



**STEVENS INSTITUTE OF TECHNOLOGY**

Consolidated Financial Statements and Supplementary Schedules

June 30, 2023

(With Independent Auditors' Reports Thereon)

# STEVENS INSTITUTE OF TECHNOLOGY

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## 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, 2023, 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, 2023, 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.

#### *Report on Summarized Comparative Information*

We have previously audited the University's 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 2, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

#### *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.



**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2023 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 1, 2023

**STEVENS INSTITUTE OF TECHNOLOGY**

Consolidated Statement of Financial Position

June 30, 2023

(with comparative financial information as of June 30, 2022)

(Dollars in thousands)

<b>Assets</b>	<b>2023</b>	<b>2022</b>
Cash and cash equivalents (note 4)	\$ 78,329	107,533
Deposits with bond trustees (notes 4 and 10)	9,405	9,337
Student, sponsor and other receivables, net (note 5)	19,528	20,543
Contributions receivable, net (note 6)	8,558	11,300
Prepaid expenses and other assets (note 2(f))	19,305	19,392
Investments (notes 4 and 7)	318,556	274,099
Trusts held by others (note 7)	6,535	6,146
Land, buildings and equipment, net (note 8)	545,427	520,415
Right-of-use assets – operating leases (note 18)	1,357	1,956
Total assets	\$ 1,007,000	970,721
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 37,530	40,383
Deferred revenue (note 9)	21,870	20,917
Operating lease obligations (note 18)	1,524	1,832
Annuities payable	1,645	1,512
Post-retirement and pension obligations (notes 11 and 12)	4,150	5,064
Conditional asset retirement obligations (note 13)	4,795	4,608
Long-term debt, net (note 10)	355,320	358,679
Refundable advances (note 5)	1,187	1,514
Total liabilities	428,021	434,509
Net assets (notes 16 and 17):		
Without donor restrictions	290,089	268,400
With donor restrictions	288,890	267,812
Total net assets	578,979	536,212
Total liabilities and net assets	\$ 1,007,000	970,721

See accompanying notes to consolidated financial statements.

**STEVENS INSTITUTE OF TECHNOLOGY**

Consolidated Statement of Activities

Year ended June 30, 2023

(with summarized financial information for the year ended June 30, 2022)

(Dollars in thousands)

	<b>2023</b>			<b>2022 Total</b>
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>	
Operating activities:				
Revenues and other support:				
Tuition and fees (net of student aid of \$127,436 in 2023 and \$118,864 in 2022) (note 14)	\$ 258,943	—	258,943	230,468
Sponsored activity revenues (note 14):				
Federal	47,931	—	47,931	41,579
State	1,067	—	1,067	923
Private/other	3,200	—	3,200	4,528
Total sponsored activity revenues	52,198	—	52,198	47,030
Grants	3,428	—	3,428	10,479
Contributions	754	4,603	5,357	3,727
Other revenues	2,782	—	2,782	1,777
Auxiliary enterprises (note 14)	37,100	—	37,100	23,251
Investment return in support of operations (notes 7 and 17)	5,097	7,983	13,080	8,631
Net assets released from restrictions	11,608	(11,608)	—	—
Total operating revenues and other support	371,910	978	372,888	325,363
Expenses (note 15):				
Salaries and benefits	197,592	—	197,592	172,545
Purchased services	66,631	—	66,631	52,665
Maintenance, rents and utilities	20,109	—	20,109	18,058
Supplies and other	31,394	—	31,394	28,463
Interest expense (note 10)	12,342	—	12,342	4,837
Depreciation and amortization	24,145	—	24,145	20,424
Total operating expenses	352,213	—	352,213	296,992
Operating surplus	19,697	978	20,675	28,371
Nonoperating activities:				
Investment return (loss), net of amounts in support of operations (note 7)	(2,900)	15,386	12,486	(11,050)
Contributions	—	7,584	7,584	11,015
Other revenue	902	—	902	1,764
Post-retirement benefit changes other than service cost (note 11)	741	—	741	1,027
Change in value of split-interest agreements	—	293	293	(401)
Change in allowance and uncollectible contributions	—	86	86	108
Net assets released from restrictions	3,249	(3,249)	—	—
Total nonoperating activities	1,992	20,100	22,092	2,463
Changes in net assets	21,689	21,078	42,767	30,834
Net assets, beginning of year	268,400	267,812	536,212	505,378
Net assets, end of year	\$ 290,089	288,890	578,979	536,212

See accompanying notes to consolidated financial statements.

**STEVENS INSTITUTE OF TECHNOLOGY**

Consolidated Statement of Cash Flows

Year ended June 30, 2023

(with comparative financial information for the year ended June 30, 2022)

(Dollars in thousands)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 42,767	30,834
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Accretion of bond premium	(1,610)	(1,620)
Accretion of interest on conditional asset retirement obligations	355	220
Amortization of bond issuance costs	69	69
Amortization of cloud computing arrangements	1,096	1,073
Depreciation	23,790	20,204
Loss (gain) on disposal of property	284	617
Net (gains) losses on investments and trusts held by others	(17,373)	9,028
Loss for uncollectible contributions	86	108
Post-retirement benefit changes other than net periodic benefit costs	(983)	(1,383)
Change in value of split-interest agreements	(293)	401
Present value adjustment on contribution receivable	(74)	(61)
Change in allowance for doubtful accounts – contributions receivable	(122)	(162)
Change in allowance for doubtful accounts – student, sponsor, loans and other receivables	(623)	1,691
Contributions and grants restricted for capital and endowment	(7,584)	(11,015)
Decrease (increase) in operating assets:		
Student, sponsor and other receivables	2,301	(4,839)
Contributions receivable	890	877
Prepaid expenses and other assets	(1,009)	(3,261)
Trusts held by others	160	135
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(7,701)	3,414
Deferred revenue	953	3,265
Operating lease obligation	291	(472)
Annuities payable	105	(314)
Post-retirement and pension obligations	69	(4)
Conditional asset retirement obligations	(168)	(320)
Net cash provided by operating activities	<u>35,676</u>	<u>48,485</u>
Cash flows from investing activities:		
Proceeds from sales of investments	47,516	69,879
Purchase of investments	(73,301)	(81,055)
Purchases of land, buildings and equipment	(44,238)	(66,785)
Withdrawals from deposits with bond trustee	1,502	6,600
Additions to deposits with bond trustees	(1,502)	(51)
New loans to students	(997)	(55)
Collection of student loans	335	413
Net cash used in investing activities	<u>(70,685)</u>	<u>(71,054)</u>
Cash flows from financing activities:		
Receipts of contributions and grants restricted for capital and endowment	9,546	16,453
Payments to annuitants	(21)	(188)
Refundable advances for student loans	(327)	(605)
Proceeds from issuance of long-term debt	1,399	26,485
Repayments of long-term debt	(3,217)	(3,153)
Net cash provided by financing activities	<u>7,380</u>	<u>38,992</u>
Net (decrease) increase in cash, cash equivalents and restricted cash	<u>(27,629)</u>	<u>16,423</u>
Cash, cash equivalents and restricted cash, beginning of year	<u>119,404</u>	<u>102,981</u>
Cash, cash equivalents and restricted cash, end of year	\$ <u>91,775</u>	<u>119,404</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	\$ 13,886	13,716
Increase in amounts accrued for purchase of land, buildings and equipment	4,848	6,802

See accompanying notes to consolidated financial statements.



# STEVENS INSTITUTE OF TECHNOLOGY

## Notes to Consolidated Financial Statements

June 30, 2023

(with summarized comparative financial information as of June 30, 2022)

(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 9,000 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.

### **(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.

## STEVENS INSTITUTE OF TECHNOLOGY

### Notes to Consolidated Financial Statements

June 30, 2023

(with summarized comparative financial information as of June 30, 2022)

(Dollars in thousands)

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

#### **(c) Cash and Cash Equivalents**

Cash and cash equivalents are recorded at fair value and comprises highly liquid financial instruments with original maturities of three months or less at time of purchase. Short-term highly liquid investments are not considered cash and cash equivalents if purchased with resources from a donor-restricted endowment fund or other resources limited to long-term investment. Cash equivalents totaled \$60,595 and \$0 at June 30, 2023 and 2022, respectively, 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 and receivables for Title IV funds and direct lending. 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 at June 30, 2023 and 2022. 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 \$1,096 and \$1,073 for the years ended June 30, 2023 and 2022, respectively, which were recognized in purchased services in the accompanying consolidated statement of activities.

## STEVENS INSTITUTE OF TECHNOLOGY

### Notes to Consolidated Financial Statements

June 30, 2023

(with summarized comparative financial information as of June 30, 2022)

(Dollars in thousands)

#### **(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 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, *Fair Value Measurement* (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, Pennsylvania, and Maryland. The University maintains assets at least equal to the sum of the reserves

## STEVENS INSTITUTE OF TECHNOLOGY

### Notes to Consolidated Financial Statements

June 30, 2023

(with summarized comparative financial information as of June 30, 2022)

(Dollars in thousands)

on its outstanding annuity agreements. The reserves on the outstanding annuity agreements are consistent with the assumptions underlying the rates adopted by the American Council on Gift Annuities, which are in effect at the time of issuance of the gift annuity. In determining the appropriate reserves, an adjustment is made for the obligation to the annuitant and the fair value of the investments. The University's gift annuity reserves are sufficient to meet the state requirements of all of the states in which the program operates.

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

#### **(j) Land, Buildings and Equipment**

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

## STEVENS INSTITUTE OF TECHNOLOGY

### Notes to Consolidated Financial Statements

June 30, 2023

(with summarized comparative financial information as of June 30, 2022)

(Dollars in thousands)

#### **(l) Operating Measure**

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

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

#### **(m) Revenue Recognition**

##### *(i) Tuition and Fee Revenue*

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

## STEVENS INSTITUTE OF TECHNOLOGY

### Notes to Consolidated Financial Statements

June 30, 2023

(with summarized comparative financial information as of June 30, 2022)

(Dollars in thousands)

#### *(iii) Auxiliary Enterprises*

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

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

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

#### *(iv) Contributions*

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Unconditional promises to give are recorded at their net realizable value if they are expected to be collected within one year or at the present value of future cash flows if they are expected to be collected over periods longer than one year. The University has been notified of 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, 2023 and 2022, conditional contributions, including advised bequests, totaled \$67,084 and \$63,268, 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

## STEVENS INSTITUTE OF TECHNOLOGY

### Notes to Consolidated Financial Statements

June 30, 2023

(with summarized comparative financial information as of June 30, 2022)

(Dollars in thousands)

has nexus, and to review other matters that may be considered tax positions. Management of the University believes there are no uncertain tax positions.

