



SYRACUSE UNIVERSITY

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

Year ended June 30, 2023

(With Independent Auditors' Report Thereon)

SYRACUSE UNIVERSITY

Independent Auditors' Reports as Required by Title 2
U.S. Code of Federal Regulations Part 200, *Uniform Administrative
Requirements, Cost Principles, and Audit Requirements for Federal
Awards*, and *Government Auditing Standards* and Related Information
Year ended June 30, 2023

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KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report

The Board of Trustees
Syracuse University:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Syracuse University and subsidiaries (the University), which comprise the consolidated balance sheets as of June 30, 2023 and 2022, the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Syracuse University as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.



Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Supplementary Schedule of Financial Responsibility Data, as of and for the year ended June 30, 2023, is presented for purposes of additional analysis as required by the U.S. Department of Education, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Schedule of Financial Responsibility Data is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2023, except as to note 17, which is as of March 26, 2024, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

KPMG LLP

October 4, 2023, except as to note 17 and our report on the Supplementary Schedule of Financial Responsibility Data, which are as of March 26, 2024

SYRACUSE UNIVERSITY

Consolidated Balance Sheets

June 30, 2023 and 2022

(Thousands of dollars)

Assets	2023	2022
Cash and cash equivalents	\$ 225,135	539,621
Receivables, net	157,263	149,259
Other assets	56,153	44,511
Investments	2,316,175	1,830,366
Right-of-use assets – operating leases	14,030	11,316
Property and equipment, net	1,494,786	1,455,994
	<hr/>	<hr/>
Total assets	\$ 4,263,542	4,031,067
	<hr/> <hr/>	<hr/> <hr/>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	\$ 151,158	167,481
Deposits and deferred revenues	109,402	99,329
Operating lease obligations	13,995	11,522
Finance lease obligations	2,663	2,478
Refundable government student loan funds	6,697	11,977
Asset retirement obligations	25,551	25,340
Accrued postretirement benefit obligation	42,570	43,179
Long-term liability to concessionaire	133,898	115,552
Long-term debt	741,348	752,121
	<hr/>	<hr/>
Total liabilities	1,227,282	1,228,979
	<hr/>	<hr/>
Net assets:		
Without donor restrictions	1,902,078	1,757,926
With donor restrictions	1,134,182	1,044,162
	<hr/>	<hr/>
Total net assets	3,036,260	2,802,088
	<hr/>	<hr/>
Total liabilities and net assets	\$ 4,263,542	4,031,067
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to consolidated financial statements.

SYRACUSE UNIVERSITY

Consolidated Statement of Activities

Year ended June 30, 2023

(With comparative totals for the year ended June 30, 2022)

(Thousands of dollars)

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>2023 Total</u>	<u>2022 Total</u>
Operating revenues:				
Student services revenue net of financial aid of \$426,591 in 2023 and \$400,730 in 2022	\$ 849,036		849,036	770,138
Contributions, excluding contributions to endowments	38,367	29,042	67,409	75,699
Grants and contracts	111,453		111,453	103,997
Investment return, including distributions from endowments	91,484		91,484	53,169
Auxiliaries, net of financial aid of \$2,095 in 2023 and \$2,142 in 2022	59,911		59,911	55,269
Other	107,805		107,805	99,597
Net assets released from restrictions	14,192	(14,192)		
Total operating revenues	<u>1,272,248</u>	<u>14,850</u>	<u>1,287,098</u>	<u>1,157,869</u>
Operating expenses:				
Instruction and departmental research	459,700		459,700	422,740
Student services	284,565		284,565	253,785
Academic support	144,013		144,013	136,596
Institutional support	148,720		148,720	152,139
Sponsored research and other programs	83,899		83,899	76,813
Auxiliaries	50,431		50,431	47,910
Total operating expenses	<u>1,171,328</u>		<u>1,171,328</u>	<u>1,089,983</u>
Increase in net assets from operating activities	<u>100,920</u>	<u>14,850</u>	<u>115,770</u>	<u>67,886</u>
Nonoperating activities:				
Contributions to endowments		27,933	27,933	72,315
Investment return, excluding distributions from endowments, and gains (losses) on other financial instruments	42,585	47,237	89,822	(146,459)
Postretirement benefit obligation changes other than service cost	647		647	8,395
Increase (decrease) in net assets from nonoperating activities	<u>43,232</u>	<u>75,170</u>	<u>118,402</u>	<u>(65,749)</u>
Increase in net assets	144,152	90,020	234,172	2,137
Net assets at beginning of year	1,757,926	1,044,162	2,802,088	2,799,951
Net assets at end of year	<u>\$ 1,902,078</u>	<u>1,134,182</u>	<u>3,036,260</u>	<u>2,802,088</u>

See accompanying notes to consolidated financial statements.

SYRACUSE UNIVERSITY

Consolidated Statement of Activities

Year ended June 30, 2022

(Thousands of dollars)

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Operating revenues:			
Student services revenue net of financial aid of \$400,730	\$ 770,138		770,138
Contributions, excluding contributions to endowments	46,122	29,577	75,699
Grants and contracts	103,997		103,997
Investment return, including distributions from endowments	53,169		53,169
Auxiliaries, net of financial aid of \$2,142	55,269		55,269
Other	99,597		99,597
Net assets released from restrictions	<u>35,682</u>	<u>(35,682)</u>	
Total operating revenues	<u>1,163,974</u>	<u>(6,105)</u>	<u>1,157,869</u>
Operating expenses:			
Instruction and departmental research	422,740		422,740
Student services	253,785		253,785
Academic support	136,596		136,596
Institutional support	152,139		152,139
Sponsored research and other programs	76,813		76,813
Auxiliaries	<u>47,910</u>		<u>47,910</u>
Total operating expenses	<u>1,089,983</u>		<u>1,089,983</u>
Increase (decrease) in net assets from operating activities	<u>73,991</u>	<u>(6,105)</u>	<u>67,886</u>
Nonoperating activities:			
Contributions to endowments		72,315	72,315
Investment return, excluding distributions from endowments, and gains (losses) on other financial instruments	(71,400)	(75,059)	(146,459)
Postretirement benefit obligation changes other than service cost	<u>8,395</u>		<u>8,395</u>
Decrease in net assets from nonoperating activities	<u>(63,005)</u>	<u>(2,744)</u>	<u>(65,749)</u>
Increase (decrease) in net assets	10,986	(8,849)	2,137
Net assets at beginning of year	<u>1,746,940</u>	<u>1,053,011</u>	<u>2,799,951</u>
Net assets at end of year	<u>\$ 1,757,926</u>	<u>1,044,162</u>	<u>2,802,088</u>

See accompanying notes to consolidated financial statements.

SYRACUSE UNIVERSITY

Consolidated Statements of Cash Flows

Years ended June 30, 2023 and 2022

(Thousands of dollars)

	2023	2022
Cash flows from operating activities:		
Increase in net assets	\$ 234,172	2,137
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	91,199	86,408
Postretirement benefit obligation changes other than service cost	(647)	(8,395)
Changes in fair value of investments and financial instruments	(147,468)	129,928
Gifts of marketable securities, net of sales of unrestricted gifted securities	(3,741)	(5,844)
Gifts of property and equipment	(1,157)	(1,620)
Contributions restricted for investment and physical facilities	(38,271)	(84,274)
Changes in operating assets and liabilities:		
Receivables, net	(12,713)	(21,603)
Other assets	(12,459)	(670)
Accounts payable and accrued liabilities	(10,773)	(4,746)
Deposits and deferred revenues	10,073	19,378
Asset retirement obligations	211	2,050
Accrued postretirement benefit obligation	38	847
Net cash provided by operating activities	108,464	113,596
Cash flows from investing activities:		
Loans made to students		(1)
Loans paid by students	4,709	3,999
Purchases of investments	(872,653)	(327,279)
Sales and maturities of investments	531,466	271,040
Purchases of property and equipment	(116,472)	(168,111)
Net cash used in investing activities	(452,950)	(220,352)
Cash flows from financing activities:		
Contributions restricted for investment and physical facilities	38,271	84,274
Proceeds from sales of gifted marketable securities restricted for investment	3,741	5,844
Proceeds from long-term liability to concessionaire		100,000
Payments of long-term debt	(5,385)	(4,075)
Payments of finance lease obligations	(324)	(335)
Payments of long-term liability to concessionaire	(974)	(1,573)
Payment for swap termination	(49)	
Payments of concessionaire issuance costs		(1,709)
Change in funds held by bond trustee		3,834
Change in refundable government student loan funds	(5,280)	(5,762)
Net cash provided by financing activities	30,000	180,498
Net (decrease) increase in cash and cash equivalents	(314,486)	73,742
Cash and cash equivalents at beginning of year	539,621	465,879
Cash and cash equivalents at end of year	\$ 225,135	539,621
Supplemental disclosure:		
Interest paid	\$ 27,381	24,915
Right-of-use assets obtained in exchange for operating leases	7,826	1,440
Right-of-use assets obtained in exchange for finance leases	161	
Increases in accounts payable and other long term liabilities for property and equipment	15,660	21,943

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements

June 30, 2023 and 2022

(1) Organization

Syracuse University (the University) is a private, not-for-profit, coeducational and residential university granted a charter by the State of New York in 1870. The University operates under the direction of an independent Board of Trustees as an education corporation under the New York Not-for-Profit Corporation Law. The University has a total enrollment of approximately 22,700 students, including approximately 14,800 full-time undergraduate, approximately 500 law students, approximately 4,800 full-time master's and doctoral students, and approximately 2,500 part-time students. Geographically, the undergraduate student body represents 49 states and 89 foreign countries. The University offers approximately 600 degree and certificate programs in the following 13 schools and colleges: the School of Architecture; the College of Arts and Sciences; the School of Education; the College of Engineering and Computer Science; the Graduate School; the David B. Falk College of Sport and Human Dynamics; the School of Information Studies; the College of Law; the Martin J. Whitman School of Management; the Maxwell School of Citizenship and Public Affairs; the S.I. Newhouse School of Public Communications; the College of Visual and Performing Arts; and the College of Professional Studies.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

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

(b) Net Asset Classes

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

Net assets without donor restrictions are not subject to donor stipulations restricting their use but may be designated for specific purposes by the University or may be limited by contractual agreements with outside parties.

