in amounts accrued for purchase of land, buildings and equipment	6,802	—

See accompanying notes to consolidated financial statements.

STEVENS INSTITUTE OF TECHNOLOGY

Notes to Consolidated Financial Statements

June 30, 2022

(with summarized comparative financial information as of June 30, 2021)

(Dollars in thousands)

(1) Organization

Stevens Institute of Technology and its wholly owned subsidiary, Castle Point Holdings, Inc. (collectively, 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 8,300 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 impact of the COVID-19 pandemic has been diminished during the year ended June 30, 2022. The University saw an increase in students returning to campus as shown through the increase in auxiliary revenues, indicating that operations are returning closer to pre-pandemic levels. 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. In the year ended June 30, 2021, \$1.6 million of HEERF I revenue was recognized.

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 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 full \$4.5 million was recognized in the year ended June 30, 2021. 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), which was recognized in the year ended June 30, 2021.

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June 30, 2022

(with summarized comparative financial information as of June 30, 2021)

(Dollars in thousands)

On March 11, 2021, Congress passed the American Rescue Plan (ARP) which included additional COVID-19 relief for institutions of higher education. This COVID stimulus bill included \$40 billion, for higher education institutions and students. The University received \$8.2 million under the ARP (HEERF III), of which \$4.1 million was used to provide emergency financial aid grants to assist eligible students with financial challenges that resulted from the COVID-19 pandemic. The remaining \$4.1 million was used to aid the institution with pandemic-related expenses. The full \$8.2 million was recognized in the year ended June 30, 2022.

For the year ended June 30, 2022, the University also received and recognized \$1.3 million from the Federal Emergency Management Agency (FEMA) for reimbursement of COVID-19-related expenditures, specifically personal protective equipment (PPE) and COVID-19 testing costs for students, faculty, and staff.

(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. 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

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(with summarized comparative financial information as of June 30, 2021)

(Dollars in thousands)

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, 2022 and 2021, there were no cash equivalents within the cash balances presented in the accompanying consolidated statement of financial position.

(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 \$16,397 and \$15,288 at June 30, 2022 and 2021, respectively. The System is a cloud computing arrangement (CCA) and the deferred costs are being recognized as expense over the term of the CCA once the System is placed into service, which occurred in March 2021 and are being amortized over the 15-year service contract. Amortization of the implementation costs totaled \$1,073 and \$343 for the years ended June 30, 2022 and 2021, respectively, 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 or published net asset values (NAV) at June 30th. Investments in pooled private equity and other alternative investment funds are stated at estimated fair value based on the NAV of the funds

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(with summarized comparative financial information as of June 30, 2021)

(Dollars in thousands)

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 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.

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(Dollars in thousands)

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 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 a 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.

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June 30, 2022

(with summarized comparative financial information as of June 30, 2021)

(Dollars in thousands)

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, 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 I from mid-May to the beginning of July and Summer II 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.

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Notes to Consolidated Financial Statements

June 30, 2022

(with summarized comparative financial information as of June 30, 2021)

(Dollars in thousands)

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 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, 2022 and 2021, conditional contributions, including advised bequests, totaled \$63,268 and \$60,780, 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.

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(o) Related Party Transactions

The Members of the University's Board of Trustees and senior management may, from time to time, be associated, either directly or through interlocking board memberships, with companies doing business with the University. Under the University's conflict-of-interest policy, all business and financial relationships of trustees and officers with the University and with vendors and subcontractors to the University are subject to an annual disclosure process culminating with review by General Counsel, Internal Audit and the Audit Committee of the Board of Trustees.

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, 2022 and 2021, contributions receivable included \$5,195 and \$6,844, respectively, from members of the Board of Trustees.

(p) 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.

(q) 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 2021 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, 2021, from which it was derived.

(r) Reclassifications

Certain amounts in the fiscal year 2021 consolidated financial statements have been reclassified to conform to the current year presentation.

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(3) Financial Assets and Liquidity Resources

As of June 30, 2022 and 2021, 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:

	<u>2022</u>	<u>2021</u>
Financial assets available within one year:		
Cash	\$ 97,575	63,905
Accounts receivable, net	19,396	16,268
Contributions receivable available for operations	1,628	1,651
Investments appropriated for spending in following year	<u>9,533</u>	<u>8,548</u>
Total financial assets available within one year	<u>128,132</u>	<u>90,372</u>
Liquidity resources:		
Bank line of credit	<u>35,000</u>	<u>35,000</u>
Total liquidity resources	<u>35,000</u>	<u>35,000</u>
Total financial assets and liquidity resources	<u>\$ 163,132</u>	<u>125,372</u>

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.

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 2022 and 2021.

The University also has \$24,584 in board-designated endowments at June 30, 2022, which are available for general expenditure with Board approval. The Board has approved fiscal year 2023 spending from the endowment estimated to be \$9,533, which is included in the table above.

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(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>2022</u>	<u>2021</u>
Cash	\$ 107,533	74,171
Deposits with bond trustees	9,337	15,650
Investments	<u>2,534</u>	<u>13,160</u>
Total cash, cash equivalents, and restricted cash	\$ <u>119,404</u>	<u>102,981</u>

Cash includes restricted cash of \$9,958 and \$10,266 at June 30, 2022 and 2021, 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.

(5) Student, Sponsor and Other Receivables

Student, sponsor and other receivables, net, as of June 30, 2022 and 2021, consisted of the following:

	<u>2022</u>	<u>2021</u>
Student	\$ 9,111	7,311
Sponsored contracts and grants	13,360	11,049
Student loans	2,257	2,615
Other	<u>3,152</u>	<u>2,424</u>
	<u>27,880</u>	<u>23,399</u>
Less:		
Allowance for doubtful student accounts	(2,390)	(2,891)
Allowance for doubtful sponsor accounts	(2,567)	(341)
Allowance for doubtful student loan accounts	(1,110)	(1,130)
Allowance for doubtful other accounts	<u>(1,270)</u>	<u>(1,284)</u>
	<u>(7,337)</u>	<u>(5,646)</u>
Student, sponsor and other receivables, net	\$ <u>20,543</u>	<u>17,753</u>

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A majority of the student loans outstanding are associated with the Federal Perkins Loan Program. Funds advanced by the Federal Government of \$1,514 and \$2,119 at June 30, 2022 and 2021, 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, 2022 and 2021, the following amounts were outstanding receivables under the Federal Perkins Loan Program:

	Less than 30 days	Less than 90 days	Less than 180 days	Less than 360 days	Greater than 360 days	Total
June 30:						
2022	\$ 938	37	2	13	1,149	2,139
2021	1,301	45	3	5	1,197	2,551

Also included in student loan receivables are private student loan and direct lending receivables totaling \$118 and \$64 in fiscal years 2022 and 2021, respectively. 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.

(6) Contributions Receivable

Contributions receivable, net, as of June 30, 2022 and 2021, consisted of the following:

	2022	2021
Amounts due in:		
Less than one year	\$ 4,182	7,505
One to five years	7,891	10,937
Greater than five years	440	494
	12,513	18,936
Less discount to present value	(501)	(562)
	12,012	18,374
Less allowance for doubtful contributions	(712)	(874)
Contributions receivable, net	\$ 11,300	17,500

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%.

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At June 30, 2022 and 2021, approximately 53% and 58%, respectively, of gross contributions receivable is due from five donors, respectively. For the years ended June 30, 2022 and 2021, approximately 62% and 24% of contribution revenue was received from five donors, respectively.

(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, 2022 and 2021 are shown in the following tables:

2022	Total	Level 1	Level 2	Level 3
Investments:				
Cash and cash equivalents	\$ 2,534	2,534	—	—
Mutual funds	186,356	186,356	—	—
U.S. equities	8,180	8,180	—	—
Split-interest agreements	2,294	2,294	—	—
	199,364	\$ 199,364	—	—
Investments reported at NAV or its equivalent:				
Pooled private equity	57,482			
Pooled alternative investments	17,253			
Total investments	\$ 274,099			
Trusts held by others	\$ 6,146	—	—	6,146
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	—

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<u>2021</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments reported at NAV or its equivalent:				
Pooled private equity	\$ 40,574			
Pooled alternative investments	<u>27,023</u>			
Total investments	\$ <u>281,921</u>			
Trusts held by others	\$ 7,293	—	—	7,293

There were no transfers in or out of Levels 1, 2 or 3 within the fair value hierarchy during the years ended June 30, 2022 and 2021.

The following table summarizes the changes in value of the Level 3 investments for the fiscal year ended June 30, 2022:

	<u>Trust held by others</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	7,293
Trust distributions, net	(171)
Total investment loss, net	<u>(976)</u>
Balance as of June 30, 2022	\$ <u>6,146</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.

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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, 2022, 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)	\$ 17,253	—	Quarterly	91 days
	<u>17,253</u>	<u>—</u>		
Pooled private equity:				
Real estate fund (b)	156	784	Not eligible	
Private equity (c)	<u>57,326</u>	<u>53,711</u>	Not eligible	
	<u>57,482</u>	<u>54,495</u>		
Total investments reported at NAV	\$ <u><u>74,735</u></u>	<u><u>54,495</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.
- (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 17% in Natural Resources, 24% in U.S. Private Equities, and 59% 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

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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, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Dividends and interest	\$ 7,500	4,738
Net realized gain	9,972	241
Net unrealized (depreciation) appreciation	(19,000)	45,781
Investment management fees	<u>(1,130)</u>	<u>(758)</u>
Total investment return	(2,658)	50,002
Endowment distribution	<u>8,392</u>	<u>7,470</u>
Net investment (loss) return	\$ <u><u>(11,050)</u></u>	<u><u>42,532</u></u>

In addition to the gross endowment distribution, net non-endowment investment return totaling \$239 and \$275 in fiscal 2022 and 2021, 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, 2022 and 2021, property, plant and equipment, net consisted of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 1,692	1,692
Buildings and improvements	631,447	373,124
Furniture, fixtures and equipment	85,774	77,050
Construction in progress	<u>16,943</u>	<u>218,180</u>
	735,856	670,046
Less accumulated depreciation and amortization	<u>(215,441)</u>	<u>(202,397)</u>
Total land, buildings and equipment, net	\$ <u><u>520,415</u></u>	<u><u>467,649</u></u>

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Depreciation and amortization expense, excluding accretion, totaled \$20,204 and \$17,829 for the years ended June 30, 2022 and 2021, 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, 2022 are approximately \$18,933.