#### **(o) 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 the 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, 2023 and 2022, contributions receivable included \$3,681 and \$5,195, 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 2022 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, 2022, from which it was derived.

#### **(r) Reclassifications**

Certain amounts in the fiscal year 2022 consolidated financial statements have been reclassified to conform to the current year presentation.

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Notes to Consolidated Financial Statements

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(with summarized comparative financial information as of June 30, 2022)

(Dollars in thousands)

**(3) Financial Assets and Liquidity Resources**

As of June 30, 2023 and 2022, 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:

	<b>2023</b>	<b>2022</b>
Financial assets available within one year:		
Cash	\$ 68,596	97,575
Deposits with bond trustees reserved for principal payments	2,965	2,825
Accounts receivable, net	17,675	19,396
Contributions receivable available for operations	593	1,628
Investments appropriated for spending in following year	9,925	9,533
Total financial assets available within one year	99,754	130,957
Liquidity resources:		
Bank line of credit	50,000	35,000
Total liquidity resources	50,000	35,000
Total financial assets and liquidity resources	\$ 149,754	165,957

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 2023 and 2022.

The University also has \$51,659 in board-designated endowments at June 30, 2023, which are available for general expenditure with Board approval. The Board has approved fiscal year 2024 spending from the endowment estimated to be \$9,925, 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>2023</u>	<u>2022</u>
Cash	\$ 78,329	107,533
Deposits with bond trustees	9,405	9,337
Investments	<u>4,041</u>	<u>2,534</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 91,775</u>	<u>119,404</u>

Cash includes restricted cash of \$9,733 and \$9,958 at June 30, 2023 and 2022, 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, 2023 and 2022, consisted of the following:

	<u>2023</u>	<u>2022</u>
Student	\$ 4,831	9,111
Sponsored contracts and grants	15,933	13,360
Student loans	2,920	2,257
Other	<u>2,558</u>	<u>3,152</u>
	<u>26,242</u>	<u>27,880</u>
Less:		
Allowance for doubtful student accounts	(2,138)	(2,390)
Allowance for doubtful sponsor accounts	(2,529)	(2,567)
Allowance for doubtful student loan accounts	(1,067)	(1,110)
Allowance for doubtful other accounts	<u>(980)</u>	<u>(1,270)</u>
	<u>(6,714)</u>	<u>(7,337)</u>
Student, sponsor and other receivables, net	<u>\$ 19,528</u>	<u>20,543</u>

A majority of the student loans outstanding are associated with the Federal Perkins Loan Program. Funds advanced by the Federal Government of \$1,187 and \$1,514 at June 30, 2023 and 2022, respectively, are ultimately refundable to the U.S. Government and are classified as liabilities in the consolidated statement

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of financial position. Outstanding loans canceled under the program result in a decrease in the liability to the U.S. Government.

At June 30, 2023 and 2022, the following amounts were outstanding receivables under the Federal Perkins Loan Program:

	<u>Less than 30 days</u>	<u>Less than 90 days</u>	<u>Less than 180 days</u>	<u>Less than 360 days</u>	<u>Greater than 360 days</u>	<u>Total</u>
June 30:						
2023	\$ 676	10	8	11	1,098	1,803
2022	938	37	2	13	1,149	2,139

Also included in student loan receivables are direct lending receivables totaling \$1,117 and \$118 in fiscal years 2023 and 2022, 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, 2023 and 2022, consisted of the following:

	<u>2023</u>	<u>2022</u>
Amounts due in:		
Less than one year	\$ 3,464	4,182
One to five years	5,721	7,891
Greater than five years	390	440
	<u>9,575</u>	<u>12,513</u>
Less discount to present value	<u>(427)</u>	<u>(501)</u>
	9,148	12,012
Less allowance for doubtful contributions	<u>(590)</u>	<u>(712)</u>
Contributions receivable, net	<u>\$ 8,558</u>	<u>11,300</u>

A discount for contributions receivable to be received over periods longer than the one year from date of contribution is provided using a risk-adjusted rate of return. The discount rates used range from 0.30% to 4.21%.

At June 30, 2023 and 2022, approximately 60% and 53%, respectively, of gross contributions receivable is due from five donors, respectively. For the years ended June 30, 2023 and 2022, approximately 49% and 62% of contribution revenue was received from five donors, respectively.

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**(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, 2023 and 2022 are shown in the following tables:

<b>2023</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investments:				
Cash and cash equivalents	\$ 4,041	4,041	—	—
Mutual funds	207,696	207,696	—	—
U.S. treasuries	8,088	—	8,088	—
U.S. equities	2,226	2,226	—	—
Certificates of deposit	12,648	—	12,648	—
Split-interest agreements	2,340	2,340	—	—
	237,039	\$ 216,303	20,736	—
Investments reported at NAV or its equivalent:				
Pooled private equity	63,684			
Pooled alternative investments	17,833			
Total investments	\$ 318,556			
Trusts held by others	\$ 6,535	—	—	6,535
<b>2022</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
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	—	—

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<u>2022</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	\$ 57,482			
Pooled alternative investments	<u>17,253</u>			
Total investments	\$ <u>274,099</u>			
Trusts held by others	\$ 6,146	—	—	6,146

There were no transfers in or out of Levels 1, 2 or 3 within the fair value hierarchy during the years ended June 30, 2023 and 2022.

The following table summarizes the changes in value of the Level 3 investments for the fiscal year ended June 30, 2023:

	<u>Trust held by others</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	6,146
Trust distributions, net	(203)
Total investment gain, net	<u>592</u>
Balance as of June 30, 2023	\$ <u>6,535</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, 2023, 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)	\$ 17,833	—	Quarterly	91 days
	<u>17,833</u>	<u>—</u>		
Pooled private equity:				
Real estate fund (b)	65	784	Not eligible	
Private equity (c)	63,619	66,439	Not eligible	
	<u>63,684</u>	<u>67,223</u>		
Total investments reported at NAV	\$ <u>81,517</u>	<u>67,223</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. The fixed term ended on August 30, 2021, for investments representing 68% of the value in this class, and 32% will wind down in an orderly manner.
- (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 19% in Natural Resources, 19% in U.S. Private Equities, and 62% in Global Private Equities. These investments cannot be redeemed. Upon termination of the partnership, distributions will be made through the liquidation of the underlying

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assets. The distributions may take more than one year after the partnership termination date. The fair 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 return (loss) for the years ended June 30, 2023 and 2022 are as follows:

	<b>2023</b>	<b>2022</b>
Dividends and interest	\$ 5,706	7,500
Net realized gain	3,403	9,972
Net unrealized appreciation (depreciation)	13,897	(19,000)
Investment management fees	(1,332)	(1,130)
Total investment return	21,674	(2,658)
Endowment distribution	9,188	8,392
Net investment return (loss)	\$ 12,486	(11,050)

In addition to the gross endowment distribution, net non-endowment investment return totaling \$3,892 and \$239 in fiscal 2023 and 2022, 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, 2023 and 2022, property, plant and equipment, net consisted of the following:

	<b>2023</b>	<b>2022</b>
Land	\$ 1,692	1,692
Buildings and improvements	661,255	631,447
Furniture, fixtures and equipment	88,936	85,774
Construction in progress	24,729	16,943
	776,612	735,856
Less accumulated depreciation and amortization	(231,185)	(215,441)
Total land, buildings and equipment, net	\$ 545,427	520,415

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Depreciation and amortization expense, excluding accretion, totaled \$23,790 and \$20,204 for the years ended June 30, 2023 and 2022, respectively. Construction in progress includes costs associated with the campus plan and various other campus improvements. The commitments to complete these projects at June 30, 2023 are approximately \$14,884.

**(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.

		<b>Summer tuition</b>	<b>Sponsored contracts (exchange)</b>	<b>Other deferred revenues</b>	<b>Total</b>
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		6,294	3,749	6,616	16,659
Balance at June 30, 2022		6,294	4,612	10,011	20,917
Revenue recognized		(6,294)	(4,014)	(6,197)	(16,505)
Payments received for future performance obligations		3,145	2,563	11,750	17,458
Balance at June 30, 2023	\$	<u>3,145</u>	<u>3,161</u>	<u>15,564</u>	<u>21,870</u>

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**(10) Long-Term Debt and Line of Credit**

Long-term debt at June 30, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>	<u>Maturity date</u>	<u>Interest rate range</u>
Bond issue:				
(a) 2014 Higher Education Equipment Leasing Fund	\$ —	59	6/1/2023	5.00 %
(b) 2016 Higher Education Capital Improvement Fund Series B	6,827	7,160	9/1/2036	3.00%–5.00%
(c) 2017 Revenue Bonds Series A	106,600	109,425	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)	26,485	26,485	7/1/2031	Variable
(f) PSE&G Clean Energy Future	<u>1,399</u>	<u>—</u>	6/30/2028	—
Long-term debt, net	315,626	317,444		
Plus unamortized bond premium	41,449	43,059		
Less unamortized bond issuance costs	<u>(1,755)</u>	<u>(1,824)</u>		
	<u>\$ 355,320</u>	<u>358,679</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.



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#### **(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.

#### **(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, 2023 and 2022, such deposits amounted to \$5,555 and 5,487, respectively. As of June 30, 2023, 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, 2023 and 2022, such deposits amounted to \$3,850. As of June 30, 2023, 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

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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, 2023. As of June 30, 2023, the majority of the bond-funded projects were placed into service and the principal balance of \$26,485 has been capitalized.

