

Princeton University

**Report on Federal Awards in Accordance with
OMB Uniform Guidance and New Jersey Office of
Management and Budget Circular 15-08**

For the year ended June 30, 2022

Employer Identification Number 21-0634501

Princeton University
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For the year ended June 30, 2022
Table of Contents

	Page(s)
Report of Independent Auditors	2-3
Consolidated Statements of Financial Position as of June 30, 2022 and 2021.....	4
Consolidated Statements of Activities for the years ended June 30, 2022 and June 30, 2021	5-6
Consolidated Statements of Cash Flows for the years ended June 30, 2022 and 2021	7
Notes to the Consolidated Financial Statements	8-35
Schedule of Expenditures of Federal Awards for the year ended June 30, 2022.....	36-42
Schedule of Expenditures of State of New Jersey Awards for the year ended June 30, 2022	43
Notes to Schedules of Expenditures of Federal and State Awards for the year ended June 30, 2022 ..	44-45
Schedule of Financial Responsibility Data for the year ended June 30, 2022.....	46
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	47-48
Report of Independent Auditors on Compliance for Each Federal and State Major Program and on Internal Control Over Compliance Required by Uniform Guidance, New Jersey Department of Treasury Circular Letter 15-08 Office of Management and Budget and The New Jersey Higher Education Student Assistance Authority.....	49-51
Summary of Independent Auditor’s Results	52-53
Schedule of Findings and Questioned Costs	54
Summary Schedule of Prior Audit Findings and Status	55



Report of Independent Auditors

To the Trustees of Princeton University

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Princeton University and its subsidiaries (the “University,” which as described in Note 2 is legally known as The Trustees of Princeton University), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, and of cash flows for the years then ended, including the related notes (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.



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

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

Supplemental Information

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 for the year ended June 30, 2022, and schedule of expenditures of State of New Jersey awards for the year ended June 30, 2022 and schedule of financial responsibility data as of and for the year ended June 30, 2022 are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), The State of New Jersey Department of the Treasury Circular Letter 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the Department of Education, respectively, and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, the schedule of expenditures of state of New Jersey awards and schedule of financial responsibility data are fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2022 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended June 30, 2022. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of 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.

PricewaterhouseCoopers LLP

New York, New York
November 21, 2022

Consolidated Statements of Financial Position

Princeton University
June 30, 2022 and 2021

<i>(dollars in thousands)</i>	2022	2021
Assets		
Cash	\$ 27,736	\$ 37,297
Accounts receivable	158,691	161,933
Receivables associated with investments	25,673	98,282
Educational and mortgage loans receivable	448,278	450,663
Contributions receivable	365,019	280,913
Managed investments at fair value	35,502,602	37,364,851
Funds held in trust by others	123,691	144,338
Other investments	1,850,436	1,335,787
Property, net of accumulated depreciation	4,988,384	4,520,824
Other assets	68,754	65,150
Total assets	\$ 43,559,264	\$ 44,460,038
Liabilities		
Accounts payable	\$ 100,268	\$ 70,820
Liabilities associated with investments	25,957	60,241
Deposits, advance receipts, and accrued liabilities	396,954	352,747
Deposits held in custody for others	181,694	181,720
Liability under planned giving agreements	81,198	100,392
Indebtedness to third parties	4,101,724	3,547,757
Accrued postretirement benefits	484,225	683,527
Total liabilities	\$ 5,372,020	\$ 4,997,204
Net assets		
Without donor restrictions controlled by the University	\$ 16,930,941	\$ 17,355,782
Without donor restrictions attributable to noncontrolling interests	211,545	211,035
Total net assets without donor restrictions	17,142,486	17,566,817
Total net assets with donor restrictions	21,044,758	21,896,017
Total net assets	\$ 38,187,244	\$ 39,462,834
Total liabilities and net assets	\$ 43,559,264	\$ 44,460,038

See notes to consolidated financial statements.