(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.

	<u>Summer tuition</u>	<u>Sponsored contracts (exchange)</u>	<u>Other deferred revenues</u>	<u>Total</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	4,029	5,513	8,110	17,652
Revenue recognized	(4,029)	(4,650)	(4,715)	(13,394)
Payments received for future performance obligations	<u>6,294</u>	<u>3,749</u>	<u>6,616</u>	<u>16,659</u>
Balance at June 30, 2022	\$ <u>6,294</u>	<u>4,612</u>	<u>10,011</u>	<u>20,917</u>

(10) Long-Term Debt and Line of Credit

Long-term debt at June 30, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>	<u>Maturity date</u>	<u>Interest rate range</u>
Bond issue:				
(a) 2014 Higher Education Equipment Leasing Fund	\$ 59	199	6/1/2023	5.00 %
(b) 2016 Higher Education Capital Improvement Fund Series B	7,160	7,478	9/1/2036	3.00%–5.00%

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	<u>2022</u>	<u>2021</u>	<u>Maturity date</u>	<u>Interest rate range</u>
(c) 2017 Revenue Bonds Series A	\$ 109,425	112,120	7/1/2047	4.00%–5.00%
(d) 2020 Revenue Bonds Series A	174,315	174,315	7/1/2050	3.00%–5.00%
(e) 2020 Revenue Bonds Series B (Taxable)	<u>26,485</u>	<u>—</u>	7/1/2031	2.48%
Long-term debt, net	317,444	294,112		
Plus unamortized bond premium	43,059	44,679		
Less unamortized bond issuance costs	<u>(1,824)</u>	<u>(1,893)</u>		
	<u>\$ 358,679</u>	<u>336,898</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.

(b) 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.

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(c) 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, 2022 and 2021, such deposits amounted to \$5,487 and \$5,424, respectively. As of June 30, 2022, a majority of the bond-funded projects were placed in service and the principal balance of \$70,705 has been capitalized.

(d) 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 in a separate account. At June 30, 2022 and 2021, such deposits amounted to \$3,850 and \$16,836, respectively. As of June 30, 2022, the majority of the bond-funded projects were placed in service and the principal balance of \$174,315 has been capitalized.

(e) 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 University Center Complex. 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 bore interest at a variable rate during the drawdown period, which expired February 12, 2022. Following the end of the draw down period, the interest rate on the 2020 Series B Bond converted to a fixed rate of interest. The entire amount has been drawn on the 2020 Series B Bond as of June 30, 2022. As of June 30, 2022, the majority of the bond-funded projects were placed into service and the principal balance of \$26,485 has been capitalized.

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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:			
2023	\$ 3,218	13,885	17,103
2024	5,786	13,765	19,551
2025	6,018	13,536	19,554
2026	6,257	13,296	19,553
2027	6,503	13,047	19,550
Thereafter	<u>289,662</u>	<u>176,018</u>	<u>465,680</u>
Total	\$ <u>317,444</u>	<u>243,547</u>	<u>560,991</u>

Interest expense related to long-term debt is \$13,641 and \$13,548 for the years ended June 30, 2022 and 2021, respectively, of which \$7,253 and \$8,297 has been capitalized, respectively.

Deposits with Trustees

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

<u>2022</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Deposits with trustees:			
Cash and cash equivalents	\$ 9,337	9,337	—
	\$ <u>9,337</u>	<u>9,337</u>	<u>—</u>
<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	<u>3,386</u>	<u>—</u>	<u>3,386</u>
	\$ <u>22,260</u>	<u>18,874</u>	<u>3,386</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.

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Line of Credit

At both June 30, 2022 and 2021, 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 August 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 2.375% and 0.875% at June 30, 2022 and 2021, respectively. At June 30, 2022 and 2021, 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, 2022.

(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.

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

	<u>2022</u>	<u>2021</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 6,176	6,342
Service cost	165	174
Interest cost	158	150
Plan participants' contributions	14	15
Actuarial (gain) loss	(1,185)	(162)
Benefits paid	<u>(364)</u>	<u>(343)</u>
Benefit obligation at end of year	<u>\$ 4,964</u>	<u>6,176</u>

The discount rates used to determine benefit obligations for the years ended June 30, 2022 and 2021 were 4.38% and 2.6%, respectively.

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(Dollars in thousands)

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

	<u>2022</u>	<u>2021</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ —	—
Contributions (employer and plan participants)	364	343
Benefits paid	<u>(364)</u>	<u>(343)</u>
Fair value of plan assets at end of year	\$ <u>—</u>	<u>—</u>
Components of accrued benefit cost:		
Funded status	\$ (4,966)	(6,176)
Unamortized prior service credit (cost)	218	255
Unamortized actuarial net loss	<u>1,212</u>	<u>2,557</u>
Accrued benefit cost	\$ <u>(3,536)</u>	<u>(3,364)</u>
Components of net periodic benefit cost:		
Service cost	\$ 165	174
Interest cost	158	150
Amortization of unrecognized prior service cost (credit)	38	(23)
Amortization of net loss	<u>160</u>	<u>190</u>
Net periodic benefit cost	\$ <u>521</u>	<u>491</u>

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

	<u>2022</u>	<u>2021</u>
Discount rate	2.60 %	2.42 %
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

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	<u>2022</u>	<u>2021</u>
Post-retirement benefit changes other than net periodic costs:		
Change in unamortized items:		
Actuarial gain	\$ (1,185)	(162)
Amortization of:		
Actuarial loss	(160)	(190)
Unrecognized prior service credit	<u>(38)</u>	<u>23</u>
Total benefit changes other than net periodic costs	(1,383)	(329)
Components of net periodic costs, other than service cost	<u>356</u>	<u>317</u>
Post-retirement benefit changes and components of net periodic costs, other than service cost	\$ <u><u>(1,027)</u></u>	<u><u>(12)</u></u>

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:	
2023	\$ 348
2024	336
2025	330
2026	323
2027	318
2028 to 2032	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>2022</u>	<u>2021</u>
Prior service credit	\$ 218	256
Net loss	<u>1,212</u>	<u>2,557</u>
	\$ <u><u>1,430</u></u>	<u><u>2,813</u></u>

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(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.

Retirement costs related to these plans for the years ended June 30, 2022 and 2021 totaled approximately \$7,060 and \$7,007, 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, 2022 and June 30, 2021, the Non-Academic Staff Employees' Pension Plan had a pension obligation of \$160 and \$315, 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, 2022 and June 30, 2021, the Local 660 Pension Plan had a pension asset of \$60 and \$40, 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 \$220 and \$242 for the years ended June 30, 2022 and 2021, respectively, were presented as a component of depreciation and amortization expense.

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(14) Revenue

(a) Tuition and Fees

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

	<u>2022</u>	<u>2021</u>
Undergraduate tuition and fee revenue	\$ 220,951	202,595
Undergraduate student aid	<u>(103,158)</u>	<u>(94,225)</u>
Undergraduate tuition and fee revenue, net	<u>117,793</u>	<u>108,370</u>
Graduate tuition and fee revenue	127,176	91,755
Graduate student aid	<u>(15,606)</u>	<u>(6,608)</u>
Graduate tuition and fee revenue, net	<u>111,570</u>	<u>85,147</u>
Pre-college tuition and fee revenue	1,205	304
Pre-college student aid	<u>(100)</u>	<u>(33)</u>
Pre-college tuition and fee revenue, net	<u>1,105</u>	<u>271</u>
Tuition and fee revenue, net	\$ <u><u>230,468</u></u>	<u><u>193,788</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 2022. The audit to establish rates for fiscal years 2022 and 2023 is complete and sent to ONR for negotiations.

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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.

	<u>2022</u>	<u>2021</u>
Sponsored activity revenues:		
Direct cost recoveries	\$ 35,393	29,044
Indirect cost recoveries	<u>11,637</u>	<u>9,546</u>
Total sponsored activity revenues	\$ <u>47,030</u>	<u>38,590</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:

	<u>2022</u>	<u>2021</u>
Housing	\$ 14,300	5,798
Dining	8,444	3,976
Other	<u>507</u>	<u>153</u>
Total auxiliary enterprises revenue	\$ <u>23,251</u>	<u>9,927</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, 2022 and 2021, 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:

<u>2022</u>	<u>Program services</u>				<u>Support</u>	<u>Total operating expenses</u>
	<u>Education</u>	<u>Student services</u>	<u>Research and public services</u>	<u>Auxiliary</u>	<u>Management and general</u>	
Salaries and benefits	\$ 107,434	17,555	22,766	2,569	22,221	172,545
Purchased services	18,697	7,181	11,339	7,726	7,722	52,665
Maintenance, rents and utilities	5,601	2,266	1,520	6,286	2,385	18,058
Supplies and other	13,013	6,407	4,818	119	4,106	28,463
Interest expense	2,103	707	632	1,178	217	4,837
Depreciation and amortization	<u>8,878</u>	<u>2,986</u>	<u>2,669</u>	<u>4,975</u>	<u>916</u>	<u>20,424</u>
Total	\$ <u>155,726</u>	<u>37,102</u>	<u>43,744</u>	<u>22,853</u>	<u>37,567</u>	<u>296,992</u>

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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	\$ 130,536	27,810	34,252	20,627	34,989	248,214

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 \$5,742 and \$4,501 for the years ended June 30, 2022 and 2021, respectively. Also included in management and general are advertising costs, which are expensed as incurred. Advertising costs totaled \$8,289 and \$5,854 for the years ended June 30, 2022 and 2021, respectively.