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

(c) Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the promised goods or services is transferred in an amount that reflects the consideration to which the University expects to be entitled in exchange for those goods or services (i.e., the transaction price).

The University's student services revenue is comprised of total tuition revenue net of financial aid for all students, room and board revenue net of financial aid for the University's freshman and sophomore classes, and student ticket sales for athletic events. The University has a two-year residence requirement for undergraduate students with the primary purpose of contributing to the students' emotional and physical well-being and their intellectual, cultural, and social development outside the

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

formal instruction program. This is accomplished through the interactions and growth opportunities on campus living provides. The University considers these activities to be vital to the overall well-being of the freshman and sophomore students and considers such activity core to student services functions.

The following table summarizes the components of student services revenue in the consolidated statements of activities for the years ended June 30, 2023 and 2022 (in thousands of dollars):

	2023	2022
Student services revenue:		
Tuition and fees	\$ 1,163,589	1,070,632
Less: financial aid	(420,501)	(395,086)
Net tuition and fees	743,088	675,546
Room and board for freshman and sophomore residency requirement	110,870	99,239
Less: financial aid	(6,090)	(5,644)
Net room and board for freshman and sophomore residency requirement	104,780	93,595
Student ticket sales to athletic events	1,168	997
Net student services revenue	\$ 849,036	770,138

Room and board associated with juniors, seniors, and post graduate students is recognized within auxiliaries revenue as there is not a residence requirement for these students to remain matriculated with the University. The room and board revenues related to juniors, seniors, and post graduate students totaled \$38.1 million and \$37.7 million for the years ended June 30, 2023 and 2022, respectively.

Revenue associated with student services and room and board for juniors, seniors, and post graduate students is recognized over the academic year, which generally aligns with the University's fiscal year, as services are provided. Revenues associated with academic programs that cross fiscal years are recognized based on the number of days the services are provided in each fiscal year. Revenues are presented at transaction prices, which are determined based on standard published rates for the services, less institutional aid awarded to qualifying students. Aid in excess of students' tuition and fees is reflected as a reduction of room and board charges. Amounts paid to students for living or other costs are reported as an expense.

The amount of revenue per student varies based on the specific program or class in which the student enrolls as well as whether the student resides in University housing. In addition, students who adjust their course load, residence assignment, board assignment, or withdraw completely within the specified period published in the University's academic calendar may receive a full or partial refund in accordance with the University's refund policy. Refunds issued reduce the amount of revenue recognized. Payments are generally due prior to the start of the academic term.

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Notes to Consolidated Financial Statements

June 30, 2023 and 2022

Revenues from students received in advance of services provided, which primarily consist of summer session revenues, are included in deposits and deferred revenues in the consolidated balance sheets and totaled \$24.8 million and \$24.0 million at June 30, 2023 and 2022, respectively.

(d) Revenue from Grants and Contracts

Grants and contracts awarded by federal and other sponsors, which are generally considered nonreciprocal transactions restricted by sponsors for certain purposes, are recognized as revenue when qualifying expenditures are incurred and conditions under the agreements are met. Grants and contracts whose restrictions are met in the same year as their revenue is recognized are reported as grants and contracts without donor restrictions.

Revenues received in advance of services provided are included in deposits and deferred revenues in the consolidated balance sheets, and totaled \$37.5 million and \$31.6 million at June 30, 2023 and 2022, respectively.

Conditional awards from federal and other sponsors outstanding as of June 30, 2023 were \$111.6 million.

(e) Contributions

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

(f) Cash and Cash Equivalents

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

(g) Investments

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

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Notes to Consolidated Financial Statements

June 30, 2023 and 2022

(h) Property and Equipment

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

(i) Leases

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

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

(j) Fair Value

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

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

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

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

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

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

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Notes to Consolidated Financial Statements

June 30, 2023 and 2022

(k) Operations

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

(l) Estimates

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

(m) Income Taxes

The University is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income taxes pursuant to Section 501(a) of the Internal Revenue Code. Orange Insurance Company, LLC, Syracuse Advance Holdings, LLC, and Syracuse University Hotel and Conference Center, LLC, are wholly owned by the University and are reported in the University's income tax filings. Syracuse University Alumni Association Inc., of which the University is the sole member, is a tax-exempt organization that files its own tax return. Drumlins, Inc. is a taxable subsidiary of the University and files its own tax returns. Syracuse University Madrid is a delegation of the University in Spain and is exempt from Spain's corporate taxes. The Syracuse University (USA) London Program, created for the advancement of education, is a registered charity under the laws of England. The income tax consequences, if any, from these entities are reflected in the consolidated financial statements, and do not have a material effect, individually or in the aggregate, on the University's consolidated financial statements. The University believes it has taken no significant uncertain tax positions.

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Notes to Consolidated Financial Statements

June 30, 2023 and 2022

(3) Financial Assets and Liquidity Resources

At June 30, 2023 and 2022, financial assets and liquidity resources available within one year for general expenditures, including operating expenses, scheduled principal payments on debt, and capital construction costs not financed by debt, are as follows (in thousands of dollars):

	2023	2022
Financial assets, at year-end	\$ 2,698,573	2,519,742
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Donor restricted endowment	(969,852)	(896,874)
Pledges receivable, net, due in greater than one year	(74,829)	(65,853)
Student loans, net, due in greater than one year	(11,375)	(16,085)
Funds held by bond trustee		(496)
Board designations:		
Quasi-endowment fund, primarily for long-term investing	(906,586)	(863,080)
Board-approved endowment spending distribution:		
Fiscal year 2024 appropriation	65,622	
Fiscal year 2023 appropriation		59,439
Financial assets available to meet cash needs for general expenditures within one year	\$ 801,553	736,793

The University's working capital and cash flows have seasonal variations during the year attributable to tuition billing and a concentration of contributions received at calendar and fiscal year end. To manage liquidity the University has a taxable commercial paper note program as described in footnote 8. In addition, the quasi endowment of \$906.6 million and \$863.0 million at June 30, 2023 and 2022, respectively, can be made available for general expenditure with approval from the University's Board of Trustees, subject to investment liquidity provisions.

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Notes to Consolidated Financial Statements

June 30, 2023 and 2022

(4) Receivables

The following is a summary of accounts receivable, pledges receivable, and matured bequests receivable at June 30, 2023 and 2022 (in thousands of dollars):

	2023	2022
Accounts receivable	\$ 81,918	82,319
Pledges receivable, net of present value discount	86,435	76,969
Matured bequests receivable	1,531	1,517
	169,884	160,805
Allowance for doubtful accounts	(12,621)	(11,546)
Total	\$ 157,263	149,259

Accounts receivable include student loans receivable of \$11.4 million and \$16.1 million at June 30, 2023 and 2022, respectively, net of allowances for doubtful accounts of approximately \$0.9 million and \$1.0 million at June 30, 2023 and 2022, respectively.

Unconditional pledges and matured bequests at June 30, 2023 and 2022 are restricted by donors predominantly for scholarships, other operating, and capital expenditure purposes. They are expected to be realized in the following periods (in thousands of dollars):

	2023	2022
Less than one year	\$ 12,033	10,968
One year to five years	64,348	53,730
More than five years	19,572	19,238
	95,953	83,936
Allowance for doubtful accounts	(9,447)	(8,374)
Present value discount	(7,987)	(5,450)
Total	\$ 78,519	70,112

The discount rates used to present value the pledges range from 0.87% to 4.13% at June 30, 2023 and 2022.

Conditional promises, which depend on the occurrence of a specified future or uncertain event, are recognized when the conditions are substantially met. Total unrecognized conditional pledges for the University were approximately \$55.9 million as of June 30, 2023.

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(5) Investments

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

In addition to equity and fixed income investments, the University may also hold shares or units in institutional funds and alternative investment funds involving hedged, private partnerships, and real assets strategies. Hedged strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists, and may include stocks, bonds, put or call options, swaps, currency hedges, and other instruments. Private partnership funds generally employ buyout, venture capital, and debt related strategies and often require the estimation of fair values by the fund managers in the absence of readily determinable market values. Real asset funds include investments in companies whose businesses are typically related to natural resources and real estate.

Fair values for shares in registered mutual funds are based on share prices reported by the funds as of the last business day of the year and are classified in Level 1 of the fair value hierarchy. The University's interests in alternative investment funds are generally reported at the NAV reported by the fund managers. NAV is used as a practical expedient to estimate the fair value of the University's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of June 30, 2023 and 2022, the University had no specific plans or intentions to sell investments at amounts different than NAV.