Consolidated Statements of Activities

Princeton University
Year ended June 30, 2022

<i>(dollars in thousands)</i>	Without Donor Restrictions	With Donor Restrictions	2022 Total
Revenues and other sources			
Tuition and fees, net of financial aid	\$ 144,961	-	\$ 144,961
Government grants and contracts	362,297	-	362,297
Private gifts, grants, and contracts	85,901	\$ 117,206	203,107
Auxiliary sales and services, net of financial aid	74,466	-	74,466
Other operating revenues	35,132	-	35,132
Investment earnings distributed	701,760	835,426	1,537,186
Total operating revenues	1,404,517	952,632	2,357,149
Net assets released from restrictions	926,209	(926,209)	-
Total revenues and other sources	2,330,726	26,423	2,357,149
Operating expenses			
Salaries and wages	863,632	-	863,632
Employee benefits	269,375	-	269,375
Supplies, services, and other	388,924	-	388,924
Space and occupancy	87,666	-	87,666
Student stipends and prizes	80,179	-	80,179
Depreciation	195,929	-	195,929
Interest on indebtedness	113,483	-	113,483
Total operating expenses	1,999,188	-	1,999,188
Results of operations	331,538	26,423	357,961
Nonoperating activities			
Adjustments to planned giving agreements	-	(12,204)	(12,204)
Decrease in value of assets held in trust by others	-	(20,647)	(20,647)
Private gifts, noncurrent	15,173	254,833	270,006
Net realized and unrealized loss on investments	(296,790)	(263,679)	(560,469)
Distribution of investment earnings	(701,760)	(835,426)	(1,537,186)
Net periodic benefit cost other than service cost	(16,272)	-	(16,272)
Other postretirement benefit changes	242,712	-	242,712
Reclassifications, transfers, and other nonoperating	559	(559)	-
Decrease from nonoperating activities	(756,378)	(877,682)	(1,634,060)
Decrease in net assets - University	(424,840)	(851,259)	(1,276,099)
Change in noncontrolling interests	509	-	509
Total decrease in net assets	(424,331)	(851,259)	(1,275,590)
Net assets at the beginning of the year	17,566,817	21,896,017	39,462,834
Net assets at the end of the year	\$ 17,142,486	\$ 21,044,758	\$ 38,187,244

See notes to consolidated financial statements.

Consolidated Statements of Activities

Princeton University
Year ended June 30, 2021

<i>(dollars in thousands)</i>	Without Donor Restrictions	With Donor Restrictions	2021 Total
Revenues and other sources			
Tuition and fees, net of financial aid	\$ 104,671	-	\$ 104,671
Government grants and contracts	342,042	-	342,042
Private gifts, grants, and contracts	87,459	\$ 79,035	166,494
Auxiliary sales and services, net of financial aid	34,045	-	34,045
Other operating revenues	47,274	-	47,274
Investment earnings distributed	663,187	804,778	1,467,965
Total operating revenues	1,278,678	883,813	2,162,491
Net assets released from restrictions	843,992	(843,992)	-
Total revenues and other sources	2,122,670	39,821	2,162,491
Operating expenses			
Salaries and wages	817,649	-	817,649
Employee benefits	250,595	-	250,595
Supplies, services, and other	305,396	-	305,396
Space and occupancy	78,358	-	78,358
Student stipends and prizes	75,049	-	75,049
Depreciation	188,591	-	188,591
Interest on indebtedness	124,292	-	124,292
Total operating expenses	1,839,930	-	1,839,930
Results of operations	282,740	39,821	322,561
Nonoperating activities			
Adjustments to planned giving agreements	-	33,758	33,758
Increase in value of assets held in trust by others	-	30,248	30,248
Private gifts, noncurrent	6,978	212,045	219,023
Net realized and unrealized gain on investments	5,304,526	6,524,272	11,828,798
Distribution of investment earnings	(663,187)	(804,778)	(1,467,965)
Net periodic benefit cost other than service cost	(16,991)	-	(16,991)
Other postretirement benefit changes	34,166	-	34,166
Reclassifications, transfers, and other nonoperating	5,555	(5,555)	-
Increase from nonoperating activities	4,671,047	5,989,990	10,661,037
Increase in net assets - University	4,953,787	6,029,811	10,983,598
Change in noncontrolling interests	22,656	-	22,656
Total increase in net assets	4,976,443	6,029,811	11,006,254
Net assets at the beginning of the year	12,590,374	15,866,206	28,456,580
Net assets at the end of the year	\$ 17,566,817	\$ 21,896,017	\$ 39,462,834

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Princeton University

Years ended June 30, 2022 and 2021

<i>(dollars in thousands)</i>	2022	2021
Cash flows from operating activities		
Change in net assets	\$ (1,275,590)	\$ 11,006,254
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation expense	195,929	188,591
Amortization of bond issuance costs and premiums	(15,608)	(23,269)
Property gifts-in-kind	(7,403)	(449)
Adjustments to planned giving agreements	12,204	(33,758)
Net realized and unrealized (gains) losses on investments	857,421	(11,828,798)
Loss on disposal of fixed assets	7,846	4,712
Decrease (Increase) in value of assets held in trust by others	20,647	(32,247)
Contributions received for long-term investment	(134,092)	(257,911)
Change in noncontrolling interests	(509)	(22,656)
Changes in operating assets and liabilities:		
Receivables	(78,479)	61,828
Other assets	(3,604)	(6,540)
Accounts payable	18,233	18,669
Deposits, advance receipts, and accrued liabilities	44,207	111,561
Deposits held in custody for others	(25)	51,106
Accrued postretirement benefits	(199,302)	41,557
Net cash and restricted cash used in operating activities	(558,125)	(721,350)
Cash flows from investing activities		
Purchases of property, plant, and equipment	(652,832)	(452,618)
Proceeds from disposal of property, plant, and equipment	115	1,155
Purchases of investments	(37,611,838)	(20,216,086)
Proceeds from maturities/sales of investments	37,948,657	20,552,709
Net cash and restricted cash used in investing activities	(315,898)	(114,840)
Cash flows from financing activities		
Issuance of indebtedness to third parties	661,379	511,331
Payment of debt principal	(91,804)	(336,823)
Contributions received for long-term investment	134,092	257,911
Transactions on planned giving agreements	(31,398)	47,895
Net cash and restricted cash provided by financing activities	672,269	480,314
Net decrease in cash and restricted cash	(201,754)	(355,876)
Cash and restricted cash at the beginning of the year	589,171	945,047
Cash and restricted cash at the end of the year	\$ 387,417	\$ 589,171
Supplemental disclosures		
Interest paid	\$ 136,910	\$ 136,024
Supplemental information on cash and restricted cash		
Cash as shown in the Consolidated Statements of Financial Position	\$ 27,736	\$ 37,297
Cash and restricted cash included in Managed Investments (see Note 4)	330,028	430,155
Cash included in Other Investments (see Note 3)	29,653	121,719
Total cash and restricted cash as shown on the Consolidated Statements of Cash Flows	\$ 387,417	\$ 589,171