(16) Net Assets

At June 30, 2022 and 2021, net assets consisted of the following:

	2022	2021
Without donor restrictions:		
Undesignated	\$ 92,718	67,007
Net investment in plant	150,657	138,495
Endowment	24,584	22,255
Institutional portion of Federal Perkins Loans Program	441	557
Total net assets without donor restrictions	268,400	228,314
With donor restrictions:		
Restricted for time or purpose:		
Education and research programs	14,554	15,856
Capital projects	1,556	2,086
Annuity and life income funds	2,987	3,884
Endowment	113,230	129,653
Total net assets restricted for time or purpose	132,327	151,479

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	2022	2021
To be held in perpetuity:		
Endowment	\$ 131,460	120,979
Annuity and life income funds	4,025	4,606
Total net assets to be held in perpetuity	135,485	125,585
Total net assets with donor restrictions	267,812	277,064
Total net assets	\$ 536,212	505,378

(17) Endowment

The University's endowment fund consists of 410 and 403 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, 2022 and 2021, 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.

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Endowment net assets consisted of the following at June 30, 2022:

	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	\$ —	244,690	244,690
Board-designated endowment funds	24,584	—	24,584
Total endowment net assets	\$ <u>24,584</u>	<u>244,690</u>	<u>269,274</u>

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

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

Changes in endowment net assets for the year ended June 30, 2022 are as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, June 30, 2021	\$ 22,255	250,632	272,887
Investment return, net	(1,047)	(8,859)	(9,906)
Contributions	—	10,453	10,453
Appropriation for expenditure	(615)	(7,777)	(8,392)
Distributions returned to endowment	—	213	213
Reclassification of net assets ¹	3,991	28	4,019
Endowment net assets, June 30, 2022	\$ <u>24,584</u>	<u>244,690</u>	<u>269,274</u>

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(Dollars in thousands)

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	1,006	316	1,322
Endowment net assets, June 30, 2021	<u>\$ 22,255</u>	<u>250,632</u>	<u>272,887</u>

¹ Amounts included in reclassification of net assets without donor restrictions represent board designated net assets that were added to the endowment in 2022 and 2021.

(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, 2022 and 2021, 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

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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, 2022, there were 9 endowment funds with deficiencies of this nature within net assets with donor restrictions totaling \$55. The corpus of those 9 endowment funds was \$1,621. At June 30, 2021, there were no such deficiencies of this nature.

(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, 2022 and 2021, totaled \$3,737 and \$5,048, respectively.

Minimum lease payments due under these agreements are as follows:

Fiscal year ending June 30:		
2023	\$	449
2024		364
2025		371
2026		349
2027		356
Less present value discount		<u>(57)</u>
Total	\$	<u><u>1,832</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.

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(with summarized comparative financial information as of June 30, 2021)

(Dollars in thousands)

(20) Subsequent Events

The University has performed an evaluation of subsequent events through December 2, 2022, 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, 2022 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.

Data element	Direct input to ratio	Amount
(a) Land, buildings and equipment, net: pre-implementation	Primary reserve	\$ 133,630
Land, buildings and equipment, net: post-implementation	Primary reserve	<u>386,785</u>
Total land, buildings and equipment, net: post-implementation		\$ <u><u>520,415</u></u>
(b) Long-term debt, net: pre-implementation:		
2014 Higher Education Equipment Leasing Fund, capitalized and outstanding	N/A	\$ 59
2016 Higher Education Capital Improvement Fund Series B, capitalized and outstanding	N/A	7,160
2017 Revenue Bonds Series A, capitalized and outstanding	N/A	<u>64,561</u>
Long-term debt, net: pre-implementation	Primary reserve	<u>71,780</u>
Long-term debt, net: post-implementation:		
2020 Revenue Bonds Series A, capitalized and outstanding	N/A	174,315
2020 Revenue Bonds Series B, capitalized and outstanding		<u>26,485</u>
Long-term debt, net: post-implementation	Primary reserve	200,800
Bond proceeds not spent on capitalized projects, and unamortized bond premiums and issuance costs	N/A	<u>86,099</u>
Total long-term debt, net (statement of financial position)	N/A	\$ <u><u>358,679</u></u>

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Supplementary Schedule of Financial Responsibility Data

As of and for the year ended June 30, 2022

(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	\$ 268,400
Net assets with donor restrictions	Statement of financial position	267,812
Net assets with donor restrictions: restricted in perpetuity	Note 16	135,485
Annuity and life income funds	Note 16	2,987
Land, buildings and equipment, net: pre-implementation	Note 21	133,630
Land, buildings and equipment, net: post-implementation	Note 21	386,785
Right-of-use assets – operating leases	Statement of financial position	1,956
Long-term debt, net: pre-implementation	Note 21	71,780
Long-term debt, net: post-implementation	Note 21	200,800
Lease obligations	Statement of financial position	1,832
Post-retirement and pension obligations	Statement of financial position	5,064
<i>Denominator: total expenses and losses without donor restrictions:</i>		
Total expenses	Statement of activities	296,992
Post-retirement and pension non-operating expenses	Note 11	356
Equity ratio:		
<i>Numerator: modified net assets:</i>		
Net assets without donor restrictions	Statement of financial position	268,400
Net assets with donor restrictions	Statement of financial position	267,812
<i>Denominator: modified assets:</i>		
Total assets	Statement of financial position	970,721
Net income ratio:		
<i>Numerator: change in net assets without donor restrictions:</i>		
Change in net assets without donor restrictions	Statement of activities	40,086
<i>Denominator: total revenue and gains without donor restrictions:</i>		
Total operating revenues and other support	Statement of activities	324,771
Nonoperating activities: Net investment return	Statement of activities	6,145
Nonoperating activities: Other revenue	Statement of activities	1,764
Nonoperating activities: Net assets released from restriction	Statement of activities	3,371
Post-retirement benefit changes other than net periodic costs	Note 11	1,383

See accompanying independent auditors' report.

STEVENS INSTITUTE OF TECHNOLOGY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

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:				
FY2021 DARPA YFA: Effective Software Monitoring Leveraging Hardware Debugging Extensions	12.910	D21AP10116-00	\$ 81,151	—
MILLY: Multi-directional Loosely-Linked Archetype Models for Perceptually-enabled Task Guidance	12.910	HR00112220003	225,521	106,848
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)	30,187	—
Pass-through from Center for Open Science				
Preliminary Proposal: NOMARS Model Test for DLBA/Gibbs & Cox	12.XXX	GC-S-2021-008-05177 (prime: HR00112090120)	78,328	—
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)	317,571	—
Defense Advanced Research Projects Agency Total			732,758	106,848
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	95,128	—
Co-simulation for Partnerships to Observe Convective Storm Systems	43.001	80NSSC21K1515	69,624	—
Integrating TAT-C, STARS, and VCE for New Observing Strategies Mission Design	43.001	80NSSC20K1118	54,117	23,909
Laser beam (lidar) propagation in the atmosphere-ocean system in support of active remote sensing from space	43.001	80NSSC20K1756	122,416	—
Retrieval of Coastal and Inland Water Inherent Optical Properties based on Scientific Machine Learning Methods and Comprehensive Radiative Transfer Simulations	43.001	80NSSC21K0543	119,267	53,782
Verification and Validation of High-Fidelity Plume Surface Interaction Simulations	43.012	80NSSC21K0899	37,602	—
Pass-through from Ball Aerospace and Technologies Corp				
Quantum Parametric Mode Sorting QPMS LiDAR	43.XXX	22MES0005 (80NSSC22K0286)	9,348	—
Pass-through from Bay Area Environmental Research Institute				
The snow/ice algorithm for Hyperion	43.001	Agreement signed 6/30/2021 (prime: NASA-NNX12AD05A)	18,504	—
Pass-through from Cal-tech Jet Propulsion Lab				
CMOS Ku-Band Radar Transceiver	43.001	1669847	24,798	—
CMOS RFIC for UHF Relay Radios	43.001	1677653	3,442	—
Pass-through from Rutgers University				
New Jersey Space Grant Consortium Branch at Stevens	43.008	2207- PO# 25111335	43,107	—
Pass-through from Science Systems and Applications Inc				
LiDAR and Integrated Photonics Support for NASA Applications	43.XXX	21606-20-080 (prime: NNL16AA05C)	124,625	—
National Aeronautics and Space Administration Total			721,978	77,691
National Institutes of Health:				
"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	(4,208)	—
BIGDATA: Causal Interference in Large-Scale Time Series with Rare Events and Latent Variables	93.879	1R01LM011826-01	247,206	95,906
Improved Ventilation of the Edematous Lung	93.838	1R01HL113577-01A1	377,991	—
In Vivo Imaging Platform for Ectopic Pregnancy Research in Mouse Models	93.286	7R21EB028409-02	69,355	19,995
K22 - Transcriptional Regulation of Oncogenic Cellular Plasticity in the Intestinal Epithelium	93.398	1K22CA218462-01	126,173	—
Membrane-Acting Peptides	93.859	R15GM140421	69,236	—
Multi-contrast Dynamic Optical Imaging to Advance Live Developmental Biology	93.859	R35GM142953	271,042	—
Novel Acylborons and Alpha-hydroxy Borons to Enable Modular, Regio- and Stereocontrolled Synthesis of Bioactive Molecules and Protein Conjugates	93.859	R35GM143091	124,453	—
R01: Harnessing Patient Generated Data to Find Causes and Effects of Diet in Pregnancy	93.879	R01LM013308	212,045	103,436
R15 - Structure, Spectra, and Roles of Metal and Active Site in HNO Heme Protein Complex	93.859	R15GM085774	54,017	—
R15: Modular Approaches to Unusual Borylated Heterocycles using Novel Acylborons and alpha-Hydroxyborons as Enabling Tools	93.859	R15GM135891	70,267	—
R15: Patients Perceptions of Electronic Health Record use during initial oncology outpatient clinic visits	93.361	R15NR018965	88,018	—
R21: High-Resolution Dynamic Imaging of Ovarian Cancer Metastasis Post Chemotherapy	93.396	R21CA256615	214,257	41,012
R21: Personalized predictions of biomarker progression in Alzheimer's disease	93.866	R21AG067442	245,464	—
R21-Amplified MRI (aMRI): A novel way to investigate the pathophysiology of Chiari Malformation I	93.853	R21NS111415	64,958	15,143
Pass-through from City University of New York				
Artificial Intelligence, Modeling, and Informatics for Nutrition Guidance and Systems (AI MINGS) Center	93.397	CM00007477 (prime: 1U54TR004279-01)	45,252	—
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)	14,909	—
Pass-through from Icahn School of Medicine at Mount Sinai				
R21: Cross-correlation of biomechanical, connectomic and metabolic markers in AD patients at 7T MRI	93.866	0255-E301-4609 (1R21AG071179-01)	37,491	—
Pass-through from New York University				
Coordinating unit for DiaComp	93.847	20-A0-00-1005453, project no. 117128 (prime: U24DK115255)	59,481	—
Pass-through from Northwestern University				
Interdisciplinary Engineering Career Development Center in Movement and Rehabilitation Sciences	93.865	60047828 SIT / K12HD073945	70,994	13,884