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The University's investments at June 30, 2023 are summarized in the following table (in thousands of dollars):

	<u>Redemption availability</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments measured at fair value:				
Marketable securities:				
U.S. equity	Daily	\$ 350,061	3	350,064
International equity	Daily	110,565		110,565
Fixed income	Daily	279,916	142,466	422,382
Real asset	Daily	30,635		30,635
Total marketable securities		771,177	142,469	913,646
Funds held or administered by others	Not applicable	1,059	24,770	25,829
Subtotal		772,236	167,239	939,475
Investments measured at net asset value:				
Commingled funds:				
U.S. equity	Monthly			2,990
International equity	Monthly			1,391
Fixed income	Monthly			2,367
Hedge funds:				
Long/short	Quarterly to illiquid			169,796
Multi-strategy	Monthly to illiquid			252,508
Global and other	Monthly to illiquid			391,621
Private partnerships:				
Buyout	Illiquid			269,809
Venture capital	Illiquid			131,295
Debt related	Illiquid			56,026
Real asset	Illiquid			98,897
Subtotal				1,376,700
Total		\$ 772,236	167,239	2,316,175

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

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The University's investments at June 30, 2022 are summarized in the following (in thousands of dollars):

	<u>Redemption availability</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments measured at fair value:				
Marketable securities:				
U.S. equity	Daily	\$ 246,904	4	246,908
International equity	Daily	50,424		50,424
Fixed income	Daily	155,588	16,636	172,224
Real asset	Daily	15,370		15,370
Total marketable securities		468,286	16,640	484,926
Funds held or administered by others	Not applicable	1,639	25,911	27,550
Subtotal		469,925	42,551	512,476
Investments measured at net asset value:				
Commingled funds:				
U.S. equity	Monthly			2,866
International equity	Monthly			1,305
Fixed income	Monthly			2,493
Hedge funds:				
Long/short	Quarterly to illiquid			229,619
Multi-strategy	Monthly to illiquid			211,305
Global and other	Monthly to illiquid			375,234
Private partnerships:				
Buyout	Illiquid			227,148
Venture capital	Illiquid			126,655
Debt related	Illiquid			42,068
Real asset	Illiquid			99,197
Subtotal				1,317,890
Total		\$ 469,925	42,551	1,830,366

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

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The private partnerships have initial terms of 10 years with extensions of one to four years and have an average remaining expected life of 4.5 years and 4.8 years as of June 30, 2023 and 2022, respectively. At June 30, 2023, the University's outstanding commitments to private partnerships totaled \$292.6 million. Private partnerships are considered to be illiquid because distributions are made upon the liquidation of underlying investments.

Certain of the University's hedge fund investments are illiquid as a result of restrictions that include contractual lock up provisions, redemption notification requirements, and other restrictions. Restrictions on hedge fund investments totaling \$92.6 million, \$40.2 million, and \$22.5 million expire in the years ending June 30, 2024, 2025 and 2026, respectively. All other hedge funds are considered liquid, with monthly to semi-annual redemption availability.

The following table summarizes the components of investment return in the consolidated statements of activities for the years ended June 30, 2023 and 2022 (in thousands of dollars):

	<u>2023</u>	<u>2022</u>
Interest and dividends, net	\$ 33,107	36,403
Realized gains, net	46,756	112,551
Unrealized gains (losses), net	<u>97,815</u>	<u>(237,131)</u>
Total investment return	<u>\$ 177,678</u>	<u>(88,177)</u>

Netted in the interest and dividends component of investment return were investment management expenses of \$5.3 million and \$5.0 million for the years ended June 30, 2023 and 2022, respectively.

(6) Endowment Funds

The University's endowment consists of approximately 2,500 individual funds which include both donor restricted endowment funds and funds designated by the University to function as quasi endowments. These individual funds have been established for a variety of purposes, with the majority of them established for scholarships and endowed chairs.

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

The trustee Investment and Endowment Committee (IEC) approves the annual distribution rates and spending amount for the University's investment funds. Per unit distributions are calculated by multiplying the average of the monthly unit market values during the previous three calendar years by the percentage approved by the Committee each year. The percentage approved for the years ended June 30, 2023 and 2022 was 3.79%.

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

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

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

Endowment funds are considered to be underwater when their fair value is less than their historical gift amounts. In accordance with the Prudent Management standards contained in NYPMIFA, the University has the ability to spend from individual endowments that are underwater, if it considers such action to be prudent for that particular endowment. In addition, in accordance with the implementation of NYPMIFA in 2011, the University was required to ask certain existing donors if they wished to prevent spending from their endowment if underwater. If the donor had requested spending not occur if their endowment is underwater, the University is required to comply with this request. As of June 30, 2023 and 2022, there were no endowment funds underwater where the donor had requested that spending not occur if the endowment was underwater.

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At June 30, 2023 and 2022, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions and consisted of the following (in thousands of dollars):

	Without donor restrictions	With donor restrictions		Total funds 2023
		Original gift	Accumulated gains (losses)	
Quasi	\$ 906,586			906,586
Donor restricted:				
Underwater		55,932	(2,980)	52,952
Other		542,523	374,377	916,900
	<u>\$ 906,586</u>	<u>598,455</u>	<u>371,397</u>	<u>1,876,438</u>

	Without donor restrictions	With donor restrictions		Total funds 2022
		Original gift	Accumulated gains (losses)	
Quasi	\$ 863,080			863,080
Donor restricted:				
Underwater		67,841	(3,716)	64,125
Other		507,039	325,710	832,749
	<u>\$ 863,080</u>	<u>574,880</u>	<u>321,994</u>	<u>1,759,954</u>

Changes in net assets associated with endowment funds for the years ended June 30, 2023 and 2022 were (in thousands of dollars):

	2023		
	Without donor restrictions	With donor restrictions	Total
Net assets at June 30, 2022	\$ 863,080	896,874	1,759,954
Investment return	71,583	75,648	147,231
Contributions		23,575	23,575
Distributions	(29,975)	(31,054)	(61,029)
Board designated and donor required transfers	1,898	4,809	6,707
Net assets at June 30, 2023	<u>\$ 906,586</u>	<u>969,852</u>	<u>1,876,438</u>

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	2022		
	Without donor restrictions	With donor restrictions	Total
Net assets at June 30, 2021	\$ 923,077	895,415	1,818,492
Investment return	(43,148)	(43,636)	(86,784)
Contributions		72,209	72,209
Distributions	(27,127)	(27,435)	(54,562)
Board designated and donor required transfers	10,278	321	10,599
Net assets at June 30, 2022	<u>\$ 863,080</u>	<u>896,874</u>	<u>1,759,954</u>

(7) Property and Equipment

The following is a summary of property and equipment at June 30, 2023 and 2022 (in thousands of dollars):

	2023	2022
Land and land improvements	\$ 109,490	105,013
Buildings and related equipment	2,556,845	2,441,910
Equipment	148,117	141,903
Library and art collections	257,318	252,530
	<u>3,071,770</u>	<u>2,941,356</u>
Accumulated depreciation	<u>(1,576,984)</u>	<u>(1,485,362)</u>
Total	<u>\$ 1,494,786</u>	<u>1,455,994</u>

Included in the amounts above are assets that have been acquired in connection with finance leases. These amounts are \$4.0 million, with accumulated amortization of \$2.5 million, and \$4.2 million, with accumulated amortization of \$2.5 million, at June 30, 2023 and 2022, respectively.

Depreciation expense was \$94.7 million and \$92.2 million, for the years ended June 30, 2023 and 2022, respectively.

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

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

Long-term debt outstanding at June 30, 2023 and 2022 is set forth below (in thousands of dollars):

	Fiscal years of maturity	2023	2022
Trust for Cultural Resources of the County of Onondaga Revenue Bonds:			
Series 2013 (a)	2015–2024	\$ 2,080	4,055
Series 2019 (b)	2039–2050	317,720	317,720
Onondaga Civic Development Corporation Revenue Bonds:			
Series 2020A (c)	2026–2036	114,945	114,945
Onondaga Civic Development Corporation Taxable Revenue Bonds:			
Series 2020B (d)	2036–2056	224,410	224,410
Bank Loan – Syracuse University Hotel and Conference Center LLC (e)	2028		3,410
Total principal debt		659,155	664,540
Unamortized premium		85,814	91,381
		744,969	755,921
Less bond issuance costs		3,621	3,800
Total long-term debt		\$ 741,348	752,121

Additional details on the debt portfolio are as follows:

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

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

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- (e) Loan agreement with JPMorgan Chase Bank, N.A. This loan was paid in full in May 2023. The interest rate per annum at June 30, 2022 was equal to the adjusted LIBOR rate for the applicable interest period plus 0.4%. The applicable LIBOR margin per annum is adjusted based on the Moody's rating assigned to the financial strength of the University at the onset of each interest period. At June 30, 2022, the interest rate was 1.462%. The Syracuse University Hotel and Conference Center LLC made monthly payments of principal and interest prior to the lump sum payoff of the loan in May 2023.

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

Fiscal year	Amount
2024	\$ 2,080
2025	
2026	8,310
2027	8,735
2028	9,180
Thereafter	630,850
Total	\$ 659,155

Syracuse University Hotel and Conference Center LLC (the Hotel) entered into an interest rate swap agreement with a counterparty as a hedge against interest rate fluctuations for variable interest rate debt. The Hotel received variable payments equal to the one-month LIBOR rate plus 0.55% from one counterparty for the interest rate swap agreement. This interest rate swap was terminated in May 2023 with an immaterial payment made to the counterparty.

The Hotel paid the one counterparty a fixed interest rate of 5.30% on a notional amount of \$3.4 million as of June 30, 2022 related to its loan with JPMorgan Chase Bank, N.A. As of June 30, 2022, there was no requirement to collateralize the obligations under the interest rate swap agreement. At June 30, 2022, the fair value of the interest rate swap agreement was \$(0.2) million, which is included in accounts payable and accrued liabilities on the accompanying consolidated balance sheets. The interest rate swap agreement is classified in Level 2 of the fair value hierarchy.

The changes of \$0.2 million and \$0.3 million in the fair values of the interest rate swap agreement and the amount associated with the termination of the swap, were included in investment return, excluding distributions from endowments, and gains (losses) on other financial instruments in the accompanying consolidated statement of activities in each of the years ended June 30, 2023 and 2022, respectively. Net cash payments of \$0.2 million made under the interest rate swap agreements were included in interest expense during the years ended June 30, 2023 and 2022.