**(f) PSE&G Clean Energy Future – Energy Efficiency Program**

In July 2021, the University entered into a customer agreement with Public Service Electric and Gas Company (“PSE&G”) for the purpose of providing certain financial incentives to the University in connection with implementation of specific Energy Efficiency Measures (“EEMs”) at the University’s premises and facilities. The financial incentives include a grant portion by PSE&G and a portion to be repaid by the University. The amount that the University shall reimburse to PSE&G is \$1,399, payable in monthly installments of \$23, for 60 months. As of June 30, 2023, the majority of the projects were placed into service and the principal balance of \$1,399 has been capitalized.

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

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Fiscal year ending June 30:			
2024	\$ 6,066	13,765	19,831
2025	6,298	13,536	19,834
2026	6,537	13,296	19,833
2027	6,783	13,047	19,830
2028	7,044	12,787	19,831
Thereafter	282,898	163,231	446,129
Total	\$ 315,626	229,662	545,288

Interest expense related to long-term debt is \$13,883 and \$13,641 for the years ended June 30, 2023 and 2022, respectively, of which \$0 and \$7,253 has been capitalized, respectively.

*Deposits with Trustees*

At June 30, 2023, deposits with bond trustees, which represent funds held by the trustee as required by bond indentures, totaled \$9,405 and \$9,337. These amounts consisted of cash and cash equivalents and are classified as Level 1 in the fair value hierarchy.

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 June 30, 2023 and 2022, the University has a \$50,000 and \$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 (70) basis points above the SOFR one-month rate and has an unused fee of twelve (12) basis points. This line of credit became effective May 20, 2016 and expires on June 30, 2025. 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. The University is in compliance with the debt covenant. The interest rates for the line of credit were 5.765% and 2.375% at June 30, 2023 and 2022, respectively. At June 30, 2023 and 2022, 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, 2023.

#### **(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>2023</u>	<u>2022</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 4,964	6,176
Service cost	82	165
Interest cost	180	158
Plan participants' contributions	8	14
Actuarial (gain) loss	(921)	(1,185)
Benefits paid	<u>(330)</u>	<u>(364)</u>
Benefit obligation at end of year	<u>\$ 3,983</u>	<u>4,964</u>

The discount rates used to determine benefit obligations for the years ended June 30, 2023 and 2022 were 4.88% and 4.38%, respectively.

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

	<u>2023</u>	<u>2022</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ —	—
Contributions (employer and plan participants)	330	364
Benefits paid	<u>(330)</u>	<u>(364)</u>
Fair value of plan assets at end of year	\$ <u>—</u>	<u>—</u>
Components of accrued benefit cost:		
Funded status	\$ (3,985)	(4,966)
Unamortized prior service credit (cost)	175	218
Unamortized actuarial net loss	<u>271</u>	<u>1,212</u>
Accrued benefit cost	\$ <u><u>(3,539)</u></u>	<u><u>(3,536)</u></u>
Components of net periodic benefit cost:		
Service cost	\$ 82	165
Interest cost	180	158
Amortization of unrecognized prior service cost (credit)	43	38
Amortization of net loss	<u>19</u>	<u>160</u>
Net periodic benefit cost	\$ <u><u>324</u></u>	<u><u>521</u></u>

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

	<u>2023</u>	<u>2022</u>
Discount rate	4.38 %	2.60 %
Assumed pre-65 medical trend rates at June 30:		
Healthcare cost trend rate assumed	4.50	4.40
Prescription drug cost trend rate assumed	6.25	6.75
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.03	3.78
Fiscal year that the rate reaches the ultimate trend rate	2075	2075

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	<u>2023</u>	<u>2022</u>
Post-retirement benefit changes other than net periodic costs:		
Change in unamortized items:		
Actuarial gain	\$ (921)	(1,185)
Amortization of:		
Actuarial loss	(19)	(160)
Unrecognized prior service credit	<u>(43)</u>	<u>(38)</u>
Total benefit changes other than net periodic costs	(983)	(1,383)
Components of net periodic costs, other than service cost	<u>242</u>	<u>356</u>
Post-retirement benefit changes and components of net periodic costs, other than service cost	\$ <u><u>(741)</u></u>	\$ <u><u>(1,027)</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:	
2024	\$ 313
2025	307
2026	301
2027	293
2028	287
2029 to 2033	1,350

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>2023</u>	<u>2022</u>
Prior service credit	\$ 175	218
Net loss	<u>271</u>	<u>1,212</u>
	\$ <u><u>446</u></u>	\$ <u><u>1,430</u></u>

## STEVENS INSTITUTE OF TECHNOLOGY

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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, 2023 and 2022 totaled approximately \$8,275 and \$7,488, 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, 2023 and June 30, 2022, the Non-Academic Staff Employees' Pension Plan had a pension obligation of \$187 and \$160, 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, 2023 and June 30, 2022, the Local 660 Pension Plan had a pension asset of \$20 and \$60, 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 \$355 and \$220 for the years ended June 30, 2023 and 2022, 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:

	<b>2023</b>	<b>2022</b>
Undergraduate tuition and fee revenue	\$ 229,733	220,951
Undergraduate student aid	(106,795)	(103,158)
Undergraduate tuition and fee revenue, net	122,938	117,793
Graduate tuition and fee revenue	154,256	127,176
Graduate student aid	(20,200)	(15,606)
Graduate tuition and fee revenue, net	134,056	111,570
Pre-college tuition and fee revenue	2,390	1,205
Pre-college student aid	(441)	(100)
Pre-college tuition and fee revenue, net	1,949	1,105
Tuition and fee revenue, net	\$ 258,943	230,468

**(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 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 2023. The audit to establish rates for fiscal years 2024 and 2025 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>2023</u>	<u>2022</u>
Sponsored activity revenues:		
Direct cost recoveries	\$ 39,737	35,393
Indirect cost recoveries	<u>12,461</u>	<u>11,637</u>
Total sponsored activity revenues	<u>\$ 52,198</u>	<u>47,030</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>2023</u>	<u>2022</u>
Housing	\$ 24,267	14,300
Dining	12,179	8,444
Other	<u>654</u>	<u>507</u>
Total auxiliary enterprises revenue	<u>\$ 37,100</u>	<u>23,251</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, 2023 and 2022, operating expenses presented by their



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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:

2023	Program services				Support	Total operating expenses
	Education	Student services	Research and public services	Auxiliary	Management and general	
Salaries and benefits	\$ 123,522	21,481	24,005	4,208	24,376	197,592
Purchased services	23,085	8,874	13,938	10,155	10,579	66,631
Maintenance, rents and utilities	6,339	2,081	1,474	7,050	3,165	20,109
Supplies and other	13,055	9,581	3,022	1,472	4,264	31,394
Interest expense	4,171	1,444	1,228	5,098	401	12,342
Depreciation and amortization	8,160	2,826	2,401	9,974	784	24,145
Total	\$ 178,332	46,287	46,068	37,957	43,569	352,213

  

2022	Program services				Support	Total operating expenses
	Education	Student services	Research and public services	Auxiliary	Management and general	
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	8,878	2,986	2,669	4,975	916	20,424
Total	\$ 155,726	37,102	43,744	22,853	37,567	296,992

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 \$6,791 and \$5,742 for the years ended June 30, 2023 and 2022, respectively. Also included in management and general are advertising costs, which are expensed as incurred. Advertising costs totaled \$11,058 and \$8,289 for the years ended June 30, 2023 and 2022, respectively.

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**(16) Net Assets**

At June 30, 2023 and 2022, net assets consisted of the following:

	<b>2023</b>	<b>2022</b>
Without donor restrictions:		
Undesignated	\$ 57,269	92,718
Net investment in plant	180,656	150,657
Endowment	51,853	24,584
Institutional portion of Federal Perkins Loans Program	311	441
Total net assets without donor restrictions	290,089	268,400
With donor restrictions:		
Restricted for time or purpose:		
Education and research programs	13,664	14,554
Capital projects	902	1,556
Annuity and life income funds	3,125	2,987
Endowment	126,149	113,230
Total net assets restricted for time or purpose	143,840	132,327
To be held in perpetuity:		
Endowment	140,945	131,460
Annuity and life income funds	4,105	4,025
Total net assets to be held in perpetuity	145,050	135,485
Total net assets with donor restrictions	288,890	267,812
Total net assets	\$ 578,979	536,212

**(17) Endowment**

The University's endowment fund consists of 419 and 410 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, 2023 and 2022, 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;

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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.

Endowment net assets consisted of the following at June 30, 2023:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ —	267,094	267,094
Board-designated endowment funds	<u>51,853</u>	<u>—</u>	<u>51,853</u>
Total endowment net assets	\$ <u>51,853</u>	<u>267,094</u>	<u>318,947</u>

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

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

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Changes in endowment net assets for the year ended June 30, 2023 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2022	\$ 24,584	244,690	269,274
Investment return, net	3,817	23,565	27,382
Contributions	—	6,900	6,900
Appropriation for expenditure	(762)	(8,426)	(9,188)
Distributions returned to endowment	—	15	15
Reclassification of net assets <sup>1</sup>	24,214	350	24,564
Endowment net assets, June 30, 2023	<u>\$ 51,853</u>	<u>267,094</u>	<u>318,947</u>

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

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
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 <sup>1</sup>	3,991	28	4,019
Endowment net assets, June 30, 2022	<u>\$ 24,584</u>	<u>244,690</u>	<u>269,274</u>

<sup>1</sup> Amounts included in reclassification of net assets without donor restrictions represent board designated net assets that were added to the endowment in 2023 and 2022.

**(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

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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, 2023 and 2022, the spending rate permitted the use of total returns (dividend and interest income and appreciation) at a rate of 4.4% and 4.5%, respectively, of the average year-end fair value of the investment pool over a three-year period, on a two-year lag (the calculation period). 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 the end of the calculation period, the University will not 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, 2023, there were no such deficiencies of this nature within net assets with donor restrictions. At June 30, 2022, there were 9 deficiencies of this nature within net assets with donor restrictions totaling \$55.