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Pass-through from University of Rochester				
Computational Analysis of Biocatalytic Carbene Transfer Reactions	93.859	R01GM098628A2-10	\$ 36,755	—
Micro- and Nanofiber Enabled Biomimetic Periosteum for Bone Repair and Reconstruction	93.846	416837-G	99,173	—
Pass-through from University of Connecticut Health Center				
Biodegradable Matrices for Bone Healing	93.286	UHC7-95616052	44,865	—
Pass-through from University of Michigan				
Novel Assessments of Technical and Non-Technical Cardiac Surgery Quality	93.837	5R01HL146619-02	24,105	—
Pass-through from Baylor College of Medicine				
Biomechanics of early mammalian cardiogenesis	93.865	PO no. 7000001042 (prime: R01HD096335)	23,631	—
National Institutes of Health Total			2,686,930	289,376
National Science Foundation:				
ADVANCE Stevens: Creating a Sustainable Culture that Facilitates Recruitment, Retention and Advancement of Women Faculty in STEM	47.076	HRD-1311792	26,888	—
Advance Wearable Cardiovascular Monitoring Platform	47.041	1855394 (ECCS)	31,820	—
Bacteria-Triggered Antimicrobial Release from Microgel-Modified Surfaces	47.049	DMR-1608406	(1,090)	—
CAREER An AI Empowered Architecture Centric Framework for Systematic Software Performance Optimization	47.070	2044888	12,113	—
CAREER An Algorithm and System Co Designed Framework for Graph Sampling and Random Walk on GPUs	47.070	2046102	38,769	—
CAREER Biomechanics of Tension Induced Lung Tissue Fracture and Subsequent Pulmonary Air Leak	47.041	2143620	32,082	—
CAREER Deciphering Large Scale Real Outage Data for Cascading Failure Analysis Prevention and Intervention	47.041	2110211	98,980	—
CAREER Multidisciplinary and Life Cycle Holistic Sustainable Design	47.041	2044853	8,769	—
CAREER: A Sparse Network-Operator Approach to Distributed Control: theory and Algorithms	47.041	ECCS-1653756	68,896	—
CAREER: Adaptive Sonification to Improve Balance during Everyday Mobility	47.041	1944207	147,614	—
CAREER: Additive Biomaterials for an Engineered Stem Cell Microenvironment	47.041	CMMI-1554150	50,766	—
CAREER: Belief Space Planning and Learning for Uncertainty-Immersed Underwater Robots	47.070	IIS-1652064	61,274	—
CAREER: Consecutive Assembly-and-Mineralization Processed Calcium-Silicate-Hydrate Nacre with High Specific Flexural Strength and Fracture Toughness	47.041	2046407	85,808	—
CAREER: Investigation of Thermal Transport in Moire Pattern Structured Materials to Push the Extremes of Thermal Modulation	47.041	2145417	5,084	—
CAREER: Leveraging Heterogeneous Manycore Systems for Scalable Modeling, Simulation and Verification of Nanoscale Integrated Circuits	47.070	2041519	94,325	—
CAREER: Non-Commutative Cryptography from Hard Learning Problems: Theory and Practice	47.070	CNS-1350858	26,924	—
CAREER: Randomized Multiscale Methods for Heterogeneous Nonlinear Partial Differential Equations	47.049	2145364	3,439	—
CAREER: Reinforcement-Learning Assist-As-Needed Control for Robot-Assisted Gait Training	47.041	1944203	15,781	—
CAREER: Synthetic Ultra-High-Resolution Millimeter-Wave Imaging for Tissue Diagnostics	47.041	ECCS 1554402	1,011	—
CAREER: Towards Deep Interpretable Predictions for Multi-Scope Temporal Events	47.070	2047843	90,149	—
CAREER: Understanding Strategic Dynamics in the Engineering of Decentralized Systems	47.041	1943433	28,529	—
CCRI Medium Collaborative Research Hardware in the Loop and Remotely Accessible Configurable Programmable Internet of Things IoT Testbeds	47.070	2204785	5,507	—
CHS: Small: Collaborative Research: Understanding and Improving Implicit Coordination in Peer Production Networks	47.070	1717473	1,732	—
CHS: Small: Exploring Design and Evaluation Space through Crowds and Communities	47.070	IIS 1909803	254,241	—
Collaborative Research Research Initiation Understanding of Engineering Core Concepts Contextualized in Domain Specific Settings Through Active Exploration	47.041	2106257	11,514	—
Collaborative Research SHF Medium Ensuring Safety and Liveness of Modern Systems through Dynamic Temporal Analysis	47.070	2107169	144,183	—
Collaborative Research: The Genetic Basis, Biosynthetic Pathways and Evolution of Chemical Defense in Carabid Beetles	47.074	DEB – 1556898	1,961	—
Collaborative Research: A Dynamic Disruption Prediction System for Transportation Networks at a Road-Segment Level of Granularity	47.041	2026795	70,599	—
Collaborative Research: A New Nonlinear Modal Updating Framework for Soft, Hydrating Materials	47.041	1728186	771	—
Collaborative Research: Advanced and Highly Integrated Power Conversion Systems for Grid Stability and Resiliency	47.041	2103426	60,336	—
Collaborative Research: Chemical and Dynamic Heterogeneities in Interfaces for Adaptive Polymer Nanocomposites	47.041	CMMI-1825250	123,152	—
Collaborative Research: CNS Core: Medium: Towards Understanding and Handling Problems Due to Coexistence of Multiple IoT Platforms	47.070	2205868	253	—
Collaborative Research: GOALI: Bio-inspired Bistable Energy Harvesting for Fish Telemetry Tags	47.041	1935954	41,869	—
Collaborative Research: Mechanical Characterization of Bio-Interfaces by Shear Wave Scattering	47.041	CMMI-1826270	35,040	—
Collaborative Research: NRI: INT: Cooperative Underwater Structure Inspection and Mapping	47.070	2024653	72,382	—
Collaborative Research: Parity-Time Symmetry and Anti-Symmetry in Quantum Optics	47.049	PHY-1806523	99,321	—