The University had a surety bond aggregating approximately \$28.2 million at both June 30, 2023 and 2022 related to potential claims under the University's workers' compensation plan. The expiration date for the surety bond occurs in the year ending June 30, 2024 and there were no outstanding amounts against the surety bond.

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In September 2017, the University instituted a taxable commercial paper notes program that allows the University to issue in aggregate up to \$75.0 million in commercial paper notes. Proceeds from the issuance of commercial paper may be used to provide bridge financing for capital projects and to finance general operations of the University. The notes bear a fixed rate of interest, established on the borrowing date, over their individual terms not to exceed 270 days. The program has an ultimate expiration of June 30, 2075. At June 30, 2023 and 2022, there was no commercial paper outstanding.

(9) Leases

The University is committed to minimum annual lease payments under several long-term non-cancellable operating and finance leases for educational and auxiliary facilities and equipment through the year ending June 30, 2037.

The components of lease expense for the year ended June 30, 2023 and 2022 are as follows (in thousands of dollars):

	2023	2022
Lease cost:		
Finance lease expense:		
Amortization of right-of-use assets	\$ 286	333
Interest on lease obligations	302	279
Operating lease expense	5,261	5,130
Total lease expense	\$ 5,849	5,742

Payments due and other information related to operating and finance leases are summarized below as of June 30, 2023 (in thousands of dollars):

Fiscal year	Operating	Finance
2024	\$ 5,611	594
2025	4,518	594
2026	1,758	592
2027	1,692	573
2028	1,488	296
Thereafter	351	288
	15,418	2,937
Less amount representing interest	1,423	274
Total obligation	\$ 13,995	2,663
Weighted average remaining lease term	3.59 years	4.81 years
Weighted average discount rate	3.22%	9.99%

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Ground leases:

The University leases land to an outside developer of student housing complexes with lease agreement extensions available through 2059. Lease payments of \$0.6 million for the years ended June 30, 2023 and 2022 are recorded in the consolidated statements of activities when received from the developer.

(10) Long-Term Liability to Concessionaire

On September 30, 2020, the University completed the financial closing of its Long-Term Concession and Operating Agreement, pursuant to which the University transferred to CenTrio (f/k/a Enwave Energy) (the Concessionaire) the exclusive right to operate its utility system (generation and distribution) and provide utility services to the University's main campus, as well as other third-party customers. An upfront payment associated with the agreement of \$100.0 million was received by the University on August 26, 2021.

Under the agreement, the Concessionaire operates, manages, maintains, and makes capital investments in the utility system, including an initial modernization. In exchange, the Concessionaire will charge the University and other customers a monthly fee, which includes an operating and maintenance fee, a fixed fee for the upfront payment based upon a repayment period of 30 years, and a variable fee based on the capital improvements undertaken by the Concessionaire and related financing costs over repayment periods of 20 and 25 years. The total fees paid to the Concessionaire included in the statement of activities and allocated among the functional expenses totaled \$18.9 million and \$13.0 million for the years ended June 30, 2023 and 2022, respectively.

Capital investments in the utility system are recognized as property and equipment and a related long-term liability to the Concessionaire. At June 30, 2023 and 2022, the net book value of University assets in use by the Concessionaire totaled \$58.7 million and \$39.3 million, respectively, which includes \$39.1 million and \$18.2 million of Concessionaire capital investments at June 30, 2023 and 2022, respectively. Total utility system depreciation expense was \$2.2 million and \$2.0 million for the years ended June 30, 2023 and 2022, respectively.

The \$133.9 million and \$115.6 million balances of long-term liability to Concessionaire at June 30, 2023 and 2022, respectively, consist of the \$99.9 million and \$100.0 million upfront payment and \$35.6 million and \$17.3 million of outstanding capital related costs reduced by issuance costs of \$1.6 million and \$1.7 million, respectively at June 30, 2023 and 2022.

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

Fiscal year	Amount
2024	\$ 2,327
2025	3,252
2026	3,710
2027	4,212
2028	4,296
Thereafter	117,751
Total principal	135,548
Less issuance costs	1,650
Total long-term liability to concessionaire	\$ 133,898

(11) Net Assets

At June 30, 2023 and 2022, net assets were comprised as follows (in thousands of dollars):

	2023		2022	
	Without donor restrictions	With donor restrictions	Without donor restrictions	With donor restrictions
Undesignated	\$ 995,492		894,846	
Pledges and matured bequests receivable		78,519		70,112
Other		20,833		20,523
Funding for facilities		35,542		26,294
Funding for student loans		2,297		2,253
Life income, annuity, and similar funds		27,139		28,106
Endowment funds:				
Scholarships	57,631	441,267	53,532	422,287
Endowed chairs	25,820	213,340	20,950	195,594
General purposes and other	823,135	315,245	788,598	278,993
Total net assets	\$ 1,902,078	1,134,182	1,757,926	1,044,162

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(12) Natural Classification of Expenses

The University's primary program service is academic instruction and research. Expenses reported as student services, institutional support and auxiliaries are incurred in support of this primary program activity. Expenses presented by natural classification and function are as follows for the years ended June 30, 2023 and 2022 (in thousands of dollars):

	2023					
	<u>Salaries and benefits</u>	<u>Supplies and services</u>	<u>Occupancy and related expenses</u>	<u>Depreciation and interest</u>	<u>Other operating expenses</u>	<u>Totals</u>
Instruction and departmental research	\$ 300,188	71,967	25,316	35,737	26,492	459,700
Student services	137,573	28,031	21,480	44,772	52,709	284,565
Academic support	103,894	7,020	14,293	15,252	3,554	144,013
Institutional support	92,963	24,037	6,210	8,391	17,119	148,720
Sponsored research and other programs	39,916	18,672	3,506	5,609	16,196	83,899
Auxiliaries	18,308	2,025	4,795	12,339	12,964	50,431
Total expenses	\$ <u>692,842</u>	<u>151,752</u>	<u>75,600</u>	<u>122,100</u>	<u>129,034</u>	<u>1,171,328</u>

	2022					
	<u>Salaries and benefits</u>	<u>Supplies and services</u>	<u>Occupancy and related expenses</u>	<u>Depreciation and interest</u>	<u>Other operating expenses</u>	<u>Totals</u>
Instruction and departmental research	\$ 278,670	73,498	19,487	33,207	17,878	422,740
Student services	124,466	23,348	18,752	43,094	44,125	253,785
Academic support	98,192	5,261	14,186	15,136	3,821	136,596
Institutional support	94,234	25,196	4,666	8,953	19,090	152,139
Sponsored research and other programs	36,863	16,973	1,383	5,876	15,718	76,813
Auxiliaries	17,549	2,113	4,869	11,197	12,182	47,910
Total expenses	\$ <u>649,974</u>	<u>146,389</u>	<u>63,343</u>	<u>117,463</u>	<u>112,814</u>	<u>1,089,983</u>

(13) Retirement Plans

Certain full-time and regular part-time employees of the University are eligible for the University's defined contribution plan. The amounts contributed by the University to the Teachers Insurance and Annuity Association Fund in the years ended June 30, 2023 and 2022 were approximately \$39.7 million and \$38.2 million, respectively.

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Notes to Consolidated Financial Statements

June 30, 2023 and 2022

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

	2023	2022
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 43,179	50,727
Service cost	2,142	2,866
Interest cost	1,844	1,351
Plan participants' contributions	1,555	1,448
Actuarial gain	(2,491)	(9,746)
Benefits paid	(3,662)	(3,470)
Medicare Part D prescription drug federal subsidy	3	3
Benefit obligation at end of year	\$ 42,570	43,179

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

	2023	2022
Operating activities:		
Service cost	\$ 2,142	2,866
Nonoperating activities:		
Interest cost	1,844	1,351
Amortization of actuarial gain	(1,423)	(189)
Amortization of prior service credits	(160)	(160)
Net periodic postretirement benefit cost	\$ 2,403	3,868

	2023	2022
Actuarial gain	\$ 2,491	9,746
Interest cost	(1,844)	(1,351)
Postretirement benefit obligation changes other than service cost	\$ 647	8,395

For measurement purposes, annual rates of increase in the per capita cost of covered healthcare of 7.75% and 4.50% for pre-65 and post-65 retirees, respectively, were assumed as of June 30, 2023. An annual rate of increase in the per capita cost of covered prescription drug benefits of 7.75% and 6.25% for pre-65 and post-65 retirees, respectively were assumed as of June 30, 2023. The rates were assumed to decrease to 4.04% for both healthcare and prescription drug benefits by the year ending June 30, 2075 and remain at those levels thereafter.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

As of June 30, 2023 and 2022, the discount rates used in determining the benefit obligations were 4.89% and 4.40%, respectively, and the discount rates used in determining the net periodic postretirement benefit costs were 4.40% and 2.65%, respectively.

Contributions to the postretirement benefit plans, net of employee contributions and the Medicare subsidy, were \$2.1 million in the year ended June 30, 2023 and are estimated to be \$2.2 million for the year ending June 30, 2024.

The net benefits expected to be paid in each year ending from June 30, 2024 through 2028 range from approximately \$2.1 million to \$2.8 million and the net aggregate expected payments including years through the year ending June 30, 2033 total approximately \$16.1 million. The expected benefits are based on the assumptions used to measure the University's benefit obligation at June 30, 2023 and include estimated future employees' service.

The unamortized prior service credits and unamortized net actuarial gains were \$0.6 million and \$17.2 million, respectively, at June 30, 2023.

(14) Contingencies and Commitments

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

At June 30, 2023, the University had approximately \$52.9 million of construction commitments.