#### **(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, 2023 and 2022, totaled \$1,415 and \$3,737, respectively.

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Minimum lease payments due under these agreements are as follows:

Fiscal year ending June 30:		
2024	\$	460
2025		371
2026		349
2027		356
Less present value discount		<u>(12)</u>
Total	\$	<u><u>1,524</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.

**(20) Subsequent Events**

The University has performed an evaluation of subsequent events through December 1, 2023, 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.

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**(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, 2023 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 consolidated financial statements and related other notes.

<u>Data element</u>	<u>Direct input to ratio</u>	<u>Amount</u>
(a) <b>Land, buildings and equipment, net: pre-implementation</b>	<b>Primary reserve</b>	<b>\$ 123,303</b>
<b>Land, buildings and equipment, net: post-implementation</b>	<b>Primary reserve</b>	<b><u>422,124</u></b>
Total land, buildings and equipment, net: post-implementation (statement of financial position)		<u>\$ 545,427</u>
(b) Long-term debt, net: pre-implementation:		
2016 Higher Education Capital Improvement Fund Series B, capitalized and outstanding	N/A	\$ 6,827
2017 Revenue Bonds Series A, capitalized and outstanding	N/A	<u>62,894</u>
<b>Long-term debt, net: pre-implementation</b>	<b>Primary reserve</b>	<b><u>69,721</u></b>
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	N/A	26,485
PSE&G Clean Energy Future – Energy Efficiency Program	N/A	<u>1,399</u>
<b>Long-term debt, net: post-implementation</b>	<b>Primary reserve</b>	<b>202,199</b>
Bond proceeds not spent on capitalized projects, and unamortized bond premiums and issuance costs	N/A	<u>83,400</u>
Total long-term debt, net (statement of financial position)	N/A	<u>\$ 355,320</u>

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Supplementary Schedule of Financial Responsibility Data  
Year ended June 30, 2023  
(In thousands of dollars)

Data element	Source of data element in financial statements or related notes to financial statements	Amount used as ratio input
<b>Primary reserve ratio:</b>		
<i>Numerator: expendable net assets:</i>		
Net assets without donor restrictions	Statement of financial position	\$ 290,089
Net assets with donor restrictions	Statement of financial position	288,890
Net assets with donor restrictions: restricted in perpetuity	Note 16	145,050
Annuity and life income funds	Note 16	3,125
Land, buildings and equipment, net: pre-implementation	Note 21	123,303
Land, buildings and equipment, net: post-implementation	Note 21	422,124
Right-of-use assets – operating leases: post-implementation	Statement of financial position	1,357
Long-term debt, net: pre-implementation	Note 21	69,721
Long-term debt, net: post-implementation	Note 21	202,199
Operating lease obligations: post-implementation	Statement of financial position	1,524
Post-retirement and pension obligations	Statement of financial position	4,150
<i>Denominator: total expenses and losses without donor restrictions:</i>		
Total expenses	Statement of activities	352,213
Post-retirement and pension non-operating expenses	Note 11	242
<b>Equity ratio:</b>		
<i>Numerator: modified net assets:</i>		
Net assets without donor restrictions	Statement of financial position	290,089
Net assets with donor restrictions	Statement of financial position	288,890
<i>Denominator: modified assets:</i>		
Total assets	Statement of financial position	1,007,000
<b>Net income ratio:</b>		
<i>Numerator: change in net assets without donor restrictions:</i>		
Change in net assets without donor restrictions	Statement of activities	21,689
<i>Denominator: total revenue and gains without donor restrictions:</i>		
Total operating revenues and other support	Statement of activities	371,910
Nonoperating activities: Other revenue	Statement of activities	902
Nonoperating activities: Net assets released from restriction	Statement of activities	3,249
Post-retirement benefit changes other than net periodic costs	Note 11	983

See accompanying independent auditors' report.



**STEVENS INSTITUTE OF TECHNOLOGY**  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2023

Federal grantor/pass-through grantor/program title	Federal assistance listing number	Pass-through entity number/ additional award number	Federal expenditures	Amounts passed-through to subrecipients
<b>Research and Development Cluster:</b>				
Defense Advanced Research Projects Agency:				
5G Causality, Formal Reasoning and Resilience	12.910	D22AP00144-00	157,438	—
Effective Software Monitoring Leveraging Hardware Debugging Extensions	12.910	D21AP10116-00	272,809	—
Energy-Efficient and MIMO Approaches on Millimeter-Wave Dielectric Fibers and Wireless Interconnects for Space Missions	12.910	D22AP0013900	99,858	—
MILLY: Multi-directional Loosely-Linked Archetype Models for Perceptually-enabled Task Guidance	12.910	HR00112220003	1,190,085	841,818
Pass- through from Perspecta Labs Inc:				
AIMED-Artificial Intelligence Managed Exploration of Designs	12.UNK	PO-0022803	277,094	—
Pass- through from SERCO Inc.:				
Physical Model Test of a 56 m Hullform	12.UNK	P000044708	28,637	—
Defense Advanced Research Projects Agency Total			2,025,921	841,818
<b>U.S. Army Combat Capabilities Development Command:</b>				
ART 015: New Observing Strategies Testbed (NOS-T) Design and Development	12.UNK	W15QKN-18-D-0040	388,164	—
ART 016: Integrated Mission Equipment (ME) Architecture Process for Vertical Lift Systems	12.UNK	W15QKN-18-D-0040/	460,430	412,972
ART 017: Learning-Enhanced Autonomous Navigation for GPS-Denied Vehicles	12.UNK	W15QKN21F0478	154,790	—
ART 019: Federal Law Enforcement Training Center (FLETC) Training Systems Curriculum Study	12.UNK	W15QKN21F0418	393,488	356,228
ART 022: Transforming Systems Engineering Through Model-Based Systems Engineering	12.UNK	W15QKN21F0421	1,380,141	349,039
ART 005: Methods for Integrating Dynamic Requirements	12.UNK	W15QKN19F0385	1,720	—
ART 014: Quantum Photonics Tasks for Research	12.UNK	W15QKN-18-D-0040	7,104	—
ART 020: Quantum Technologies for Armament Systems	12.UNK	W15QKN-18-D-0040	2,936,407	—
Characterization of Potting Materials in Military Environments	12.UNK	W15QKN-18-D-0040 W15QKN20F0	59,908	49,389
TO 0002 Characterization of Emerging Technologies in Military Environments	12.UNK	W15QKN-18-F-0290	2,108	—
TO 0003 Transforming Systems Engineering Through Model-Based Systems Engineering	12.UNK	W15QKN19F0102	46,192	11,169
U.S. Army Combat Capabilities Development Command Total			5,830,452	1,178,797
<b>National Aeronautics and Space Administration:</b>				
A New Snow Observing Strategy in Support of Hydrological Science and Applications				
43.001	80NSSC22K1705		41,867	—
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		146,256	—
Co-simulation for Partnerships to Observe Convective Storm Systems				
43.001	80NSSC21K1515		93,371	—
Modeling of Beam Propagation in the Atmosphere-Ocean System in Support of Active Remote Sensing from Space				
43.001	80NSSC20K1756		180,822	—
Retrieval of Coastal and Inland Water Inherent Optical Properties based on Scientific Machine Learning Methods and Comprehensive Radiative Transfer Simulations				
43.001	80NSSC21K0543		135,062	93,009
Synergistic Use of Multi-Satellite River Ice Remote Sensing and Hydraulic Modeling to Enhance Operational Streamflow Forecast in Northern Watersheds				
43.001	80NSSC22K0924		68,415	—
Verification and Validation of High-Fidelity Plume Surface Interaction Simulations				
43.012	80NSSC21K0899		23,037	—
Pass- through from Cal Tech Jet Propulsion Lab:				
43.001	1669847		2,451	—
43.001	1677653		66,039	—
43.001	1689594 (80NM0022F0058)		16,117	—
43.001	1691016		17,000	—
Pass- through from Rutgers University:				
43.008	2207- PO# 25111335		1,559	—
Pass- through from Bay Area Environmental Research Institute:				
43.001	Agreement signed 06/30/2021		18,504	—
Pass- through from Autonomous Healthcare:				
43.UNK	Agreement signed 8/24/20		43,705	—
Pass- through from Ball Aerospace & Technologies Corp:				
43.001	22MES0005		388,466	—
43.001	23AML00002		45,398	—
National Aeronautics and Space Administration Total			1,288,069	93,009
<b>National Institutes of Health:</b>				
93.865	R21HD104164		31,787	7,690
93.879	R01ML011826		384,644	169,295
93.867	R01EY032222		364,834	178,562
93.879	1R01LM013308-01		220,870	175,019
93.396	R21CA256615		107,868	25,502
93.838	HL113577		328,482	—
93.286	R21EB028409		107,991	—
93.859	R15GM135891		147,466	—
93.859	R35GM142953		380,633	—
93.859	R35GM143091		191,852	—
93.361	R15NR018965-01		197,221	49,480
93.866	R21AG067442		96,355	—
93.859	2R15GM085774		146,935	—
93.867	R01EY029298		337,519	170,383
93.865	R15HD109791		2,119	—
93.398	1K22CA218462-01		25,993	—