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Collaborative Research: Plasmonic Lasing With Two-dimensional Heterostructures in the Intrinsic Regime	47.049	DMR-1809235	\$ 69,181	—
Collaborative Research: Research Initiation: Market-driven Design Concept Formation in Undergraduate Engineers	47.041	1927037	83,291	—
Collaborative Research: SaTC: CORE: Medium: Rethinking Fuzzing for Security	47.070	2031377	30,425	—
Collaborative Research: Using Causal Explanations and Computation to Understand Misplaced Beliefs	47.075	2146984	6,898	—
CRI: CI-NEW: Collaborative Research: Constructing a Community-Wide Software Architecture Infrastructure	47.070	CNS-1823074	66,860	—
CRII CIF Machine Learning Based Equalization Towards Multitrack Synchronization and Detection in Two Dimensional Magnetic Recording	47.070	2105092	22,817	—
CRII: HCC: Temporal Dynamics of Team Emotion and Cognition in AI-supported Decision-making	47.070	2105169	23,244	—
CRII: III: Efficient and Robust Statistical Estimation from Nonlinear Compressed Measurements	47.070	1948133	120,837	—
CRII: III: Learning Dynamic Graph-based Precursors for Event Modeling	47.070	1948432	76,018	—
CRII: SHR: Expediting Subgraph Matching on GPUs	47.070	2000722	15,146	—
CRII:SCH:A Generative Deep Learning (GDL) based Platform for Super-resolution, Virtual-Pathological Visualization of Coronary Images	47.070	2222739	7,706	—
Directed Ionic Transport in Poly ionic Liquid Grafted Nanoparticles in Polarizable Media	47.049	2104924	65,310	—
Dynamic 3D Printing with in Situ Depolarization: A New Biomanufacturing Paradigm for Guided Cell-cell Communication	47.041	1663095	56,230	—
EAGER Predictive Surrogate Modeling and Analysis of Radiative Heat transfer in Porous Media	47.041	2054124	123,544	—
EAGER: Collaborative Research: Demonstrating the Importance of Research Setting Representativeness in Systems Engineering and Design Research	47.041	CMMI-1841109	3,606	—
EAGER: Exploring the Use of Secure Multi-Party Computation in the Context of Organ Donation	47.041	CCF-1646999	10,710	—
EAGER: Catalysis Fundamentals of Selective Hydrogenation of Aromatic Hydrocarbons	47.041	2219872	33,409	—
EAGER: SaTC: Early-Stage Interdisciplinary Collaboration: A Sociotechnical Metrics Framework for Network and Security Operations Centers	47.070	CNS 1915822	30,236	—
Enhancing Quantum Efficiency of Thin Film Solar Cells via Joint Characterization of Radiation and Recombination	47.041	2103008	54,063	—
ERI: An Integrative Risk Quantification and Management Framework to Enhance the Resiliency of Surface Transportation Systems Under Disruptive Precipitation	47.041	2138549	2,699	—
ERI: Tool Grasping Compliance and Stability of Underactuated Hands in Model-Mediated Telemanipulation	47.041	2138896	17,694	—
FOUNDATIONS: Integrating Evidence-based Teaching and Learning into the Core Engineering Curriculum	47.076	1524656	185,278	—
I-Corps: Artificial Cornea of Microtextured Hydrogel	47.041	1946450	23,992	—
III: SMALL: Moving Beyond Knowledge to Action: Evaluating and Improving the Utility of Causal Inference	47.070	1907951	120,305	—
Ionic Transport in Ion Containing Copolymer-Grafted Nanoparticle Structures	47.049	DMR-1807802	169,120	—
IUCRC Phase I Stevens: Center for Research toward Advancing Financial Technologies (CRAFT)	47.070	2113906	98,867	—
LEAP-HI: Tackling Brain Diseases with Mechanics: A Data-driven Approach to Merge Advanced Neuroimaging and Multi-physics Modeling	47.041	1953323	346,409	154,952
LEAPS-MPS Tailoring the Thermal Properties of Flexible Two-Dimensional 2D Heterostructures	47.049	2137883	24,363	—
Maritime Cybersecurity – Building Capacity in Critical Infrastructure Protection	47.076	DGE-1623714	158,443	—
Mechanistic Investigation of Heme-based Catalysts for Sustainable Carbene Transfer Reactions	47.049	2054897	66,717	—
Model Theory of Nonabelian Free Groups	47.049	1953784	16,695	—
NRI: Collaborative Research: Autonomous Quadrotors for 3D Modeling and Inspection of Outdoor Infrastructure	47.047	IIS-1637761	873	—
PFI-TT: Point-of-care Skin Cancer Imaging Device	47.041	IIP 1919194	58,054	—
PREVENTS Track 2: Collaborative Research: Geomorphic Versus Climatic Drivers of Changing Coastal Flood Risk	47.050	ICER 1855037	78,363	—
RAISE: EQuIP: A Chip-integrated Platform for Photon-Efficient Quantum Communications	47.041	1842680	84,746	66,812
Renewal: CyberCorps: Scholarship for Service Program at Stevens	47.076	DGE-1433795	234,560	—
REUIRET Site: Interdisciplinary Research Experience in Sustainable Energy and Bioengineering	47.049	2050921	101,618	—
S&AS: FND: Learning-Enabled Autonomous 3D Exploration for Underwater Robots	47.070	1723996	64,400	—
SaTC: CORE: Medium: Privacy for All: Ensuring Fair Privacy Protection in Machine Learning	47.070	2029038	112,993	—
SaTC: CORE: Small: Relational Verification for Information Assurance and Privacy	47.070	1718713	8,968	—
SaTC: CORE: Small: Securing Network Embedding against Privacy Attacks	47.070	2135988	84,994	—
SaTC: CORE: Small: Toward Usable and Ubiquitous Trust Initialization and Secure Networking in Wireless Ad Hoc Networks	47.070	1817438	20,350	—
SCH: INT: Collaborative Research: Uniting Causal and Mental Models for Shared Decision-Making in Diabetes	47.070	IIS 1915182	165,674	—
SCH:INT: Collaborative Research: Aging In Place Through Enhanced Mobility and social Connectedness: An Integrated Robot and Wearable Sensor Approach	47.070	IIS 1838799	214,695	—
SHF: Small: Collaborative Research: Test-Centric Architecture Modeling	47.070	CCF 1909763	13,120	—
SHF: SMALL: Symbolic Commutativity Analysis for Multicore Concurrency	47.070	2008633	308,169	—
SHF:Small: Spectral Reduction of Large Graphs and Circuit Networks	47.070	2021309	161,360	—
SII Planning: SPECTRA: Spectrum Policies, Economics, Coexistence, and Technological Research Advancements	47.049	2037873	16,131	—
SpecEES: Cooperative Green RF Sensing over Shared Spectrum	47.041	1923739	114,527	—

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Supporting Sustainable Evolution of Energy Systems via Closed-Loop Consumer Behavior and Market System Modeling	47.041	1953774	\$ 118,486	—
Understanding Pedestrian Dynamics for Seamless Human-Robot Interaction	47.041	CMMI-1825709	52,555	—
US Ignite: Focus Area 1: An Integrated Reconfigurable Control and Self-Organizing Communication Framework for Advanced Community Resilience Microgrids	47.070	CNS-1915756	212,093	13,247
Using a Well-Controlled Heterogeneous Permeability Field to Study Its Role on Miscible Density-Driven Convection in Porous Media	47.050	2154295	29,710	4,815
Pass-through from Columbia University				
EFRI ACQUIRE: Development of Amorphous-Silicon Platform for Chip-Based Quantum Information Applications	47.041	2(GG012507-02)	1,445	—
Pass-through from Michigan Technological University				
A Community Laboratory Facility for Exploring and Sensing of Aerosol-Cloud-Drizzle Processes: The Aerosol-Cloud-Drizzle Convection Chamber	47.050	2105003Z7 (prime: 2133229)	56,354	—
Pass-through from RadioSight LLC				
STTR Phase 1: Point-of-care Skin Cancer Imaging Device	47.041	Agreement signed 5/6/2021 (prime: 2112267)	43,128	—
Pass-through from Oklahoma				
CRISP Type 2: Collaborative Research: Resilience Analytics: A Data-Driven Approach for Enhanced Interdependent Network Resilience	47.041	2016-35	5,322	—
Pass-through from University of Pennsylvania				
RAISE-EQuIP: Integrated Higher-Dimensional Quantum Photonic Platform	47.041	575401, PO no. 4175345 (prime: ECCS-1842612)	58,747	—
National Science Foundation Total			<u>6,402,340</u>	<u>239,826</u>
Office of Naval Research:				
ABIDES: Adaptive Binary Debloating and Security	12.300	N00014-17-1-2788	686,126	463,287
Automatically Verifying Temporal Alignment of Transformed Software	12.300	N00014-17-1-2787	304,740	81,907
Distributonal Reinforcement Learning for Safe Autonomous Navigation	12.300	N00014-20-1-2570	111,819	—
DIURIP: Indraft Tunnel for High-Speed Aerodynamics Research	12.300	N00014-19-1-2523	(142)	—
Modeling and Control for High-Speed Systems	12.300	N00014-13-C-0198	270,729	—
Nonlinear-Optical Pseudo Atoms on Chip	12.300	N00014-21-1-2898	67,373	—
Quantum-enhanced FAST CARS for Remote Detection Using a Multistatic Platform	12.300	N00014-20-1-2086	133,235	—
Scaling and Structure in Transitional and Turbulent Hypervelocity Flows	12.300	N00014-20-1-2549	239,717	—
Technology for High-Speed Underwater Vehicles	12.300	N00014-21-S-B001	80,241	—
Pass-through from Advanced Technology & Research Corporation				
Computational and Physical Modeling of ESB Elevator System Dynamics	12.300	ATR-18-S-4760-000-01	54,375	—
Pass-through from University of Minnesota				
Particulate and Precipitation Effects on High-speed Flight Vehicles	12.300	A008174603 (prime: N00014-20-1-2682)	248,621	58,320
Office of Naval Research Total			<u>2,196,834</u>	<u>603,514</u>
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)	4,940	—
United States Agency for International Development Total			<u>4,940</u>	<u>—</u>
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	682,835	359,165
United States Air Force Office of Scientific Research Total			<u>682,835</u>	<u>359,165</u>
United States Air Force Research Laboratory:				
Unmanned Aircraft System Acoustic Detection, Tracking and Classification System	12.XXX	FA8750-21-C-1004	327,960	—
United States Air Force Research Laboratory Total			<u>327,960</u>	<u>—</u>
United States Army:				
ART 005: Methods for Integrating Dynamic Requirements and Emerging Technologies	12.XXX	W15QKN-18-D-0040/W15QKN19F0385	125,878	121,243
ART 008: Design Evaluation, Automation and Optimization Dashboard for Armament and Ammunition Packaging	12.XXX	W15QKN-18-D-0040; DO W15QKN19F0649	692	—
ART 009: Intelligent Defense Systems (IDS)	12.XXX	W15QKN-18-D-0040; DO W15QKN19F0746	(20)	—
ART 014: Quantum Photonics Tasks for Research	12.XXX	W15QKN-18-D-0040, DO W15QKN20F0002	32,153	—
ART 015: New Observing Strategies Testbed (NOS-T) Design and Development	12.XXX	W15QKN18D0040; DO W15QKN20F0551	331,487	—
ART 016: Integrated Mission Equipment (IME) Architecture Process for Vertical Lift Systems	12.XXX	W15QKN-18-D-0040, DO W15QKN20P0091	616,025	509,184
ART 018: Characterization of Potting Materials in Military Environments	12.XXX	W15QKN-18-D-0040; DO W15QKN20F0649	113,666	85,777
ART-002 Transforming Systems Engineering through Model-Based Systems Engineering	12.XXX	W15QKN-18-D-0040, TO W15QKN18F0102	1,364,514	382,307
Characterization of Emerging Technologies in Military Environments	12.XXX	W15QKN-18-D-0040, TO W15QKN18F0290	58,927	55,383
United States Army Total			<u>2,643,322</u>	<u>1,153,894</u>