(15) Related Party Transactions

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

(16) Subsequent Events

The University evaluated subsequent events for potential recognition or disclosure through October 4, 2023, the date on which the consolidated financial statements were issued.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

(17) Financial Responsibility Standards

The University participates in federal Title IV student financial assistance programs, which require it to meet standards of financial responsibility based on criteria determined by the U.S. Department of Education (ED), as set forth in 34 CFR Subpart 668.171. The criteria for private institutions include the annual calculation by ED of a financial responsibility composite score, as further outlined in 34 CFR Subpart 668.172, using audited financial statements submitted through ED's eZ-Audit system. The composite score has been and will continue to be based on three ratios: Primary Reserve, Equity, and Net Income. Inputs to these ratios as of and for the year ended June 30, 2023 are bolded below and include (a) elements directly from the accompanying financial statements and related other notes to the financial statements, as well as (b) certain other financial data. Additional financial information, which is not bolded, has also been presented to facilitate understanding and reconciliation of such data elements to the accompanying financial statements and related other notes.

Data element	Direct input to ratio	Amount
(a) Long-term debt, net: pre-implementation	Primary reserve	\$ 2,080
Long-term debt, net: post-implementation	Primary reserve	170,500
Long-term debt, net: used for non-capital purposes	NA	568,768
Total long-term debt, net (consolidated balance sheet)	NA	<u>\$ 741,348</u>
<p>Long-term debt, net as of June 30, 2023 is classified in three categories depending on the timing of issuance and use of proceeds. Proceeds from Series 2019, Series 2020A and Series 2020B, bonds which were issued during the year ended June 30, 2020, were used primarily to refinance the debt issues previously outstanding as of June 30, 2019 (note 8).</p>		
(b) Intangible assets		
Other assets	NA	\$ 48,673
Intangible assets	Primary reserve	7,480
Total other assets		<u>\$ 56,153</u>
(c) Total net assets with donor restrictions - time or purpose restrictions	NA	\$ 478,001
Total net assets with donor restrictions: restricted in perpetuity	Primary reserve	656,181
Total net assets with donor restrictions (note 11)		<u>\$ 1,134,182</u>
(d) Life income and annuity funds with donor restrictions	Primary reserve	\$ 5,690
Life income and annuity funds with donor restrictions: restricted in perpetuity	NA	21,449
Total life income and annuity funds with donor restrictions (note 11)	NA	<u>\$ 27,139</u>

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

Data element	Direct input to ratio	Amount
(e) Property, plant and equipment, net: pre-implementation	Primary reserve	\$ <u>993,207</u>
Property, plant and equipment, net: post-implementation	Primary reserve	<u>501,579</u>
Total property, plant and equipment, net (consolidated balance sheet)		<u>\$ 1,494,786</u>
<p>The June 30, 2023 carrying value of land, land improvements, buildings, equipment, and collections, net, placed in service prior to July 1, 2019 is classified as pre-implementation. The June 30, 2023 carrying value of land, land improvements, buildings, equipment, and collections, net, placed in service after July 1, 2019 is classified as post-implementation. As noted in (a) above, \$170,500 of post-implementation borrowings have been used to fund investment in post-implementation buildings and buildings' equipment between July 1, 2019 and June 30, 2023.</p>		
(f) Total operating expenses	NA	\$ <u>1,171,328</u>
Total expenses and losses without donor restrictions	Primary reserve	<u>\$ 1,171,328</u>
(g) Total operating revenues	NA	\$ 1,272,248
Plus: investment return, excluding distributions from endowments, and gains on other financial instruments	NA	42,585
Postretirement benefit changes other than service cost	NA	<u>647</u>
Total revenue and gains without donor restrictions	Net income	<u>\$ 1,315,480</u>

SYRACUSE UNIVERSITY

Supplementary Schedule of Financial Responsibility Data

As of and for the year ended June 30, 2023

(Thousands of dollars)

Data element	Source of data element in financial statements or related notes to financial statements	Amount used as ratio input
Primary reserve ratio		
<i>Numerator: expendable net assets</i>		
Net assets without donor restrictions	Consolidated balance sheets	\$ 1,902,078
Net assets with donor restrictions	Consolidated balance sheets	1,134,182
Long-term debt, net: pre-implementation	Note 17(a)	2,080
Long-term debt, net: post-implementation	Note 17(a)	170,500
Liability related to lease right-of-use assets	Consolidated balance sheets	13,995
Intangible assets	Note 17(b)	7,480
Net assets with donor restrictions: restricted in perpetuity	Note 17(c)	656,181
Life income and annuity funds with donor purpose restrictions	Note 17(d)	5,690
Post-employment and defined benefit plan liabilities	Consolidated balance sheets	42,570
Property, plant and equipment, net: pre-implementation	Note 17(e)	993,207
Property, plant and equipment, net: post-implementation	Note 17(e)	501,579
Lease right-of-use assets	Consolidated balance sheets	14,030
<i>Denominator: total expenses and losses without donor restrictions</i>		
Total expenses and losses without donor restrictions	Note 17(f)	1,171,328
Equity ratio		
<i>Numerator: modified net assets</i>		
Net assets without donor restrictions	Consolidated balance sheets	1,902,078
Net assets with donor restrictions	Consolidated balance sheets	1,134,182
<i>Denominator: modified assets</i>		
Total assets	Consolidated balance sheets	4,263,542
Net income ratio		
<i>Numerator: change in net assets without donor restrictions</i>		
Change in net assets without donor restrictions	Consolidated statement of activities	144,152
<i>Denominator: total revenue and gains without donor restrictions</i>		
Total revenue and gains without donor restrictions	Note 17(g)	1,315,480

See accompanying independent auditors' report.

SYRACUSE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Federal grantor/pass-through grantor/program or cluster title	Federal assistance listing number	Direct or pass-through identifying number	Passed through to subrecipients	Total federal expenditures
Research and Development Cluster:				
Department of Agriculture:				
USDA Forest Service	10.001	Direct	\$ —	323
Department of Agriculture	10.069	Direct	—	44,464
Cornell University	10.177	145027-21908	—	782
Insulights	10.212	SU-2021-33610-35514	—	85,823
Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations	10.250	Direct	—	15,691
Department of Agriculture – Research, Education and Economics	10.253	EP0227574	—	1,923
Research Innovation and Development Grants in Economic (RIDGE)	10.255	EP0226752	—	5,400
Agricultural Market and Economic Research	10.290	Direct	—	33,983
National Institute of Food and Agriculture – University of Vermont	10.307	AWD0000591SUB00000265	—	48,109
Agriculture and Food Research Initiative (AFRI)	10.310	Direct	6,186	145,694
Agriculture and Food Research Initiative (AFRI) – Colby College	10.310	2021-NIFA-CRS-03	—	77,457
Agriculture and Food Research Initiative (AFRI) – Princeton University	10.310	SUB0000374	—	9,462
Agriculture and Food Research Initiative (AFRI) – University of Kentucky	10.310	3200002889-20-247	—	3,929
Agriculture and Food Research Initiative (AFRI) – University of Kentucky	10.310	3200002889-20-243	—	2,850
Subtotal			6,186	239,392
USDA Forest Service – Research Foundation of State University	10.664	93934	—	28,227
Department of Agriculture – Rural Development Cooperative Agreement	10.890	Direct	—	56,705
Total Department of Agriculture			6,186	560,822
Department of Commerce:				
Climate and Atmospheric Research	11.431	Direct	20,720	24,354
Total Department of Commerce			20,720	24,354
Department of Defense:				
Naval Facilities Engineering Command – Caller-ID for Cetaceans	12.000	Direct	—	12,001
Defense Advanced Research Projects Agency – Northrop Grumman Corporation	12.000	5000217350	—	213,689
Defense Advanced Research Projects Agency – Northrop Grumman Corporation	12.000	PO5000326326	—	108,821
Defense Advanced Research Projects Agency – PAR Government Systems Corporation	12.000	PGSC-SC-111371-04	—	425,626
Department of the Navy – Demonstration and Validation of Passive Acoustic Density for Right Whales	12.000	Direct	—	165,476
Naval Facilities Engineering and Expeditionary Warfare Center – University of St Andrews	12.000	SMC7 ZOBL09	—	25,459
US Army Medical Research and Materiel Command – Critical Link LLC	12.000	2018-1	—	457
US Air Force Research Labs/Rome – SRC, Inc	12.000	SCRA04601	—	58,612
US Air Force Research Lab/ Wright Patterson Air Force Base - Massachusetts Institute of Technology	12.000	S5091-PO478955	—	111,008
National Security Agency – Laboratory for Physical Sciences - Booz, Allen, Hamilton, Inc	12.000	S905899BAH	—	196,174
Subtotal			—	1,317,323
Air Force Research Laboratory – Basic and Applied Scientific Research	12.300	Direct	—	149,180
Office of Naval Research – Basic and Applied Scientific Research	12.300	Direct	—	105,619
Office of Naval Research – Basic and Applied Scientific Research – Regents of the University of Michigan	12.300	SUBK00019191	—	749
Subtotal			—	255,548
Military Medical Research and Development	12.420	Direct	—	304,395
Military Medical Research and Development – Seattle Children’s Research Institute	12.420	12290SUB	—	180,782
Subtotal			—	485,177
US Army Research Office	12.431	Direct	34,053	598,208
US Army Research Office – University of Colorado	12.431	1560341	—	42,760
US Army Research Office – University of Colorado	12.431	1559194	—	55,534
Army Research Office – Basic Scientific Research – University of Wisconsin – Madison	12.431	814K542	—	122,161
Subtotal			34,053	818,663
Air Force Defense Research Sciences Program	12.800	Direct	96,201	527,273
Subtotal			96,201	527,273
National Security Agency Cybersecurity - Towson University	12.905	59Project#5040576	—	20,000
Defense Advanced Research Projects Agency – Galois, Inc	12.910	2021-008	—	146,979
Total Department of Defense			130,254	3,570,963