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Pass- through from Baylor College of Medicine: Biomechanics of Early Mammalian Cardiogenesis	93.865	7000001042	25,554	—
Pass- through from City University of New York: Artificial Intelligence, Modeling, and Informatics for Nutrition Guidance and Systems (AIMINGS) Center	93.397	CM00007477	194,532	—
Pass- through from Columbia University: Bioactive Scaffold for TMJ Disc Regeneration by Endogenous Stem/Progenitor Cells	93.121	1(GG14774-01)	4,084	—
Pass- through from New York University: Tailored Microenvironment with Calreticulin Hybrid Fibrous Matrices for Tissue Regeneration of Diabetic Foot Ulcers	93.847	20-A0-00-1005453	282	—
Pass- through from Northwestern University: Interdisciplinary Engineering Career Development Center in Movement and Rehabilitation Sciences	93.865	60047828 SIT; 5K12HD073945-	5,388	—
Pass- through from Rutgers University: Smartphone Sensors to Detect Shifts Toward Healthy Behavior During Alcohol Treatment	93.273	SUB00002522 (R21AA030153)	50,849	—
Pass- through from University of Connecticut Health Center: Biodegradable Matrices for Bone Healing	93.286	UCHC7-95616052-A5	43,817	—
Pass- through from University of Rochester: Micro-and Nanofiber Enabled Biomimetic Periosteum for Bone Repair and Reconstruction	93.846	416837-G	1,009	—
Computational Analysis of Biocatalytic Carbene Transfer Reactions	93.859	SUB00000083/URFAO GR530388	35,245	—
National Institutes of Health Total			3,433,329	775,931
National Science Foundation:				
A Minimally Invasive Palpation Device for Intraoperative Tumor Detection	47.084	2325222	2,929	—
Advanced Wearable Cardiovascular Monitoring Platform	47.041	1855394	153,527	—
CAREER: Additive Biomanufacturing and Metrology of a 3D Microstructural Stem Cell Niche	47.041	CMMI-1554150	46,449	—
CAREER: Belief Space Planning and Learning for Uncertainty-Immersed Underwater Robots	47.070	1652064	128,138	—
CAREER: Adaptive Sonification to Improve Balance During Everyday Mobility	47.041	1944207	98,690	—
CAREER: An AI Empowered Architecture-Centric Framework for Systematic Software-Performance Optimization	47.070	2044888	99,994	—
CAREER: Consecutive Assembly-and-Mineralization Processed C-S-H Nacre with High Specific Flexural Strength and Fracture Toughness	47.041	2046407	98,115	—
CAREER: Deciphering Large-Scale Real Outage Data for Cascading Failure Analysis, Prevention, and Intervention	47.041	2110211	81,319	—
CAREER: Developing Algorithms for Object-Adaptive Super-Resolution in Biomedical Imaging	47.070	2239810	408	—
CAREER: Investigation of Thermal Transport in Moire Pattern Structured Materials to Push the Extremes of Thermal Modulation	47.041	2145417	101,412	—
CAREER: Multidisciplinary and Life Cycle Holistic Sustainable Design	47.041	2044853	79,404	—
CAREER: Personalizing sensory-driven computerized interfaces to optimize motor rehabilitation	47.041	2238880	6,592	—
CAREER: Quantitative Assessment of Fatigue Fracture of Lung Tissue and Subsequent Pulmonary Air Leak	47.041	2143620	77,992	—
CAREER: Randomized Multiscale Methods for Heterogeneous Nonlinear Partial Differential Equations	47.049	2145364	117,374	—
CAREER: Reinforcement-Learning Assist-As-Needed Control for Robot-Assisted Gait Training	47.041	1944203	40,344	—
CAREER: Robustness, Active Learning, Sparsity, and Fairness in Classification	47.070	2239376	39,854	—
CAREER: Towards Deep Interpretable Predictions for Multi-Scope Temporal Events	47.070	2047843	106,656	—
CAREER: Understanding Strategic Dynamics in the Engineering of Decentralized Systems	47.041	1943433	85,120	—
CCRI: Medium: Collaborative Research: Hardware-in-the-Loop and Remotely-Accessible/ Configurable/ Programmable Internet of Things Testbeds	47.070	2204785	111,176	—
CHS: Small: Exploring Design and Evaluation Space through Crowds and Communities	47.070	IIS 1909803	20,098	—
Collaborative Research: A Dynamic Disruption Prediction System for Transportation Networks at a Road-Segment Level of Granularity	47.041	2026795	115,777	—
Collaborative Research: Advanced and Highly Integrated Power Conversion Systems for Grid Stability and Resiliency	47.041	2103426	23,078	—
Collaborative Research: Chemical and Dynamic Heterogeneities in Interfaces for Adaptive Polymer Nanocomposites	47.041	CMMI-1825250	(2,642)	—
Collaborative Research: CNS Core: Medium: Towards Understanding and Handling Problems Due to Coexistence of Multiple IoT Platforms	47.070	2205868	40,756	—
Collaborative research: FW-HTF-R: The Future of News Work: Human-Technology Collaboration for Journalistic Research and Narrative Discovery	47.070	2128906	85,854	—
Collaborative Research: GCR: Infection-Resisting Resorbable Scaffolds for Engineering Human Tissue	47.083	2219014	49,602	—
Collaborative Research: GOALI: Bio-inspired Bistable Energy Harvesting for Fish Telemetry Tags	47.041	1935954	61,440	—
Collaborative Research: Mechanical Characterization of Bio-Interfaces by Shear Wave Scattering	47.041	1826270	(2,270)	—
Collaborative REsearch: NRI: INT: Cooperative Underwater Structure Inspection and Mapping	47.070	2024653	140,191	—
Collaborative Research: Parity-Time Symmetry and Anti-Symmetry in Quantum Optics	47.049	1806523	6,128	—
Collaborative Research: Plasmonic Lasing with Two-Dimensional Heterostructures in the Intrinsic Regime	47.049	1809235	11,474	—
Collaborative Research: Research Initiation: Market-Driven Design Concept Formation in Undergraduate Engineers	47.041	1927037	22,058	—
Collaborative Research: Research Initiation: Understanding of Engineering Core Concepts Contextualized in Domain-Specific Settings Through Active Exploration	47.041	2106257	75,528	—
Collaborative Research: SHF: Medium: Ensuring Safety and Liveness of Modern Systems through Dynamic Temporal Analysis	47.070	2107169	188,048	—
Collaborative Research: Using Causal Explanations and Computation to Understand Mispaced Beliefs	47.075	2146984	21,951	—
Conference: The 6th Stevens Conference on Bacteria-Material Interactions	47.049	2309091	3,567	—
Cooperative Green RF Sensing over Shared Spectrum	47.041	1923739	172,165	—
CRI: CI-NEW: Collaborative Research: Constructing a Community-Wide Software Architecture Infrastructure	47.070	1823074	6,477	—
CRII: CIF: Machine Learning Based Equalization Towards Multitrack Synchronization and Detection in Two-Dimensional Magnetic Recording	47.070	2105092	24,202	—
CRII: HCC: Temporal Dynamics of Team Emotion and Cognition in AI-Supported Decision-Making	47.070	2105169	70,689	—
CRII: III: Efficient and Robust Statistical Estimation from Nonlinear Compressed Measurements	47.070	1948133	24,641	—
CRII: III: Learning Dynamic Graph-based Precursors for Event Modeling	47.070	1948432	10,043	—
CRII: SCH: A Generative Deep Learning (GDL) based Platform for Super-resolution, Virtual-PathologicalVisualization of Coronary Images	47.070	2222739	108,623	—
CRII: SHF: Expediting Subgraph Matching on GPUs	47.070	2000722	2,400	—
Cultivating Performance-Aware Software Engineers	47.076	2142531	77,395	—
Directed Ionic Transport in Poly(Ionic Liquid)-Grafted Nanoparticles in Polarizable Media	47.049	2104924	234,646	—
Dynamic 3D Printing with in Situ Depolarization: A New Biomanufacturing Paradigm for Guided Cell-Cell Communication	47.041	1663095	8,574	—
EAGER: Catalysis Fundamentals of Selective Hydrogenation of Aromatic Hydrocarbons	47.041	2219872	73,585	—
EAGER: Predictive Surrogate Modeling and Analysis of Radiative Heat Transfer in Porous Media	47.041	2054124	20,177	—