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United States Army Corps of Engineers				
Benefits of Vegetation for Preventing Coastal Flooding Induced by Failure of Seawalls	12.630	W912HZ22C0010	\$ 9,207	—
Evaluating the Influence of Water Level on Wave Attenuation of Natural and Nature Based Features in Low-High Energy Environments	12.630	W912HZ2220007	21	—
United States Army Corps of Engineers Total			<u>9,228</u>	<u>—</u>
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	168,097	—
Compressing Time and Space for an In Situ Dermal Graft Printing Paradigm	12.420	W81XWH1910158	57,575	—
Engineering Composite Nanofibrous Scaffolds for Repairing Segmental Bone Defect	12.420	W81XWH-20-1-0321	176,157	46,861
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)	11,179	—
United States Army Medical Research Acquisition Activity Total			<u>413,008</u>	<u>46,861</u>
United States Army Research Office:				
Analysis and Robust Techniques for MIMO RF Sensing with Timing and Phase Errors	12.431	W911NF1920234	174,221	—
Complexation Phenomena in Polyelectrolyte Microgels	12.431	W911NF20010277	192,214	—
United States Army Research Office Total			<u>366,435</u>	<u>—</u>
United States Department of Agriculture				
Collaborative Research: NRI: Ocean-Powered Robots for Autonomous Offshore Aquaculture	10.310	2021-67022-35977	12,917	—
DSFAS-AI: Food Quality Evaluation Leveraging Robust, Domain Adaptive Deep Learning on Millimeter Wave (mmWave) Images	10.310	2022-67021-36866	56,004	19,090
United States Department of Agriculture Total			<u>68,921</u>	<u>19,090</u>
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	50,797	19,109
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)	(90)	—
Supporting Regional Implementation of Integrated Climate Resilience: Consortium for Climate Risk in the Urban Northeast (CCRUN) Phase III	11.431	3(GG016650-01) (prime: NA21OAR4310313)	37,300	—
Enabling urban residents to adapt to coastal flooding: Evidence from New York City neighborhoods	11.431	1(GG015474) (prime: NA19OAR4310311)	8,280	—
Pass-through from New Jersey Sea Grant Consortium				
Green Retrofit of Stormwater BMPs for Pollution Prevention in Urban Coastal Communities of New Jersey	11.417	NJSGC Project No. 6198-0003	57,604	—
Optimizing Green Infrastructures and Low Impact Developments to Mitigate Runoff and Pollution Impacts on Freshwater Systems	11.417	6318-0021 (prime: NA21OAR4170479)	68,577	—
Physics-Based Assessment of Hurricane-Induced Wave Hazards Under Climate Change: Barrier Islands of New Jersey	11.417	6208-0006 (prime: NA18OAR4170087)	73,811	—
Sea Grant Coastal Processes Extension	11.417	NA18OAR4170087	33,120	—
Sea Grant Coastal Processes Extension (Amendment VIII)	11.417	6197-0001 (NA18OAR4170087)	130	—
Sea Grant Coastal Processes Extension (Amendment VIII)	11.417	6207-001 (NA18OAR4170087)	58,025	—
New Jersey Sea Grant Consortium (NJSGC) Proposal to New Jersey Department of Environmental Protection Continuation of Staff and Collective Impact Support for The New Jersey Coastal Resilience Collaboration	11.419	MOA Amendment X	12,770	—
Pass-through for University Corporation for Atmospheric Research				
Assessing the Integration of River Ice Formation in the National Water Model to Enhance River Flow Routing in Northern Watersheds	11.467	SUBAWD002655 (prime: NA16NWS4670042)	46,652	—
United States Department of Commerce Total			<u>446,706</u>	<u>19,109</u>
United States Department of Defense:				
Ammunition Production Facility Modernization Review	12.XXX	W15QKN-21-C-0053	124,145	10,000
ART 017: Learning-Enhanced Autonomous Navigation for GPS-Denied Vehicles	12.XXX	W15QKN-18-D-0040; DO W15QKN21F0478	66,618	—
ART 019: Federal Law Enforcement Training Center (FLETC) Training Systems Curriculum Study	12.XXX	W15QKN-18-D-0040; DO W15QKN21F0418	322,284	281,692
ART 022: Transforming Systems Engineering Through Model-Based Systems Engineering	12.XXX	W15QKN-18-D-0040; DO W15QKN21F0421	167,430	—
ART-020: Quantum Technologies for Armament Systems	12.XXX	W15QKN-18-D-0040; DO W15QKN21F0272	3,033,786	—
Modeling and Control for High-Speed Systems	12.300	N00014-13-C-0198	146,327	—
Risk-Averse Learning and Control for Distributed Dynamical Systems with Partial Information	12.300	N00014-21-1-2161	312,913	121,871
WRT-1006: Preparing the Acquisition Workforce for Digital Engineering – Developing a Digital Engineering Competency Framework	12.XXX	HQ003419D0003, DO HQ003419F0286	3,010	—
WRT-1012: Global Positioning Systems – Mission Engineering and Integration of Emerging Technologies	12.XXX	HQ003419D0003, DO HQ003419F0298	131	—
WRT-1016: Reducing Total Ownership Cost (TOC) and Schedule	12.XXX	HQ003419D0003, DO HQ003419F0620	1,473	—
WRT-1017: Keyphrase Extraction using Language Embeddings – Phase I & Phase II	12.XXX	HQ003419D0003, DO HQ003420F0028	148,687	—
WRT-1018: DAU Credential Development	12.XXX	HQ003419D0003, DO HQ003419F0588	3,072	—

STEVENS INSTITUTE OF TECHNOLOGY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2022

Federal grantor/pass-through grantor/program title	Federal assistance listing	Pass-through entity number/ additional award number	Federal expenditures	Amounts passed-through to subrecipients
WRT-1019: Adaptive Cyber-Physical-Human Systems Testbed	12.XXX	HQ003419D0003, DO HQ003420F0027	\$ 4,872	—
WRT-1020: Systems Engineering Research Center (SERC) Program Management	12.XXX	HQ003419D0003, DO HQ003419F0704	754,738	33,122
WRT-1021: Systems Engineering Research Center (SERC) Research Task Management	12.XXX	HQ003419D0003, DO HQ003419F0674	296,510	—
WRT-1022: Developmental Test and Evaluation (DT&E) and Cyberattack Resilient Systems	12.XXX	HQ003419D0003, DO HQ003420F2030	236,448	206,694
WRT-1025: Using AI/ML Design Patterns for Digital Twins and Model-Centric Engineering	12.XXX	HQ003419D0003, DO HQ003420F0201	3,056	—
WRT-1027: Ecology-Inspired Techniques for Resilient Design of System of Systems (SoS)	12.XXX	HQ003419D0003, DO HQ003420F0537	37,104	34,680
WRT-1028: Validation Framework for Assuring Adaptive and Learning-Enabled Systems	12.XXX	HQ003419D0003, DO HQ003420F0671	89,342	73,946
WRT-1033: Transitioning Mission Aware Concepts and Methods to Evaluate Cost/Risk Decisions for Security Assurance Design	12.XXX	HQ003419D0003, DO HQ003420F0657	155,972	113,582
WRT-1034: SERC Research Workshops	12.XXX	HQ003419D0003, DO HQ003421F0016	86,569	—
WRT-1035: SE Capstone Marketplace 2020-21	12.XXX	HQ003419D0003, DO HQ003420F0615	112,639	1,700
WRT-1036: Transforming Systems Engineering through Model-Centric Engineering – Phase 7	12.XXX	HQ003419D0003; HQ003420F0802	33,745	8,871
WRT-1037: Center for Acquisition Excellence (CAE) Program Management	12.XXX	HQ003419D0003, DO HQ003420F0653	956,069	556,156
WRT-1040: Application of Digital Engineering Measures (WRT-1001 Follow On)	12.XXX	HQ003419D0003, DO HQ003421F0011	117,948	78,587
WRT-1041 SMC Production Corps – Mission Engineering and Integration of Emerging Technologies	12.XXX	HQ003419D0003; DO HQ003421F0169	1,327,900	1,273,270
WRT-1042: Policy Innovations to Enhance the STEM Talent Pipeline	12.XXX	HQ003419D0003, DO HQ003421F0177	511,909	420,023
WRT-1043: DAU – Digital Engineering Simulation	12.XXX	HQ003419D0003; DO HQ003421F0179	744,009	439,558
WRT-1044: Evaluation and design guidance for long duration, Unmanned Undersea Vehicle (UUV) development efforts at the Naval Undersea Warfare Center (NUWC), Division Newport	12.XXX	HQ003419D0003/ HQ003421F0370	52,245	51,599
WRT-1045: Digital Engineering Implications on Decision Making Process	12.XXX	HQ003419D0003/ HQ003421F0482	142,941	124,052
WRT-1046: Graphene Rings for Atomically Thin Matter-Wave Interferometer	12.XXX	HQ003419D0003/ HQ003421F0515	43,391	—
WRT-1047: Digital Data Management and Analytics Strategy	12.XXX	HQ003421F0304 (contract: HQ003419D0003)	1,015,519	773,147
WRT-1049: Acquisition Innovation Research Center: Innovation for Digital Transformation and Policy Analytics	12.XXX	HQ003419D0003	1,032,897	—
WRT-1049: Acquisition Innovation Research Center: Innovation for Digital Transformation and Policy Analytics	12.XXX	HQ003419D0003, DO HQ003421F0309	2,588,374	1,805,519
WRT-1051: Program Managers Guide to Digital and Agile Systems Engineering Process Transformation	12.XXX	HQ003419D0003/ HQ003421F0464	174,266	58,712
WRT-1052: Digital Engineering Transformation at JPEO-CBRND	12.XXX	HQ003419D0003/ HQ003421F0479	155,759	136,735
WRT-1054: Digital Engineering Migration of ESS System Engineering and Technical Management	12.XXX	HQ003419D0003; DO HQ003422F0026	41,391	—
WRT-1055: Policy Options to Promote DoD-Defense Industry Collaboration in Science, Technology, Engineering and Mathematics (STEM) Education and Workforce Development Programs, Activities, and Outreach	12.XXX	HQ003419D0003/ HQ003421F0335	592,536	—
WRT-1057: Acquisition Innovation Research Center (AIRC) Core Research	12.XXX	HQ003419D0003/ HQ003421F0480	528,518	153,077
WRT-1058: Systems Engineering Modernization Policy, Practice, and Workforce Roadmaps	12.XXX	HQ003419D0003/ HQ003421F0568	103,281	84,319
WRT-1064: SE Capstone Marketplace 2022-2023	12.XXX	HQ003419D0003	69,457	30,000
Pass-through from Corvid Technologies, LLC Digital Human Model for Use in Simulation Environments for Tactile Human/Robot Interaction	12.XXX	AGMTX 20220531 (W81XWH22P0030)	20,243	—
United States Department of Defense Total			<u>16,359,524</u>	<u>6,870,912</u>
United States Department of Energy:				
Floating Oscillating Surge Wave Energy Converter Using Controllable Efficient Power Takeoff System	81.087	DE-EE0008953	854,906	480,091
Exploring Multidimensional Spatial-Temporal Hydropower Operational Flexibilities by Modeling and Optimizing Water-Constrained Cascading Hydroelectric	81.087	DE-EE0008944	301,254	141,409
Pass-through from Brookhaven National Laboratory Accelerated Machine Learning Interface for Architectural Simulation Using GPU's	81.XXX	388735 (prime: DE-SC0012704)	16,581	—
Machine Learning Accelerated Statistical and Parallel Architecture Simulation	81.XXX	411930	44,404	—
Research Support for Single Photon LiDAR	81.XXX	385321 (prime: DE-SC0012704)	104,049	—
Pass-through from Georgia Institute of Technology Development of an Advanced Ultrasonic Phased Array for the Characterization of Thick Reinforced Concrete Components	81.135	AWD000406S1 (DEAR0001137)	53,210	—
Pass-through from University of California – Lawrence Berkeley National Laboratory Graphic Processing Unit (GPU) Based Parallel Symbolic Factorization for SuperLU-DIST	81.XXX	7507302	16,065	—
Graphic Processing Units (GPU) Based Parallel Symbolic Factorization and Ordering in SuperLU-DIST	81.XXX	7621569 (prime: DE-AC-02-05CH11231)	52,301	—
Pass-through from FactualVR SBIR Phase II: Hypertunnel – a MR/VR remote collaboration system	81.049	Agreement executed January 13, 2020	37,081	—
Pass-through from Missouri University of Science & Technology Modeling and Optimizing Pumped Storage in a Multi-stage Large Scale Electricity Market under Portfolio Evolution	87.087	00065501-03 (prime: DE-EE000878)	34,512	—
Pass-through from National Renewable Energy Laboratory Model Design, Build, and Testing of a Variable Geometry Wave Energy Converter	81.087	SUB-2022-10092 (prime: DE-AC36-08GO28308)	22,227	—
Pass-through from Pacific Ocean Energy Trust DoE TEAMER: A Small-Scale Wave Energy Converter to Power Ocean Aquaculture	81.087	TASK ORDER #StevensInstitute_2_E-Wave	48,425	—
Fume Testing of Full-scale EEL Marine Energy System	81.087	TASK ORDER #StevensInstitute_3_PyroE	16,744	—
Pass-through from Oak Ridge Associated Universities Five Strategies For Overcoming Biased Reasoning & A Platform To Test Them	81.XXX	ICPD-2020-13	61,577	—