SYRACUSE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Federal grantor/pass-through grantor/program or cluster title	Federal assistance listing number	Direct or pass-through identifying number	Passed through to subrecipients	Total federal expenditures
Department of the Interior:				
Blue Water Research Institute Inc – Large Whale Spatial and Behavioral Research	15.000	32679	\$ 88,413	140,943
Exploring the Sources and Processing of Microplastics in Lakes – Cornell University	15.805	140504-21370	—	8,007
Characterizing Transformation Products of Organic Micropollutants in Groundwater – Cornell University	15.805	89767-11340	—	3,920
State Water Resources Research Institute Program - Cornell University	15.805	140504-22198	—	9,835
Subtotal			—	21,762
Total Department of the Interior			88,413	162,705
Department of Justice:				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Direct	—	66,724
National Institute of Justice Research, Evaluation, and Development – Boston University	16.560	4500004217	—	45,130
Subtotal			—	111,854
Research Foundation for Mental Hygiene, Inc – NY Opioid Court Enhancement Project	16.838	1015799/1/27370	—	174,539
Total Department of Justice – National Institute of Justice			—	286,393
Department of Transportation – Federal Aviation Administration – Iowa State University				
	20.200	021231A	—	119,442
Total Department of Transportation			—	119,442
National Aeronautics and Space Administration:				
National Aeronautics and Space Administration – Bay Area Environmental Research	43.001	SU33508	—	57,207
NASA Shared Services Center	43.001	Direct	—	213,704
Subtotal			—	270,911
NASA Shared Services Center STEM – Cornell University	43.008	90830-20375	—	34,309
Total National Aeronautics and Space Administration			—	305,220
National Endowment For the Humanities:				
National Endowment for the Arts – National Foundation for the Arts and Humanities	45.024	Direct	—	10,527
National Endowment for the Humanities	45.161	Direct	—	26,855
Institute of Museum and Library Science:				
Institute of Museum and Library Science – National Leadership Grants	45.312	Direct	5,006	103,230
Institute of Museum and Library Science – Laura Bush 21st Century Librarian Project	45.313	Direct	7,260	181,587
Total Institute of Museum and Library Science			12,266	322,199
National Science Foundation:				
Engineering Grants	47.041	Direct	600	1,545,898
Engineering Grants – South Dakota School of Mines and Technology	47.041	SDSMT-SU22-04	—	25,913
Engineering Grants – South Dakota School of Mines and Technology	47.041	SDSMT-SU22-14	—	2,638
Engineering Grants – George Mason University	47.041	E206081	—	30,454
Subtotal			600	1,604,903
Mathematical and Physical Sciences	47.049	Direct	—	4,494,059
Mathematical and Physical Sciences – California State University Fullerton Auxiliary Services Corp	47.049	S-6149-SYSE	—	10,947
Mathematical and Physical Sciences – California State University Fullerton Auxiliary Services Corp	47.049	S-7859-Syracuse	—	8,234
Mathematical and Physical Sciences – University of Notre Dame	47.049	1806631	—	2,000
Mathematical and Physical Sciences – Arizona State University	47.049	ASUB00000729	—	17,464
Mathematical and Physical Sciences – University of Tennessee	47.049	A22-0253-S003	—	75,854
Subtotal			—	4,608,558
Geosciences				
Lafayette College – Understanding of Stream – Aquiferatmosphere Interactions around Beaver Dam Analogues	47.050	Direct	—	963,055
Woods Hole Oceanographic Institution – Collaborative Research for Identifying Marine Animal Sounds	47.050	156025 SU Sub	—	52,472
University of Montana – Boreal Fire Feedbacks	47.050	A101575	—	12,190
	47.050	PG23-66495-01	—	5,858
Subtotal			—	1,033,575
Computer and Information Science and Engineering	47.070	Direct	—	2,007,654
Computer and Information Science and Engineering – University of Pennsylvania	47.070	578569	—	111,183
Computer and Information Science and Engineering – The Ohio State University	47.070	GR127224/SPC-1000006544	—	31,991

SYRACUSE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Federal grantor/pass-through grantor/program or cluster title	Federal assistance listing number	Direct or pass-through identifying number	Passed through to subrecipients	Total federal expenditures
Computer and Information Science and Engineering – University of Maryland	47.070	109198-Z3660207	\$ —	13,673
Subtotal			—	2,164,501
Biological Sciences	47.074	Direct	166,527	1,364,499
Biological Sciences – Cary Institute of Ecosystem Studies	47.074	3340/200201861	—	89,818
Subtotal			166,527	1,454,317
Social, Behavioral, and Economic Sciences	47.075	Direct	164,976	1,259,631
University Of Maryland Center for Environmental Science - Modeling the Dynamics of Human and Estuarine Systems	47.075	SA75231290	—	49,125
Cornell University – Center for Research on Programmable Plant Systems	47.075	PO 1271744	—	8,873
Cornell University – Ezra’s Bridge: A Transitional MS Program that Connects BS and PhD Degree in Chemical Sciences	47.075	PO 1348383	—	23,110
Subtotal			164,976	1,340,739
Education and Human Resources	47.076	Direct	402,973	1,234,227
Office of Integrative Activities – Emergent Collective Behavior in a Developmental Model	47.083	Direct	—	69,379
NSF Technology, Innovation and Partnerships	47.084	Direct	9,458	137,146
Cornell University – NSF I-Corps Hub (Track 1): Interior Northeast Region	47.084	144070-21860	—	215,439
Subtotal			9,458	352,585
Total National Science Foundation			744,534	13,862,784
Department of Energy:				
Oakridge Institute for Science and Education	81.000	Direct	—	2,474
Oakridge National Nuclear Security Administration - Triad National Security, LLC	81.000	22297	—	22,641
Department of Energy – Oakridge - Brookhaven National Laboratory	81.000	401396	—	22,118
Department of Energy – Oakridge - Brookhaven National Laboratory	81.000	417509	—	50,246
Department of Energy – Upstate Parts & Supply, Inc.	81.000	37857-DE-SC0019977	—	55,550
Department of Energy – Oakridge – UT Battelle, LLC	81.000	CW44304	—	9,950
Subtotal			—	162,979
Energy Program for Innovation Clusters for Equity and Health in Grid-Interactive Efficient Buildings	81.010	Direct	97,005	310,145
Office of Science Financial Assistance Program	81.049	Direct	—	796,179
Office of Science Financial Assistance Program – University of Iowa	81.049	S00458-01	—	119,537
Office of Science Financial Assistance Program – Boston University	81.049	4500004034	—	38,065
Subtotal			—	953,781
Conservation Research and Development	81.086	Direct	524,010	756,953
Aerial Intelligence for Retrofit Building Energy Modeling – Georgia Institute of Technology	81.086	AWD-000286-G1	—	56,156
Conservation Research and Development – Worcester Polytechnic Institute	81.086	11072-GR	—	50,002
Subtotal			524,010	863,111
Renewable Energy Research and Development - Duke University	81.087	323-000013	—	23,787
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance – Department of Energy – Golden Field	81.117	Direct	—	247,441
Nuclear Energy Research, Development and Demonstration – Department of Energy – Idaho	81.121	Direct	81,295	122,892
Advanced Research Projects Agency – Energy	81.135	Direct	2,560	2,560
Advanced Research Projects Agency – Energy – Texas A&M University	81.135	M2100649	—	249,209
Subtotal			2,560	251,769
Total Department of Energy			704,870	2,935,905
Department of Education:				
Education Research, Development and Dissemination – Tulane University	84.305	TUL-SCC-556406-18/19	—	74,264
Support Net-Zero Carbon Market Evaluations and Strategies – ARPA-E: Intelligent Materials Solutions – Princeton University	84.041	11.22.22	—	10,605
Special Education – Educational Technology Media and Materials for Individuals with Disabilities – University of Kansas Center for Research	84.327	FY2020-029	—	71,532
Total Department of Education			—	156,401