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EAGER: SSDIM: Synthetic and Simulated Data for American Multi-Modal Energy Systems	47.041	2310638	51,811	—
Enhancing Quantum Efficiency of Thin Film Solar Cells via Joint Characterization of Radiation and Recombination	47.041	2103008	174,392	—
ERI: An integrative risk quantification and management framework to enhance the resiliency of surface transportation systems under disruptive precipitation	47.041	2138549	88,398	—
ERI: Tool Grasping Compliance and Stability of Underactuated Hands in Force-controlled and Model-mediated Telemanipulation	47.070	2138896	55,430	—
Fostering Adaptive Expertise to Increase Retention of Low-Income STEM Students	47.076	2130428	146,922	—
I-Corps: AI-Enabled Shoe Insoles to Assess Walking Function in Real Life Environments	47.084	2322980	9,618	—
I-Corps: Artificial Cornea of Microtextured pHEMA Hydrogel	47.041	1946450	694	—
I-Corps: Omniphobic Anodic Coatings	47.084	2326666	2,778	—
I-Corps: Wearable Cardiovascular Abnormality Detector	47.084	2231926	11,267	—
III: SMALL: Moving Beyond Knowledge to Action: Evaluating and Improving the Utility of Causal Inference	47.070	1907951	147,957	—
Impact of Community Engagement on STEM Undergraduates: A Case Study of Math Circles for Urban Elementary School Students	47.076	2236229	22,984	—
Ionic Transport in Ion Containing Copolymer-Grafted Nanoparticle Structures	47.049	1807802	(2,830)	—
IUCRC Phase I Stevens: Center for Research toward Advancing Financial Technologies (CRAFT)	47.070	2113906	185,206	—
LEAPS-MPS: Tailoring the Thermal Properties of Flexible Two-Dimensional (2D) Heterostructures	47.049	2137883	122,523	—
Marine Cybersecurity: Building Capacity in Critical Infrastructure Protection	47.076	1623714	51,293	—
Mechanistic Investigation of Heme-based Catalysts for Sustainable Carbene Transfer Reactions	47.049	2054897	80,167	—
Model Theory of Nonabelian Free Groups	47.049	1953784	50,762	—
NSF Student Travel Grant for the 2022 ACM SIGKDD Conference on Knowledge Discovery and Data Mining (KDD 2022)	47.070	2223561	23,911	—
NSF/FDA SIR: Towards the Establishment of a Validation Framework for Wearable Motion Analysis Systems: Development and Evaluation of an Development and Evaluation of an Open Design Sync Platform	47.041	2229538	18,078	—
PFI-TT: Affordable, Handheld Imaging Device for Skin Cancer Detection	47.041	IIP 1919194	(2,809)	—
PREVENTS Track 2: Collaborative Research: Geomorphic Versus Climatic Drivers of Changing Coastal Flood Risk	47.050	ICER 1855037	771	—
RAISE-EQUIP: A Chip-integrated Platform for Photon-Efficient Quantum Communications	47.041	ECCS 1842680	82,828	72,854
Renewal: Cybercorps: Scholarship for Service Program at Stevens	47.076	DGE-1433795	177,273	—
REU/RET Site: Interdisciplinary Research Experience in Sustainable Energy and Bioengineering	47.049	2050921	135,946	—
S&AS: FND: Learning-Enabled Autonomous 3D Exploration for Underwater Robots	47.070	1723996	9,996	—
SaTC: CORE: Medium: Privacy for All: Ensuring Fair Privacy Protection in Machine Learning	47.070	2029038	191,916	58,359
SaTC: CORE: Small: Relational Verification for Information Assurance and Privacy	47.070	1718713	8,147	—
SaTC: CORE: Small: Securing Network Embedding against Privacy Attacks	47.070	2135988	142,200	—
SCH INT Collaborative Research Uniting Causal and Mental Models for Shared Decision Making in Diabetes	47.070	1915182	217,580	—
SCH: INT: Collaborative Research: Aging In Place Through Enhanced Mobility and Social Connectedness: An Integrated Robot and Wearable Sensor Approach	47.070	IIS 1838799	110,337	—
SHF Small Collaborative Research Test Centric Architecture Modeling	47.070	CCF1909763	151,213	—
SHF: Small: Spectral Reduction of Large Graphs and Circuit Networks	47.070	2021309	271,382	—
SHF: Small: Symbolic Commutativity Analysis for Multicore Concurrency	47.070	2008633	125,538	—
Supporting Sustainable Evolution of Energy Systems via Closed-Loop Consumer Behavior & Market System Modeling	47.041	NSF 1953774	86,012	—
Towards Attack-Resilient Vision-Guided Unmanned Aerial Vehicles: An Observability Analysis Approach	47.041	2137753	81,889	—
Travel Grants for the Colloquium for Information Systems Security Education	47.076	1642185	22,000	—
Understanding Pedestrian Dynamics for Seamless Human-Robot Interaction	47.041	1825709	50,019	—
Using a Well-Controlled Heterogeneous Permeability Field to Study Its Role on Miscible Density-Driven Convection in Porous Media	47.050	2154295	102,499	9,667
Pass- through from City University of New York:				
NSF I-Corps Hub: NYC Regional Innovation Network (NYCRIN Hub)	47.041	CM00007254-00	80,488	—
Pass- through from Massachusetts Institute of Technology:				
RINGS: Resilient and Low-Latency Networks for Situation Awareness in the Factory of the Future	47.070	S5696 PO#761316	18,982	—
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	34,350	—
Pass- through from University of Pennsylvania:				
RAISE-EQUIP: Integrated Higher-Dimensional Quantum Photonic Platform	47.041	575401, ECCS-1842612	18,417	—
Pass- through from University of Washington:				
LEAP-HI: Tackling Brain Diseases with Mechanics: A Data-Driven Approach to Merge Advanced Neuroimaging and Multi-Physics Modeling	47.041	UWSC13722	116,605	—
Pass- through from RadioSight LLC:				
STTR Phase 1: Point-of-Care Skin Cancer Imaging Device	47.041	Agreement signed 5/6/2021	36,634	—
National Science Foundation Total			6,681,322	140,880
Office of Naval Research:				
ABIDES: Adaptive Binary Debloating and Security	12.300	N00014-17-1-2788	68,134	66,352
AVTA Transition: Toolchain for Binary Decompilation and Alignment	12.300	N00014-22-1-2643	147,110	33,868
Broad frequency range chemical and biochemical material remote detection using quantum-enhanced FAST CARS	12.300	N00014-22-1-2374	136,391	—
Distributional Reinforcement Learning for Safe Autonomous Navigation	12.300	N00014-20-1-2570	83,890	—
Nonlinear-Optical Pseudo Atoms on Chip	12.300	N00014-21-1-2898	172,714	—
Quantum-enhanced FAST CARS for remote detection using a multi-static platform Abstract	12.300	N00014-20-1-2086	52,062	—
Risk-Averse Learning and Control for Distributed Dynamical Systems with Partial Information	12.300	N00014-21-1-2161	251,646	100,984
Scaling and Structure in Transitional and Turbulent Hypervelocity Flows	12.300	N00014-20-1-2549	146,845	—
Technology for High-speed underwater vehicles	12.300	N00014-22-C-1023	408,848	—
Turbulence Quantities in Supersonic and Hypersonic Flows	12.300	N00014-23-1-2474	24,743	—
Pass- through from Regents of the University of Minnesota:				
Particulate and Precipitation Effects on High-Speed Flight Vehicles	12.300	N00014-20-1-2682	334,804	31,481
Office of Naval Research Total			1,827,187	232,685

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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	171,998	71,715
Unmanned Aircraft System Acoustic Detection, Tracking and Classification System	12.UNK	FA8750-21-C-1004	435,559	—
Pass- through from Circle Optics:				
Subcontract: FPGA-Assisted 360-Degree Streaming Image Construction	12.UNK	0038 (FA864922P0706)	215,168	—
United States Air Force Office of Scientific Research Total			822,725	71,715
United States Army Corps of Engineers:				
Benefits of Vegetation for Preventing Coastal Flooding Induced by Failure of Seawalls	12.630	W912HZ22C0010	142,682	—
Evaluating the Influence of Water Level on Wave Attenuation of Natural and Nature Based Features in Low-High Energy Environments	12.630	W912HZ2220007	80,997	—
Fundamentals of Particulate Amendment Transport and Compaction in Hydraulic Fractures and the Application to Effective Remediation in Low-Permeability Clay	12.UNK	W912HQ22C0071	135,090	32,433
Green Remediation of Per- and Polyfluoroalkyl Substances in Soil and Water	12.UNK	W912HQ23C0008	16,804	—
United States Army Corps of Engineers Total			375,573	32,433
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	43,368	—
Compressing Time and Space for an In Situ Dermal Graft Printing Paradigm	12.420	W81XWH1910158	51,635	—
Engineering Composite Nanofibrous Scaffolds for Repairing Segmental Bone Defect	12.420	W81XWH-20-1-0321	177,287	88,291
Machine Learning Methods to Individualize Powered Orthotic Intervention for Improved Functional Recovery After Lower Extremity Trauma	12.420	W81XWH2210193	18,591	—
Pass- through from Research Foundation of CUNY:				
Mechanical Properties of the Demyelinated Central Nervous System: A Barrier to Remyelination?	12.420	CM00008746	46,468	—
United States Army Medical Research Acquisition Activity Total			337,349	88,291
United States Army Research Office:				
Complexation Phenomena in Polyelectrolyte Microgels	12.431	W911NF2010277	159,250	—
United States Army Research Office Total			159,250	—
United States Army-Picatinny:				
Ammunition Production Facility Modernization Review	12.UNK	W15QKN-21-C-0053	13,004	—
United States Army-Picatinny Total			13,004	—
United States Department of Agriculture:				
Collaborative Research: NRI: Ocean-Powered Robots for Autonomous Offshore Aquaculture	10.310	2021-67022-35977	100,985	—
DSFAS-AI: Food Quality Evaluation Leveraging Robust, Domain Adaptive Deep Learning on Millimeter Wave (mmWave) Images	10.310	2022-67021-36866	50,129	22,480
United States Department of Agriculture Total			151,114	22,480
United States Department of Commerce (NOAA):				
Compound Fluvial-Coastal Flood and Climate Adaptation: A Transferable Framework of Engagement, Modeling and Cost-Benefit Analysis	11.431	NA19OAR4310307	8,320	3,432
Pass- through from Columbia University:				
Enabling Urban Residents to Adapt to Coastal Flooding: Evidence from New York City Neighborhoods	11.431	2(GG015474)	586	—
Supporting Regional Implementation of Integrated Climate Resilience: Consortium for Climate Risk in the Urban Northeast (CCRUN) Phase III	11.431	3(GG016650-01)	61,629	—
Pass- through from the University of Alabama:				
Advancing Research in Cold Regions Hydrology to Support the Modeling and Mapping of Ice-Induced Flood Inundation	11.432	A22-0305-S003	101,280	—
Pass- through from University of Delaware:				
Strengthening Mid-Atlantic Infrastructure, Data Products and Services	11.012	UDR0000383	11,848	—
Pass- through from NJSea Grant Consortium:				
Green Retrofit of Stormwater BMPs for Pollution Prevention in Urban Coastal Communities of New Jersey	11.417	6198-0003	(5,714)	—
New Jersey Sea Grant Consortium (NJS GC) Proposal to New Jersey Department of Environmental Protection Continuation of Staff and for Collective Impact Support for the New Jersey Coastal Resilience Collaborative	11.419	MOA Amendment X, executed 1	7,283	—
Sea Grant Coastal Processes Extension	11.417	6187; 6197; 6207; 6217- 001	62,581	—
Physics-Based Assessment of Hurricane-Induced Wave Hazards Under Climate Change: Barrier Islands of New Jersey	11.417	6208_6218-0006	22,177	—
Optimizing Green Infrastructures and Low Impact Developments to Mitigate Runoff and Pollution Impacts on Freshwater Systems	11.417	6318-0021	39,716	—
Pass- through from University Corp 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	3,854	—
United States Department of Commerce (NOAA) Total			313,560	3,432
United States Department of Defense:				
Improved Test Data Analysis Methods to Characterize Counter-Unmanned Aerial Systems (CUAS) Performance	12.UNK	HQ003419D0003 DOHQ003420F0083	(259)	—
Operational Test and Evaluation methods for Cyber, Security, and Artificial Intelligence (AI) and Machine Learning (ML)	12.UNK	HQ003419D0003	106,975	102,302
Space Systems Command (SSC) Military Communications & Positioning, Navigation, and Timing Directorate - Mission Engineering and Integration of Emerging Technologies	12.UNK	HQ003419D0003	209,363	189,338
Systems Engineering Research Center (SERC Research Task Management	12.UNK	HQ003419F0674	435,351	—
Test and Evaluation methods for Middle Tier Acquisition (MTA)	12.UNK	HQ003419D0003	984,790	927,974
WRT-1035 SE Capstone Marketplace 2020-21	12.UNK	HQ003419D0003/ HQ003420F061	2,240	—
WRT-1042: Policy Innovations to Enhance the STEM Talent Pipeline	12.UNK	HQ003419D0003/HQ003421F0177	(1,272)	—
WRT-1047: Digital Data Management and Analytic Strategy	12.UNK	HQ003419D0003/ HQ003421F030	905,803	864,480
WRT-1055: Policy Options to Promote DoD-Defense Industry Collaboration in Science, Technology, Engineering and Mathematics Education	12.UNK	HQ003419D0003	146,681	39,999
WRT-1020 Systems Engineering Research Center (SERC) Program Management	12.UNK	HQ003419F0704	1,012,952	15,129