STEVENS INSTITUTE OF TECHNOLOGY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2022

Federal grantor/pass-through grantor/program title	Federal assistance listing	Pass-through entity number/ additional award number	Federal expenditures	Amounts passed-through to subrecipients
Pass-through from Pliant Energy Systems, LLC Model Tests of a Traveling Wave Hydrokinetic (TWH) Pump	81.087	Agreement signed 1/14/2022	\$ 14,427	—
Pass-through from Princeton University Surface Chemistry and Reactions for Bimetallic Au Catalysis	81.049	SUB000286;DE-SC0019052	42,841	—
Pass-through from Virginia Polytechnic Institute and State University Development of Full Understanding of Mechanical-Chemical Coupling in Bentonite THMC processes	81.121	429448-19821 (prime: DE-NE0009160)	29,423	—
Pass-through from Thomas Jefferson National Accelerator Facility Quantum Enhanced Tracker	81.XXX	22-D0462 (prime: DE-AC0-06OR2317)	25,623	—
United States Department of Energy Total			<u>1,775,650</u>	<u>621,500</u>
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	44,689	—
United States Department of Health and Human Services Total			<u>44,689</u>	<u>—</u>
United States Department of Homeland Security: The Center for Maritime Research (CMR) The Center for Maritime Research (CMR)	97.061 97.061	2014-ST-061-ML0001 2014-ST-061-ML0001/17STMSC00001-01-01	435,711 48,908	— 7,099
United States Department of Homeland Security Total			<u>484,619</u>	<u>7,099</u>
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 Lowering the Bioavailability in Residential Soils of Variable Physico-Chemical Properties using Sustainable In-Situ Treatment Methods	14.906 14.906	Subaward No. 1705046Z1 2106063CZ1 (prime: MILTS0023-21)	72,156 39,528	— —
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	13,744	—
United States Department of Housing and Urban Development Total			<u>125,428</u>	<u>—</u>
United States Department of the Interior Pass-through from Navajo Technical University Green Technology for in-place Reclamation of Coal Mine Spoil GOB Piles in Abandoned Mines	15.255	NTU-32351-21 (prime: S21AC10036-00)	52,068	—
United States Department of the Interior Total			<u>52,068</u>	<u>—</u>
United States Department of Transportation: Distributed Fiber Optic Sensor Network for Real-time Monitoring of Pipeline Interactive Anomalies Pass-through from Rutgers University Interactive Decision Support System for Tunneling Planning and Construction: Hudson Tunnel Case Study	20.724 20.701	693JK31950008CAAP Subcontract no. 1914	135,711 70,006	11,343 —
United States Department of Transportation Total			<u>205,717</u>	<u>11,343</u>
United States Department of Veterans Affairs Cognitive-based Rehabilitation Platform of Hand Grasp after Spinal Cord Injury using Virtual Reality and Instrumented Wearables	64.XXX	Agreement signed 03/08/2021	43,174	—
United States Department of Veterans Affairs Total			<u>43,174</u>	<u>—</u>
United States Environmental Protection Agency: Pass-through from Rutgers University Developing a Watershed Restoration Plan for Southern Barnegat Bay – Little Egg Harbor Tributaries Pass-through from New Jersey Sea Grant Consortium Determination of Main Factors Influencing Arsenic Removal from Municipal Wastewater Pass-through from Ocean County Department of Planning Cattus Island Living Shorelines Project	66.605 66.436 66.460	1773, PO no. 1434196 (prime: BG99248807) 4904-0047 (prime: WM20-046) Agreement signed 12/02/2020	39,480 97,190 52,981	— — —
United States Environmental Protection Agency Total			<u>189,651</u>	<u>—</u>
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	27,725	—
United States Fish & Wildlife Service Total			<u>27,725</u>	<u>—</u>

STEVENS INSTITUTE OF TECHNOLOGY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2022

Federal grantor/pass-through grantor/program title	Federal assistance listing	Pass-through entity number/ additional award number	Federal expenditures	Amounts passed-through to subrecipients
United States National Security Agency:				
Stevens Institute of Technology CySP Grant	12.902	H98230-19-1-0294	\$ 1,592	—
Privacy in an Ever changing Networked World Exploring the Concept of Contextual Integrity for Health Data	12.905	H98230-20-1-0342	67,925	—
2020 DOD Cyber Scholarship Program	12.905	H98230-20-1-0320	14,546	—
DoD CySP Program at Stevens	12.905	H98230-21-1-0273	76,680	—
Pass-through from Northeastern University				
INSuRE 4.0 Advancing Research Education to Research Collaborative	12.905	505226-78050 (prime: H98230-21-1-0317)	27,868	—
Pass-through from Norwich University				
2020 CAE Grant: NSA CAE Evidencing Competency Assessment	12.905	22595-RS011 (H98230-20-I-0380)	<u>168,592</u>	<u>—</u>
United States National Security Agency Total			<u>357,203</u>	<u>—</u>
United States Navy:				
Hydrodynamics of Ship Operability in Post Damage Condition	12.300	N00174-21-1-0002	<u>27,028</u>	<u>—</u>
United States Navy Total			<u>27,028</u>	<u>—</u>
Research and Development Cluster Total			<u>37,396,671</u>	<u>10,426,228</u>
Student Financial Assistance Cluster:				
U.S. Department of Education:				
Federal Supplemental Educational Opportunity Grant, including administrative costs of \$48,218	84.007		771,490	—
Federal Work Study Program, including administrative costs of \$20,341	84.033		325,449	—
Federal Perkins Loan Program (note 2)	84.038		2,551,003	—
Federal Pell Grant Program, including administrative costs of \$4,075	84.063		3,947,888	—
Federal Direct Loan Program (note 3)	84.268		<u>32,419,217</u>	<u>—</u>
Student Financial Assistance Cluster Total			<u>40,015,047</u>	<u>—</u>
Education Stabilization Fund:				
U.S. Department of Education:				
Coronavirus Response and Relief Supplemental Appropriations Act:				
Pass-through from New Jersey Office of the Secretary of Higher Education				
COVID-19 – Governor’s Emergency Education Relief Fund	84.425C	Agreement signed 8/20/2021	344,970	—
American Rescue Plan Act:				
COVID-19 – Higher Education Emergency Relief Fund – Student Aid Portion	84.425E	P425E201772	4,097,156	—
COVID-19 – Higher Education Emergency Relief Fund – Institutional Aid Portion	84.425F	P425F204328	<u>740,069</u>	<u>—</u>
Education Stabilization Fund Total			<u>5,182,195</u>	<u>—</u>
U.S. Federal Emergency Management Administration:				
COVID-19 – Emergency Protective Measures	97.024	PW 781 and 938	<u>1,303,014</u>	<u>—</u>
U.S. Federal Emergency Management Administration Total			<u>1,303,014</u>	<u>—</u>
Total Expenditures of Federal Awards			<u>\$ 83,896,927</u>	<u>10,426,228</u>

See accompanying notes to schedule of expenditures of federal awards.

STEVENS INSTITUTE OF TECHNOLOGY

Notes to Schedules of Expenditures of Federal Awards

Year ended June 30, 2022

(Dollars in thousands)

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) for the year ended June 30, 2022 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 purpose of this Schedule is to present a summary of those activities of Stevens Institute of Technology (the University) for the year ended June 30, 2022, which have been financed by the U.S. Government (Federal awards). For purposes of the Schedule, awards include any assistance provided by a Federal 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 Schedule presents only a select portion of the activities of the University, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the University 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 Schedule 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, 2022, the University charged facilities and administrative costs using ONR-approved fixed rates.