SYRACUSE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Federal grantor/pass-through grantor/program or cluster title	Federal assistance listing number	Direct or pass-through identifying number	Passed through to subrecipients	Total federal expenditures
Department of Health and Human Services:				
Centers for Disease Control and Prevention/DHHS	93.000	Direct	\$ 7,000	47,069
Environmental Public Health and Emergency Response – Health Research, Inc. – NYS Wastewater Surveillance Phase 2	93.070	6702-02	16,336	35,753
Research of the Responsible Conduct of Research	93.085	Direct	—	21,947
Teenage Pregnancy Prevention Program – Sodus School District	93.297	0001	—	26,572
Epidemiology and Laboratory Capacity for Infectious Diseases – Health Research, Inc	93.323	6963-01	87,327	3,628,185
<i>National Institutes of Health:</i>				
Research Related to Deafness and Communication Disorders	93.173	Direct	33,650	720,966
Research Related to Deafness and Communication Disorders – New York University	93.173	F1072-02	—	280,794
Research Related to Deafness and Communication Disorders – Montclair State University	93.173	1R115DC019775-Syracuse	—	27,944
Subtotal			<u>33,650</u>	<u>1,029,704</u>
National Institute of Child Health and Human Development - Project ENGAGE	93.213	Direct	116,487	253,993
National Institute of Health – Enriching Relational Environments as a Pathway for Healing Trauma – Cornell University	93.213	141953-21572	—	15,915
Subtotal			<u>116,487</u>	<u>269,908</u>
Mental Health Research Grants – University of South Dakota	93.242	A21-0006-S002	—	16,460
Alcohol Research Programs	93.273	Direct	44,735	718,285
National Institute On Alcohol Abuse and Alcoholism – Alcohol Research Programs – Trustees of Boston University	93.273	4500004442	—	28,853
National Institute On Alcohol Abuse and Alcoholism – Alcohol Research Programs – University of New Mexico	93.273	028400-874J	—	37,115
National Institute On Alcohol Abuse and Alcoholism – Alcohol Research Programs – University of Rochester	93.273	417390	—	30,870
National Institute On Alcohol Abuse and Alcoholism – Alcohol Research Programs – The University of South Florida Board of Trustees	93.273	1255-1185-00-B	—	23,346
National Institute On Alcohol Abuse and Alcoholism – Alcohol Research Programs – Yale University	93.273	CON-80004052 (GR118657)	—	20,543
Subtotal			<u>44,735</u>	<u>859,012</u>
Drug Abuse and Addiction Research Programs	93.279	Direct	73,199	414,645
Drug Abuse and Addiction Research Programs – University of Rochester	93.279	417658G	—	15,165
Subtotal			<u>73,199</u>	<u>429,810</u>
Discovery and Applied Research for Technological Innovations to Improve Human Health Monitoring	93.286	Direct	21,287	396,688
National Institute Of Biomedical Imaging and Bioengineering - ESTEEMED	93.286	Direct	—	71,988
Subtotal			<u>21,287</u>	<u>468,676</u>
National Center for Advancing Translational Sciences – University of Rochester	93.350	SUB00000208/UR FAO GR531777	—	1,401
National Institute of Nursing Research – New York University School of Medicine	93.361	21-A0-00-1007163	—	61,359
Health Research, Inc. – Advancing Health Equity in Underserved Communities	93.391	7367 – 1	—	27,155
Blood Diseases and Resource Research – National Heart, Lung, and Blood Institute	93.839	Direct	—	27,217
Blood Diseases and Resources Research – (BloodSafe) – University of Ghana	93.839	RZ26	—	108,921
Subtotal			<u>—</u>	<u>136,138</u>
Diabetes, Digestive, and Kidney Diseases Extramural Research – Arthritis, Musculoskeletal and Skin Diseases Research	93.846	Direct	357	293,230
Diabetes, Digestive, and Kidney Diseases Extramural Research – State University of New York Upstate	93.847	1170834-92503	—	7,453
Diabetes, Digestive, and Kidney Diseases Extramural Research – University of Pennsylvania	93.847	581381	53,255	251,459
Diabetes, Digestive, and Kidney Diseases Extramural Research – University of Pennsylvania	93.847	582935	—	191,067
Subtotal			<u>53,255</u>	<u>449,979</u>
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Direct	—	748,081
Extramural Research Programs in the Neurosciences and Neurological Disorders – SUNY Upstate Medical University	93.853	11174786 – 94259	—	41,803
Subtotal			<u>—</u>	<u>789,884</u>

SYRACUSE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Federal grantor/pass-through grantor/program or cluster title	Federal assistance listing number	Direct or pass-through identifying number	Passed through to subrecipients	Total federal expenditures
Allergy and Infectious Diseases Research – University of California San Francisco	93.855	12660sc	\$ —	2,475
Biomedical Research and Research Training	93.859	Direct	9,120	3,509,196
National Institute Of General Medical Sciences – University of Georgia	93.859	SUB00002164	—	97,693
National Institute Of General Medical Sciences – Syracuse Biolabs	93.859	32213	—	66,342
Subtotal			<u>9,120</u>	<u>3,673,231</u>
Child Health and Human Development Extramural Research	93.865	Direct	54,337	781,755
Child Health and Human Development Extramural Research – Eunice Kennedy Shriver National Institute Medical University of South Carolina - Operant Conditioning in People After Stroke	93.865	Direct	249,535	475,371
Sloan Kettering Institute for Cancer Research - Essential Roles for RNAi/hpRNAs	93.865	A00-2240-5025	—	32,945
Child Health and Human Development Extramural Research - University of Michigan	93.865	MSKSUB00000130	—	17,825
Subtotal		SUBK00018837	<u>—</u>	<u>16,513</u>
Subtotal			<u>303,872</u>	<u>1,324,409</u>
Aging Research	93.866	Direct	688,585	1,488,922
Aging Research – Pennsylvania State University	93.866	S000088-DHHS	—	39,320
Aging Research – University of Kentucky	93.866	3200002223-19-099	—	56,670
Aging Research – University of Alabama Birmingham	93.866	000522731-SC005	—	148,476
Aging Research – University of Michigan	93.866	SUBK00018449	—	29,800
Aging Research – University of Southern California	93.866	SCON-00004008	—	18,934
Aging Research – University of Maryland	93.866	118483-Z0592201	—	335
Subtotal			<u>688,585</u>	<u>1,782,457</u>
<i>Administration For Community Living:</i>				
ACL National Institute on Disability, Independent Living and Rehabilitation Research	93.433	Direct	489,421	896,269
ACL National Institute on Disability, Independent Living and Rehabilitation Research – Memorial Hermann Texas Medical Center	93.433	18-1835	—	22,250
ACL National Institute on Disability, Independent Living and Rehabilitation Research – Memorial Hermann Texas Medical Center	93.433	2023-Yr1-ADAPARC-SYRACSE	—	31,730
ACL National Institute on Disability, Independent Living and Rehabilitation Research – National Disability Institute	93.433	ABLE-DRRP	—	54,161
ACL National Institute on Disability, Independent Living and Rehabilitation Research – Rutgers University	93.433	2191	—	300,246
Subtotal			<u>489,421</u>	<u>1,304,656</u>
Developmental Disabilities Projects of National Significance – K-STEP – University of Kansas Center for Research	93.631	FY2022-042	—	22,789
Total Department of Health and Human Services			<u>1,944,631</u>	<u>16,702,259</u>
Social Security Administration – Retirement and Research Consortium - Boston College	96.007	5107175-03	—	73,362
US Department of Homeland Security - Media Literacy and the Metaverse	97.132	Direct	—	10,477
USAID – Egypt Joint Science and Technology Fund – National Academy of Sciences	98.001	2000011867	—	857
Total Research and Development Cluster			<u>3,651,874</u>	<u>39,094,143</u>
Student Financial Assistance Cluster:				
<i>Department of Education:</i>				
Federal Supplemental Educational Opportunity Grant	84.007	Direct	—	2,444,938
Federal Work-Study Program	84.033	Direct	8,861	3,038,093
Federal Perkins Loan Program (note 2)	84.038	Direct	—	16,901,233
Federal Pell Grant Program	84.063	Direct	—	13,962,347
Federal Direct Student Loan Program (note 3)	84.268	Direct	—	149,746,592
Teacher Education Assistance for College and Higher Education Grants	84.379	Direct	—	162,871
Total Department of Education			<u>8,861</u>	<u>186,256,074</u>
Total Student Financial Assistance Cluster			<u>8,861</u>	<u>186,256,074</u>
TRIO Cluster:				
<i>Department of Education:</i>				
Student Support Services – 2020 – 2025	84.042	Direct	—	386,867
McNair Post-Baccalaureate Achievement	84.217	Direct	—	258,787
Total TRIO Cluster			<u>—</u>	<u>645,654</u>

SYRACUSE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Federal grantor/pass-through grantor/program or cluster title	Federal assistance listing number	Direct or pass-through identifying number	Passed through to subrecipients	Total federal expenditures
Other Federal Awards:				
Department of Agriculture:				
Technical Assistance and Training Grants	10.761	Direct	\$ 24,999	198,427
Technical Assistance and Training Grants	10.762	Direct	—	32
Solid Waste Management Grants	10.762	Direct	19,847	434,366
Subtotal			19,847	434,398
USDA Climate Smart Commodities – State University of New York College of Environmental Science and Forestry				
	10.937	NYSDEC #12965	—	17,594
Total Department of Agriculture			44,846	650,419
Department of Defense:				
Defense Media Activity	12.000	Direct	—	3,068
Department of the Army	12.000	Direct	—	1,721,346
Department of the Navy – Military Motion Media	12.000	Direct	—	848,983
Subtotal			—	2,573,397
US Army Research Office – Northwestern University	12.431	60062498 SU	—	12,673
US Air Force Research Laboratory	12.800	Direct	—	1,339
Air Force Institute of Technology – Educational Service Agreement	12.800	Direct	—	17,485
Subtotal			—	18,824
Defense Intelligence Agency – Office of the Director of National Intelligence	12.598	Direct	86,996	378,908
Department of Defense Education Activity – Competitive Grants:				
Promoting K-12 Student Achievement at Military-Connected Schools – Copenhagen Central School District	12.556	20220311	—	11,296
Watertown Central School District	12.556	20220314	—	16,501
Subtotal			—	27,797
Total Department of Defense			86,996	3,011,599
US Geological Survey/Department of the Interior - Cornell University				
	15.820	93205-20693	—	18,779
Total Department of the Interior			—	18,779
Department of Justice:				
Crime Victim Assistance/Discretionary Grants – Vera House	16.582	OVC-2020-18114	—	14,247
Total Department of Justice			—	14,247
Department of State:				
Academic Exchange Programs – Undergraduate Programs –				
International Research & Exchanges Board	19.009	FY22-YALI-PM-Syracuse-08	—	148,651
Mandela Washington Fellowship – International Research & Exchanges Board	19.009	FY23-YALI-PM-Syracuse-09	—	20,360
Subtotal			—	169,011
Academic Exchange Programs – Hubert H. Humphrey Fellowship Programs –				
Institute of International Education – HHH 2022	19.010	3000258865	—	319,634
Institute of International Education – 2023 HHH Enhancement Workshop	19.010	3000282550	—	29,994
Institute of International Education – Foreign Fulbright English	19.010	3000243949	—	144,459
Institute of International Education – Foreign Fulbright Pre-Academic Program	19.010	3000287514	—	139
Subtotal			—	494,226
Total Department of State			—	663,237
Department of the Treasury:				
Internal Revenue Service – Low Income Taxpayer Clinics	21.008	Direct	—	100,001
Total Department of the Treasury			—	100,001
Office of Personnel Management				
Intergovernmental Personnel Act (IPA) Assignment	27.011	Direct	—	31,616
Department of Veteran Affairs – Syracuse VA Medical Center (IPA)	27.011	9.1.22	—	11,692
Veteran's Affairs Finger Lakes Healthcare System - Intergovernmental Personnel Assignment COE				
	27.011	10.24.22	—	19,137
Total Office of Personnel Management			—	62,445
National Endowment For the Humanities:				
NYS Council on the Arts	45.129	ART01-T13157GG-1030000	—	3,025
Promotion of the Humanities Fellowship and Stipends	45.160	Direct	—	1,838
National Endowment of the Arts and Humanities – University of Rochester	45.169	SUB00000213/GR532042	—	563
Total National Endowment For the Humanities			—	5,426
Institute of Museum and Library Science:				
Institute of Museum and Library Science – Librarians for the 21st Century	45.313	Direct	3,500	4,592
Total Institute of Museum and Library Science			3,500	4,592
Small Business Administration:				
Women's Business Ownership Assistance	59.043	Direct	—	273,764
Veterans Outreach Program	59.044	Direct	—	1,178,981
Community Navigator Pilot Program	59.077	Direct	1,678,431	2,447,796
Total Small Business Administration			1,678,431	3,900,541
Department of Veterans Affairs Interpersonal Assignment Agreement – Syracuse Medical VA Center				
	64.043	32798-IPA	—	2,771
Department of Veterans Affairs Interpersonal Assignment Agreement – Syracuse Medical VA Center				
	64.043	32939-IPA	—	66,538
Department of Veterans Affairs – Veterans Affairs Pittsburgh	64.000	36C24421C0064	—	7,522
Total Department of Veterans Affairs			—	76,831