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WRT-1025 Using AI/ML Design Patterns for Digital Twins and Model-Centric Engineering	12.UNK	HQ003419D0003	(10,279)	—
WRT-1028 Validation Framework for Assuring Adaptive and Learning-Enabled Systems	12.UNK	HQ003419D0003/ HQ003420F067	4,174	—
WRT-1041: SMC Production Corps- Mission Engineering and Integration of Emerging Technologies	12.UNK	HQ003419D0003; HQ003421F016	1,232,406	1,175,164
WRT-1043: DAU Digital Engineering Simulation	12.UNK	HQ003421F0179	770,612	458,438
WRT-1044: Evaluation and Design Guidance for Long Duration, Unmanned Undersea Vehicle Development Efforts at the Naval Undersea Warfare Center	12.UNK	HQ003421F0370	185,968	162,421
WRT-1045: Digital Engineering Implications on Decision Making Process	12.UNK	HQ003421F0482	134,480	125,210
WRT-1046: Graphene Rings for Atomically Thin Matter-Wave Interferometer	12.UNK	HQ003421F0515	108,136	—
WRT-1049: Acquisition Innovation Research Center: Innovation for Digital Transformation and Policy Analytics	12.UNK	HQ003419D0003	1,992,254	995,938
WRT-1051: Program Managers Guide to Digital and Agile Systems Engineering Process Transformation	12.UNK	HQ003421F0464	110,116	49,936
WRT-1052: Digital Engineering Transformation at JPEO-CBRND	12.UNK	HQ003421F0479	126,293	116,954
WRT-1054: Digital Engineering Migration of ESS System Engineering and Technical Management Processes	12.UNK	HQ003419D0003	310,308	95,297
WRT-1057: Acquisition Innovation Research Center (AIRC) Core Research	12.UNK	HQ003421F0480	3,151,054	1,644,783
WRT-1058: Systems Engineering Modernization Policy Practice and Workforce Roadmaps	12.UNK	HQ003421F0568	357,209	304,302
WRT-1064: Systems Engineering (SE) Capstone Marketplace	12.UNK	HQ003422F0194	418,824	99,885
WRT-1065: Training in Innovation and Emerging Technology Adoption	12.UNK	HQ003419D0003	238,109	210,255
WRT-1067: Data Visualization in Megaprojects for DAU	12.UNK	HQ003419D0003 DOHQ003422F0199	166,640	13,114
WRT-1068: Policy Innovations to Enhance the STEM Talent Pipeline	12.UNK	HQ003419D0003	434,995	385,239
WRT-1071: Digital Transformation in Test and Evaluation for AI/ML, Autonomous, and Continuously Evolving Systems	12.UNK	HQ003419D0003	539,550	498,354
WRT-1072: Measurable Requirements for Operational Resilience	12.UNK	HQ003419D0003 DOHQ003422F0346	459,864	346,318
WRT-1073: DAU Credential Development and Workforce Development in AI and Data Analytics	12.UNK	HQ003419D0003	142,896	—
WRT-1077: Policy Options to Promote DoD-Defense Industry Collaboration in Science, Technology, Engineering and Mathematics Education	12.UNK	HQ003419D0003 DOHQ003423F0054	131,088	—
WRT-1079: Planning, Programming, Budgeting, Execution (PPBE) Reform Insights and Concepts	12.UNK	HQ003419D0003	107,618	—
WRT-1080: Research in support of the Defense Civilian Training Corps (DCTC) Program Development, Piloting, and Instrumentation	12.UNK	HQ003419D0003	118,952	—
Analysis and Robust Techniques for MIMO RF Sensing with Timing and Phase Errors	12.431	W911NF1920234	24,981	—
Pass- through from AELIUS Exploitation Technologies: Experimental Assessment of Resistance and Porpoising Stability of MC130J Seaplane	12.UNK	AGMTX20230320	108,475	—
Pass- through from CORVID Technologies LLC: Digital Human Model for Use in Simulation Environments for Tactile Human/Robot Interaction	12.UNK	AGMTX 20220531 (W81XWH22P0030)	26,414	—
Digital Human Model for Use in Simulation Environments for Tactile Human/Robot Interaction Phase II	12.UNK	AGMTX 20230505 (HT942523C0007)	19,898	—
United States Department of Defense Total			<u>15,213,658</u>	<u>8,820,830</u>
United States Department of Education: ACES 2.0 Expanding Stevens ACES: Accessing Careers in Engineering and Science	84.116	P116Z220122	175,838	—
United States Department of Education Total			<u>175,838</u>	<u>—</u>
United States Department of Energy: Designing Chemical Disorder in Solid-State Superionic Conductors	81.049	DE-SC0022876	61,215	—
Exploring Multidimensional Spatial-Temporal Hydropower Operational Flexibilities by Modeling and Optimizing Water-Constrained Cascading Hydroelectric Systems	81.087	DEEE0008944	282,484	115,094
Floating Oscillating Surge Wave Energy Converter using Controllable Efficient Power Takeoff System	81.087	DEEE0008953	245,140	98,127
Quantum Information Encoding and Decoding for Quantum Sensing	81.049	DE-SC0023291	69,921	—
Pass- through from Georgia Institute of Technology: Development of an Advanced Ultrasonic Phased Array for the Characterization of Thick Reinforced Concrete Components	81.135	AWD-000406-S1	54,563	—
Linear and Nonlinear Guided Ultrasonic Waves to Characterize Cladding of Accident Tolerant Fuel	81.121	AWD-001861-G2	27,191	—
Multi-Stage Ultrasonic Power/Data Transfer and Dynamic Pressure Identification	81.UNK	AWD-003197-S1	24,382	—
Pass- through from Virginia Tech: Development of Full Understanding of Mechanical-Chemical Coupling in Bentonite THMC processes	81.121	429448-19821	244,194	—
Pass- through from Alliance for Sustainable Energy LLC: Model Design, Build, and Testing of a Variable Geometry Wave Energy Converter	81.087	SUB-2022-10092	104,540	—
Pass- through from Brookhaven Science Associates, LLC: Machine Learning Accelerated Statistical and Parallel Architecture Simulation	81.UNK	411930	22,835	—
Pass- through from Pacific Ocean Energy Trust: Wave Tank Testing for Power Capture Optimization and Slamming Wave Force Estimation of a Paddle-type Wave Energy Converter Retrofitted into a Floating Aquaculture Device	81.087	Task Order #6	32,398	—
Pass- through from Jefferson Science Associates LLC/Jefferson Laborat: Quantum Enhanced Tracker	81.UNK	22-D0462 (DE-AC0-06OR2317)	15,904	—
Pass-through Sandia National Laboratories _ National Technology & Engineering Solutions Of Sandia, LLC: Investigation of Mechanochemical Interactions of Hydrogen With Earth Materials in a Subsurface Gas Storage	81.UNK	2461188	45,898	—
Pass- through UC- Lawrence Berkeley National Laboratory - Department of Energy Graphic Processing Units (GPU) Based Parallel Symbolic Factorization and Ordering in SuperLU-DIST	81.UNK	7621159	26,954	—
United States Department of Energy Total			<u>1,257,619</u>	<u>213,221</u>
United States Department of Homeland Security: Counter Unmanned Aircraft Systems Analysis and Systems Engineering	97.UNK	70RSAT21G00000007/70RSAT22F	464,690	—
The Center for Maritime Research (CMR)	97.061	2014ST061ML0001/17STMSC0000	317,657	—
Pass- through from Texas A&M University: Improving Invasive Species Detection	97.061	CBTS 0502-01 (18STCBT00001)	136,452	—
Pass- through from The Univ. of North Carolina at Chapel Hill: Maritime Cybersecurity Professional Development Courses	97.061	5126481	119,980	—