STEVENS INSTITUTE OF TECHNOLOGY

Notes to Schedules of Expenditures of Federal Awards

Year ended June 30, 2022

(Dollars in thousands)

(2) Federal Perkins Loan Program

The balance of loans outstanding under the Federal Perkins Loan Program at June 30, 2022 were as follows:

Beginning balance	\$	2,551
New loans		—
Repayments		(399)
Cancellations		<u>(13)</u>
Ending balance	\$	<u><u>2,139</u></u>

(3) Federal Direct Loans

During the year ended June 30, 2022, the University processed \$32,419 of new loans under the Federal Direct Loan Program, which have been included in the accompanying Schedule. 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 \$10,426 to subrecipients during the year ended June 30, 2022.



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 its subsidiary (the University), which comprise the consolidated statement of financial position as of June 30, 2022, 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 2, 2022.

Report on 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's 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

Short Hills, New Jersey
December 2, 2022



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

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

The Board of Trustees
Stevens Institute of Technology:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Stevens Institute of Technology and its subsidiary's (the University) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2022. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS,



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

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

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

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

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, and 2022-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the University's responses to the noncompliance findings identified in our compliance audit 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 responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses or the corrective action plan.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.



A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001, 2022-002, and 2022-003, to be a significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the University's responses to the internal control over compliance findings identified in our audit 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 responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses 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. Accordingly, this report is not suitable for any other purpose.

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

We have audited the consolidated financial statements of the University as of and for the year ended June 30, 2022, and have issued our report thereon dated December 2, 2022, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

Short Hills, New Jersey
March 27, 2023

STEVENS INSTITUTE OF TECHNOLOGY
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Year ended June 30, 2022

(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 programs disclosed by the audit:
 - Material weaknesses: **No**
 - Significant deficiencies: **2022-001, 2022-002, and 2022-003**
- (e) Type of report issued on compliance for major programs: **Unmodified**
 - Audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **2022-001, 2022-002, and 2022-003**
- (f) Major programs:
 - Research and Development Cluster (various assistance listings)
 - Education Stabilization Fund (assistance listings 84.425C, 84.425E, and 84.425F)
- (g) Dollar threshold used to distinguish between Type A and Type B programs: **\$2,516,908**
- (h) Auditee qualified as a low-risk auditee: **Yes**

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

None.

(3) Findings and Questioned Costs

Finding No. 2022-001

Education Stabilization Fund:

U.S. Department of Education:

COVID-19 – Higher Education Emergency Relief Fund – Student Aid Portion, Assistance Listing 84.425E (award number P425E201772)

COVID-19 – Higher Education Emergency Relief Fund – Institutional Aid Portion, Assistance Listing 84.425F (award number P425F204328)

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

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Repeat finding: This is a repeat finding from the prior year single audit report (finding no. 2021-001).

Compliance Requirement – Reporting – Significant Deficiency and Noncompliance

Criteria

Quarterly Public Reporting for (a)(1) Institutional Portion, (a)(2), and (a)(3) funds (Assistance Listings 84.425F, 84.425J, 84.425K, 84.425L, 84.425M, 84.425N, 84.425S, 84.425T as applicable)

The CARES, CRRSAA, and ARP institutional quarterly portion reporting requirements involve publicly posting completed forms on the institution's website. The forms must be conspicuously posted on the institution's primary website on the same page the reports of the IHE's activities as to the emergency financial aid grants to students (Student Aid Portion) are posted.

Auditors should determine if an institution was both timely and accurate in publicly posting its Quarterly Reporting Form from October 30, 2020, onward and sample these quarterly public reports and reconcile the publicly reported amounts with underlying documentation to ensure accuracy.

ED understands that this information may be unique and challenging to audit, particularly because auditors are asked to verify information posted on a webpage which may not be accessible during audit fieldwork. For these public reporting requirements, auditors may accept as evidence of compliance, contemporarily produced emails, webmaster logs, or other relevant documentation establishing a good-faith indication that the institution posted the required information at approximately the timelines established by the public reporting requirements (HEERF Grant Program Auditing Requirements, General Requirements and Information – All HEERF Grantees).

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).

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

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, 2022, the University submitted 3 reports for Higher Education Emergency Relief Fund (HEERF) III related to the Institutional Aid Portion and 3 reports for the Student Aid Portion. The Manager of Financial Planning, Budgeting & Analysis and Assistant Vice President for Financial Aid and Undergraduate Admissions prepared each Institutional Aid and Student Aid report, respectively, utilizing the disbursement detail as well as other available support from the University's information systems. The reports were then shared with management, who reviewed them and approved them via email, which was retained to show management's authorization to post the reports.

For the Institutional Aid report posted for the quarter ended December 31, 2021, the University inaccurately included lost revenue associated with fiscal year 2021, which would not have been allowable under the HEERF requirements. While the University was able to provide contractual services that were incurred in fiscal year 2022 to support the amounts expended, the report was not accurately prepared since ultimately the funds were not used to cover lost revenue.

In addition, for the Student Aid report for the quarter ended December 31, 2021, we noted that the University did not include the method used to determine which students received a grant and the amount of such grant (key line item #6).

Cause

Management's review is not at the precision level necessary to ensure that the Institutional Aid report was accurately prepared or that the key line items related to the Student Aid report are included in the report.

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Effect

The University may submit reports that are incomplete or inaccurate.

Questioned Costs

There were no questioned costs identified as the University had eligible contractual service costs incurred (Institutional Aid report) and the key line item identified as missing does not have a monetary impact on the program (Student Aid report).

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 submission that is required to support spending under each of the Higher Education Emergency Relief Funds and other related funding programs has formal supporting documentation to evidence appropriate review of the report. This issue of how eligible students were determined and how the amounts distributed were determined was identified on the Q4 2021 Report due to the timing of the test work in the prior year Single Audit. This issue was corrected in the Q1 2022 Report and all available funding has been spent. The Assistant Vice President for Financial Aid has ensured that the total number of students eligible to receive a grant and the total number of students who receive grants is properly reviewed and documented. The Manager of Financial Planning, Budgeting and Analysis will ensure that all submitted Institutional Aid Reports are properly reconciled to actual expenditures rather than anticipated expenditures. The Q4 2021 Report was revised and reposted to reflect that expenditures were related to other costs rather than lost revenue. Each Student Aid Report and Institutional Aid Report will be reviewed and approved by the Associate Vice President for Finance. This review and approval will be documented in the file. The submitted Reports will also be provided to the CFO, Vice President for Finance and Treasurer.

Finding No. 2022-002

Education Stabilization Fund:

U.S. Department of Education:

COVID-19 – Higher Education Emergency Relief Fund – Institutional Aid Portion, Assistance
Listing 84.425F (award number P425F204328)

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

Repeat finding: Not a repeat finding.

Compliance Requirement – Procurement – Significant Deficiency and Noncompliance

Criteria

Non-federal entities other than states, including those operating federal programs as subrecipients of states, must follow the procurement standards set out at 2 CFR sections 200.318 through 200.326. They must use their own documented procurement procedures, which reflect applicable state and local laws and

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regulations, provided that the procurements conform to applicable federal statutes and the procurement requirements identified in 2 CFR Part 200. A non-federal entity must:

- For acquisitions exceeding the simplified acquisition threshold, the non-federal entity must use one of the following procurement methods: the sealed bid method if the acquisition meets the criteria in 2 CFR section 200.320(b); the competitive proposals method under the conditions specified in 2 CFR section 200.320((b) (2)); or the noncompetitive proposals method (i.e., solicit a proposal from only one source) but only when one or more of four circumstances are met, in accordance with 2 CFR section 200.320(c).

For those procurements supported by HEERF grant funds, auditors should determine if institutions sufficiently documented rationales and determinations in making any sole source awards during the time of national emergency due to the coronavirus. Exceptions from the competitive procurement requirements of the Uniform Guidance may be accepted if institutions have documented that the public exigency or emergency would not permit a delay, in accordance with 2 CFR section 200.320(f)(2). A circumstance that may influence this determination is the length of time between the procurements and the emergency at issue. Specifically, exceptions are more likely to be acceptable the closer the procurement occurred to the March 13, 2020 declaration of the national emergency.

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

The University's procurement policy for procurements over \$10,000 is to either competitively bid it or document the sole source justification for why competitive bidding was not able to be completed.

Based on our test work, for two of our seven selections, the University did not properly document its compliance with the procurement policy. For one selection, we noted that the University did not properly retain documentation for the competitive bidding, while for the other selection, the University did not properly document within the vendor's procurement file that it was sole sourced due to the pandemic and needing the services in an expedited fashion as allowed per the HEERF requirements.

Cause

The documentation of procurement decisions was not properly retained to support the decisions made during the time period.

Effect

The University was not in compliance with their procurement policy.

Questioned Costs

There were no questioned costs identified as the University contracted with the respective parties in both cases and the costs were allowable under the HEERF requirements.

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Recommendation

The University should strengthen its policies and practices to ensure that documentation is retained for all procurement decisions in order to support compliance with their procurement policy.

Views of Responsible Official

Management agrees with the recommendation. The University will ensure that all procurement decisions comply with the Stevens Procurement Policy and are properly documented, including the procurement method used (e.g., competitive bidding or sole source justification). The Director of Procurement will ensure that all Stevens employees responsible for making purchasing decisions at the University are familiar with the Procurement Policy and the need to ensure full compliance even when making purchasing decisions during emergency situations (e.g., COVID pandemic). The Director of Procurement will ensure compliance with the Stevens Procurement Policy.

Finding No. 2022-003

Research and Development Cluster:

U.S. Department of Defense:

Improved Ventilation of the Edematous Lung, Assistance Listing 93.838 (award number:
1R01HL113577-01A1)

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. 2021-002).

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.

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).

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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 one selection, the asset's tag was not included in the Kuali Asset Management System, therefore the property records were not accurate.

Cause

Management did not properly ensure that the tag number was included 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.

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 Stevens Kuali Financial System. The Division of Finance has instituted an additional procedure to generate monthly asset tagging reports to address this issue and ensure that all assets are tagged in a timely manner. In addition, the Staff Accountant takes a picture of the asset tag for new assets which is attached to the supporting documentation in the Kuali Financial System. The Senior Accountant reviews the documentation for each asset and ensures that the appropriate asset tag is reflected in the Kuali 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 Kuali Financial System.