SYRACUSE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Federal grantor/pass-through grantor/program or cluster title	Federal assistance listing number	Direct or pass-through identifying number	Passed through to subrecipients	Total federal expenditures
Environmental Protection Agency:			\$	
Environmental Finance Center Grants	66.203	Direct	—	114,072
Environmental Finance Center Grants - University of NC at Chapel Hill	66.203	5122551	—	7,499
Subtotal			—	121,571
Southeast New England Coastal Watershed Restoration – University of Southern Maine	66.129	SNEP1-04	—	45,374
Surveys, Studies, Investigations, Demonstrations and Training Grants and Cooperative Agreements – Section 104(b)(3) of Clean Water Act – University of North Carolina	66.436	5111286	—	27,698
Surveys, Studies, Investigations, Demonstrations and Training Grants and Cooperative Agreements – Section 104(b)(3) of Clean Water Act – University of New Mexico	66.436	281131-87W9	—	144,095
Surveys, Studies, Investigations, Demonstrations and Training Grants and Cooperative Agreements – Section 104(b)(3) of Clean Water Act – University of New Mexico	66.436	281132-87W9	—	71,880
Subtotal			—	243,673
Innovative Water Infrastructure Workforce Development Program	66.445	Direct	53,308	133,761
Environmental Protection Agency – Wichita State University	66.445	WSU#22-01726	—	43,563
Subtotal			53,308	177,324
Training and Technical Assistance for Wastewater Treatment Works - University of New Mexico	66.446	281154-87W9	—	40,847
Total Environmental Protection Agency			53,308	628,789
Department of Education:				
National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program – Cornell University	84.015	88039-11128	—	46,780
Cornell University	84.015	87309-11116	—	41,550
Cornell - Syracuse NRC Comprehensive Consortium	84.015	143065-21734	—	47,271
Cornell - Title VI Language and Area Studies Fellowship Program	84.015	143227-21735	—	121,411
Subtotal			—	257,012
Javits Gifted and Talented Students Education Grant Program	84.206A	Direct	—	385,191
Fund for the Improvement of Education – Elmira City School District	84.215	20220106	—	42,429
Inclusive Consortium of Leaders in Urban Disabilities Education – Florida International University	84.325	800011810 – 02UG	—	233,177
Project IMPRESS	84.325	Direct	—	65,697
Subtotal			—	298,874
COVID-19, Higher Education Emergency Relief Fund Student Support	84.425E	Direct	—	3,210,842
Total Department of Education			—	4,194,348
Department of Health and Human Services:				
National Institute on Alcohol Abuse and Alcoholism	93.273	Direct	—	10,419
Administration for Children and Families, Department of Health and Human Services ACL National Institute on Disability, Independent Living and Rehabilitation Research	93.433	Direct	166,565	1,215,775
University Centers for Excellence in Developmental Disabilities Education, Research, and Service – University of Kansas Center for Research	93.632	FY2022-041	—	12,107
Social Services Research and Demonstration – OCFS Child Care Stabilization Grant	93.647	A-14499	—	78,720
Administration for Children and Families - Early Education and Child Care Center	93.647	A-14466	—	37,926
NYS Office of Children and Family Services - The Child Care Stabilization Grant 2.0	93.647	9.21.22	—	16,146
Subtotal			—	132,792
Mental and Behavioral Health Education and Training Grants – Health Resources and Services Admin	93.732	Direct	27,305	380,004
Total Department of Health and Human Services			193,870	1,751,097
Federal Emergency Management Agency:				
COVID-19, Disaster Grants – Public Assistance (Presidentially Declared Disasters) – FEMA-4480-DR-NY	97.036	PA-02-NY-4480-PW-01555	—	234,009
COVID-19, Disaster Grants – Public Assistance (Presidentially Declared Disasters) – SU – COVID-19 Testing	97.036	PA-02-NY-4480-PW-01639	—	672,881
COVID-19, Disaster Grants – Public Assistance (Presidentially Declared Disasters) – SU – COVID-19 Testing	97.036	PA# 067-111FA-00	—	3,651,511
COVID-19, Disaster Grants – Public Assistance (Presidentially Declared Disasters) – PPE & Cleaning/Disinfecting Supplies	97.036	WC 684519	—	1,993,410
Total Federal Emergency Management Agency			—	6,551,811
Total Other Federal Expenditures			2,060,951	21,634,162
Total Expenditures of Federal Awards			\$ 5,721,686	247,630,033

See accompanying notes to schedule of expenditures of federal awards.

SYRACUSE UNIVERSITY

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

(1) Basis of Presentation

The accompanying supplementary schedule of expenditures of federal awards (the Schedule) summarizes the expenditures of Syracuse University (the University) under programs of the federal government for the year ended June 30, 2023.

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

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

(2) Federal Student Financial Assistance

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

Balance as of June 30, 2022	Loans issued	Payments and adjustments	Balance as of June 30, 2023
\$ 16,901,233		(4,804,632)	12,096,601

As required by the Uniform Guidance, the amount shown on the Schedule as expenditures for the Perkins Loan Program is equal to the balance of loans outstanding at June 30, 2022. Under federal law, the Perkins Loan Program ended on September 30, 2017, and final disbursements under the program were permitted through June 30, 2018.

(3) Federal Direct Student Loans

During the year ended June 30, 2023, the University processed new loans of \$149,746,592 under the Federal Direct Student Loans program.

With respect to this program, the University is responsible only for the performance of certain administrative duties and, accordingly, these loans are not included in the University's consolidated financial statements. It is not practical to determine the balances of loans outstanding to students of the University under the Federal Direct Student Loans program as of June 30, 2023.

SYRACUSE UNIVERSITY

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

(4) Facilities and Administrative Costs

The University has obtained predetermined facilities and administrative cost rates for fiscal year 2023, which have been reviewed and approved by the U.S. Department of Health and Human Services. The base rate for on-campus research was 49.0% and for off-campus research was 26.0%. The University did not elect to utilize the 10% de minimus indirect cost rate in Part 200.514 of the Uniform Guidance.

Total facilities and administrative costs recovered for fiscal year 2023 amounted to approximately \$11.3 million.



KPMG LLP
515 Broadway
Albany, NY 12207-2974

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

The Board of Trustees
Syracuse University:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Syracuse University and subsidiaries (the University), which comprise the consolidated balance sheet as of June 30, 2023, 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 October 4, 2023, except as to note 17, which is as of March 26, 2024.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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



Purpose of This Report

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

KPMG LLP

Albany, New York

October 4, 2023, except as to note 17 to the consolidated financial statements, which is as of March 26, 2024



KPMG LLP
515 Broadway
Albany, NY 12207-2974

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

The Board of Trustees
Syracuse University:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Syracuse University's (the University) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2023. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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



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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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 October 4, 2023, except as to note 17, which is as of March 26, 2024, 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

Albany, New York
March 26, 2024

SYRACUSE UNIVERSITY

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

(1) Summary of Auditors' Results

- (a) Type of report issued on whether the consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles: **Unmodified**
- (b) Internal control deficiencies over financial reporting disclosed by the audit of the consolidated financial statements:
- Material weaknesses: **No**
 - Significant deficiencies: **None reported**
- (c) Noncompliance material to the financial statements: **No**
- (d) Internal control deficiencies over major programs disclosed by the audit:
- Material weaknesses: **No**
 - Significant deficiencies: **None reported**
- (e) Type of report issued on compliance for each major program: **Unmodified**
- (f) Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?: **No**
- (g) Major programs:
- Student Financial Assistance Cluster – various Federal Assistance Listing numbers
 - Research and Development Cluster – various Federal Assistance Listing numbers
 - Higher Education Emergency Relief Act (HEERF) – 84.425E
 - Community Navigator Pilot Program – 59.077
- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$1,841,219**
- (i) Auditee qualified as a low-risk auditee: **Yes**

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

None.

(3) Findings and Questioned Costs Relating to Federal Awards

None.