**STEVENS INSTITUTE OF TECHNOLOGY**  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2023

Federal grantor/pass-through grantor/program title	Federal assistance listing number	Pass-through entity number/ additional award number	Federal expenditures	Amounts passed-through to subrecipients
United States Department of Homeland Security Total			1,038,779	—
United States Geological Survey:				
Assessing pluvial-coastal flood risk and potential climate inequities in New York City	15.808	G22AC00399	72,354	—
Compound Flood Risk from the Combined Effects of Sea Level Rise on Storm Surge, Tidal and Groundwater Flooding, and Stormwater	15.808	G22AC00269-00	33,222	—
United States Geological Survey Total			105,576	—
United States Department of Housing and Urban Development:				
Pass-through from Michigan Technological University:				
A Novel Phytoremediation Method to Cleanup Lead-based Paint Contaminated Soils: Phase-III – Demonstration Study	14.906	Subaward No. 1705046Z1	8,201	—
Lowering Lead Bioavailability in Residential Soils of Variable Physico-Chemical Properties using Sustainable In-Situ Treatment Methods	14.906	2106063CZ1 (prime: MILTS0023-21)	109,003	—
Pass- through from Montclair State University				
A System Dynamics Simulative Model to Assess Bioaccessibility of Lead in the Environment, Jersey City, New Jersey	14.906	NJLTS0027-22_ Stevens	7,362	—
Pass- through from New Jersey Department of Environmental Protection				
Refinement of Existing Living Shorelines Design Guidelines	14.272	CFR20008	5,896	—
United States Department of Housing and Urban Development Total			130,462	—
United States Department of the Interior:				
Pass-through from Navajo Technical University:				
Cost-effective Sustainable Reclamation of Abandoned Mine Lands from Coal Mining Activities	15.255	NTU-32351-21	3,547	—
Pass- through from Raytheon Company (Includes Machlett Labs):				
NIRVANA: Neural Implicit Rendering from images at Varying Altitude with Nimble Algorithms	15.UNK	2609560	2,283	—
United States Department of the Interior Total			5,830	—
United States Department of Transportation:				
Distributed Fiber Optic Sensor Network for Real-time Monitoring of Pipeline Interactive Anomalies	20.724	693JK31950008CAAP	171,636	10,994
Pass- through from Rutgers University:				
Interactive decision support system for tunneling planning and construction: Hudson Tunnel case study	20.701	25030130	(3)	—
United States Department of Transportation Total			171,633	10,994
United States Department of Veterans Affairs:				
Cognitive-based Rehabilitation Platform of Hand Grasp after Spinal Cord Injury using Virtual Reality and Instrumented Wearables	64.UNK	agreement dated 03/08/2021	43,304	—
United States Department of Veterans Affairs Total			43,304	—
United States Environmental Protection Agency:				
Pass-through from Rutgers University:				
Developing a Watershed Restoration Plan for Southern Barnegat Bay – Little Egg Harbor Tributaries	66.605	1773, PO no. 1434196 (prime: BG99248807)	71,676	—
Pass- through from Town of Secaucus:				
Retrofitting Two Rain Gardens with Green Technology for Water Quality Improvement	66.460	AGMTX 20221207	112	—
Pass- through from County of Ocean:				
Cattus Island Living Shorelines Project	66.460	Agreement signed 12/02/2020	19,631	—
United States Environmental Protection Agency Total			91,419	—
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	6,333	—
United States Fish & Wildlife Service Total			6,333	—
United States National Security Agency:				
DoD Cyber Scholarship Program at Stevens Institute of Technology	12.905	H98230-20-1-0320	3,690	—
DoD CySP Program 2022-23 at Stevens	12.905	H98230-22-1-0318	89,373	—
DoD CySP Program at Stevens	12.905	H98230-21-1-0273	13,620	—
Privacy in an Ever-changing Networked World: Exploring the Concept of Contextual Integrity for Health Data	12.905	H982302010342	74,761	—
Pass- through from Northeastern University:				
INSuRE 4.0 Advancing Research Education to Research Collaborative	12.905	505226-78050	188,390	—
Pass- through from Norwich University:				
CyberSecurity Education - Evidencing Competency Oversight	12.905	22595-RS011	99,025	—
Evidencing Competency Tools - Task 2.1.5.6	12.905	22596-RS011	11,586	—
Pass- through from University Enterprises Corporation @ CSUSB:				
Community of Practice in Research (CoP-R)	12.902	SA22137 (H98230-22-1-0316)	85,559	—
United States National Security Agency Total			566,004	—
Research and Development Cluster Total			42,065,310	12,526,516
Student Financial Assistance Cluster:				
U.S. Department of Education:				
Federal Supplemental Educational Opportunity Grant	84.007		807,750	—
Federal Work Study Program, including administrative costs of \$75,964	84.033		408,281	—
Federal Perkins Loan Program (note 2)	84.038		2,138,968	—



**STEVENS INSTITUTE OF TECHNOLOGY**  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2023

<u>Federal grantor/pass-through grantor/program title</u>	<u>Federal assistance listing number</u>	<u>Pass-through entity number/ additional award number</u>	<u>Federal expenditures</u>	<u>Amounts passed-through to subrecipients</u>
Federal Pell Grant Program, including administrative costs of \$4,235	84.063		4,375,281	—
Federal Direct Loan Program (note 3)	84.268		35,426,646	—
Student Financial Assistance Cluster Total			<u>43,156,926</u>	<u>—</u>
Education Stabilization Fund:				
U.S. Department of Education:				
Pass- through from New Jersey Office of the Secretary of Higher Education:				
COVID-19: Opportunity Meets Innovation Challenge Grant	84.425C	AGMTX 20210820	200,002	—
Educational Stabilization Fund Total			<u>200,002</u>	<u>—</u>
U.S. Department of Homeland Security:				
COVID 19: Disaster Grants - Public Assistance	97.036		1,361,029	—
U.S. Federal Emergency Management Administration Total			<u>1,361,029</u>	<u>—</u>
Total Expenditures of Federal Awards			<u>86,783,267</u>	<u>12,526,516</u>

See accompanying notes to the schedule of expenditures of federal awards.

## STEVENS INSTITUTE OF TECHNOLOGY

### Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

(Dollars in thousands)

#### (1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) for the year ended June 30, 2023 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, 2023, 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, 2023, 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, 2023

(Dollars in thousands)

**(2) Federal Perkins Loan Program**

The balance of loans outstanding under the Federal Perkins Loan Program at June 30, 2023 were as follows:

Beginning balance	\$	2,139
Repayments		(326)
Cancellations		<u>(10)</u>
Ending balance	\$	<u>1,803</u>

**(3) Federal Direct Loans**

During the year ended June 30, 2023, the University processed \$35,427 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.



KPMG LLP  
Suite 4000  
150 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, 2023, 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 1, 2023.

**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 1, 2023



KPMG LLP  
Suite 4000  
150 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 the University's major federal program for the year ended June 30, 2023. The University's major federal program is 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 its major federal program for the year ended June 30, 2023.

*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 the 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 an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on the major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the University's response to the noncompliance finding 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 the audit finding included in our auditors' report. The University's response 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 a deficiency in internal control over compliance that we consider to be a significant deficiency.

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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001, to be a significant deficiency.

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 response to the internal control over compliance finding 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 the audit finding included in our auditors' report. The University's response 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, 2023, and have issued our report thereon dated December 1, 2023, 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 21, 2024

**STEVENS INSTITUTE OF TECHNOLOGY**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2023  
(Dollars in thousands)

**(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 the major program disclosed by the audit:
  - Material weaknesses: **No**
  - Significant deficiency: **2023-001**
- (e) Type of report issued on compliance for the major program: **Unmodified**
- (f) Audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **2023-001**
- (g) Major program:
  - Student Financial Assistance Cluster (various Assistance Listing numbers)
- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$2,562,667**
- (i) 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 Relating to Federal Awards**

**Finding No. 2023-001**

Student Financial Assistance Cluster:  
U.S. Department of Education:  
Federal Pell Grant Program – ALN 84.063  
Federal Direct Loan Program – ALN 84.268

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

**Repeat finding:** Not a repeat finding.

## STEVENS INSTITUTE OF TECHNOLOGY

Notes to Schedule of Findings and Questioned Costs

Year ended June 30, 2023

(Dollars in thousands)

### **Compliance Requirement – Special Tests and Provisions - Enrollment Reporting – Significant Deficiency and Noncompliance**

#### *Criteria*

Institutions are required to report enrollment information under the Pell grant and the Direct loan program via the NSLDS (OMB No. 1845-0035).

The administration of the Title IV programs depends heavily on the accuracy and timeliness of the enrollment information reported by institutions. Institutions must review, update, and certify student enrollment statuses, program information, and effective dates that appear on the Enrollment Reporting Roster file or on the Enrollment Maintenance page of the NSLDS Professional Access (NSLDSFAP) website which the financial aid administrator can access for the auditor. The data on the institution's Enrollment Reporting Roster, or Enrollment Maintenance page, is what NSLDS has as the most recently certified enrollment. There are two categories of enrollment information, "Campus Level" and "Program Level," both of which need to be reported accurately and have separate record types. The NSLDS Enrollment Reporting Guide provides the requirements and guidance for reporting enrollment details using the NSLDS Enrollment Reporting Process.

Institutions are responsible for timely reporting, whether they report directly or via a third-party servicer. Institutions must complete and return within 15 days the Enrollment Reporting roster file placed in their Student Aid Internet Gateway (SAIG) (OMB No. 1845-0002) mailboxes sent by ED via NSLDS. An institution determines how often it receives the Enrollment Reporting roster file with the default set at a minimum of every 60 days. Once received, the institution must update for changes in the data elements for the Campus Record and the Program Record identified above, and submit the changes electronically through the batch method, spreadsheet submittal, or the NSLDS website (Pell, 34 CFR 690.83(b)(2); Direct Loan, 34 CFR 685.309).

#### *Condition and Context*

We selected forty students who received a Federal Direct Loan or a Pell Grant and whose enrollment status changed during the year and noted the following exceptions.

- For six enrollment status changes, the status change was not reported within 60 days. Five of these six were reported 65 days late, and the last was reported 128 days late.
- For four of the late enrollment status changes noted above, the changes were inaccurately reported as withdrawals, when instead, they related to a graduate status change.
- There was one enrollment status change that was not reported to NSLDS.



## STEVENS INSTITUTE OF TECHNOLOGY

### Notes to Schedule of Findings and Questioned Costs

Year ended June 30, 2023

(Dollars in thousands)

#### *Cause*

The University uses a system generated file to report enrollment status changes. The system generated file was not configured appropriately to flag enrollment status for students graduating from a bachelor's program and who were enrolled in a master's program resulting in status changes to be inaccurate and not timely reported. In addition, the one student who was not reported was due to an incorrect social security number which resulted in a processing error with National Student Clearinghouse which was not corrected by the University.

#### *Effect*

Enrollment status changes not reported in a timely manner could impact the timeliness of the student entering repayment status.

#### *Questioned Costs*

There were no questioned costs related to this finding.

#### *Recommendation*

We recommend that the University strengthen its policies and procedures to ensure that student enrollment changes are accurately reported to NSLDS within 60 days of the status change. The University should provide training to the departments responsible for the accuracy and timeliness of this reporting.

#### *Views of Responsible Official*

Management agrees with the recommendation. The University understands the importance of accurate and timely reporting of enrollment status and immediately resolved the issues of correcting student records in the NSLDS system and configured the system generated file to correct the status that is reported for students who graduate with a bachelor's degree and continue in school to pursue a master's degree. The University will also add a control to review processing errors from the National Student Clearinghouse submissions. The Associate Provost and Registrar will ensure that processes are in place to comply with the recommendation.