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2022 and 2021

1. NATURE OF OPERATIONS

Princeton University (the “University”) is a private, not-for-profit, nonsectarian institution of higher learning. When originally chartered in 1746 as the College of New Jersey, it became the fourth college in British North America. It was renamed Princeton University in 1896. First located in Elizabeth, and briefly in Newark, the school moved to Princeton in 1756.

The student body numbers 5,240 undergraduates and 3,157 graduate students in more than 90 departments and programs. The University offers instruction in the liberal arts and sciences and in professional programs of the School of Architecture, the School of Engineering and Applied Science, and the Princeton School of Public and International Affairs. The faculty numbers approximately 1,295, including visitors and part-time appointments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of Princeton University (now legally known as “The Trustees of Princeton University”) are prepared on the accrual basis and include the accounts of its wholly owned subsidiaries, foundation, and investments controlled by the University. Financial information conforms to the statements of accounting principles of the Financial Accounting Standards Board (FASB) and to the American Institute of Certified Public Accountants *Audit and Accounting Guide for Not-for-Profit Entities*. Relevant pronouncements include FASB Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*.

External consolidated financial statements of not-for-profit organizations require the preparation of a consolidated statement of financial position, a consolidated statement of activities, and a consolidated statement of cash flows. The classification of the organization’s net assets and its revenues and expenses into two categories according to the existence or absence of donor-imposed restrictions — net assets with donor restrictions and net assets without donor restrictions — is also required. Changes, including reclassification and transfers, in each category are reflected in the Consolidated Statements of Activities, certain of which are further categorized as nonoperating. Such nonoperating activities primarily reflect transactions of a long-term investment or capital nature, contributions receivable in future periods, contributions subject to donor-imposed restrictions, gains and losses on investments in excess of the University’s spending rule, postretirement benefit changes, and other nonrecurring activities.

Cash and cash equivalents are recorded at fair value and include several depository accounts, checking accounts, institutional money market funds, and similar temporary investments with maturities of three months or less at the date of purchase. The University classifies cash equivalents that are part of the University’s investments as short-term investments.

Unconditional promises to give are recognized as revenues in the year made, not in the year in which the cash is received. The amounts are discounted based on timing of expected collections. Amounts received from donors to planned giving programs consist primarily of charitable trusts and charitable gift annuities. The assets related to these agreements are included in Other investments at fair value and the liability for the present value of annuity payments to the donor in Liability under planned giving agreements.

Other significant accounting policies are described elsewhere in these notes.

The preparation of the University’s consolidated financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the Consolidated Statements of Financial

Notes to Consolidated Financial Statements

Princeton University
Years ended June 30, 2022 and 2021

Position, and the reported amounts of revenues and expenses included in the Consolidated Statements of Activities. Actual results could differ from such estimates.

Revenue from Tuition, Fees, and Auxiliary Services

Revenue from tuition, fees, and auxiliary services, which consist primarily of student room and board, are presented at transaction prices, which typically are determined based on standard published rates for the services provided, less any institutional financial aid awarded by the University to qualifying students. For the years ended June 30, 2022 and 2021, revenue from tuition, fees, and auxiliary services was as follows:

2022	At published	Institutional	
<i>(dollars in thousands)</i>	rates	aid	Total net
Tuition and fees	\$ 453,299	\$ (308,338)	\$ 144,961
Room, board, and other	100,653	(26,187)	74,466
Total	\$ 553,952	\$ (334,525)	\$ 219,427

2021	At published	Institutional	
<i>(dollars in thousands)</i>	rates	aid	Total net
Tuition and fees	\$ 375,922	\$ (271,251)	\$ 104,671
Room, board, and other	42,855	(8,810)	34,045
Total	\$ 418,777	\$ (280,061)	\$ 138,716

Of the \$219 million in net total tuition, fees, and auxiliary revenue recognized in fiscal year 2022, \$188 million was from undergraduate students, \$22 million was from graduate students, and \$9 million was from other sources. Of the \$139 million in net total tuition, fees, and auxiliary revenue recognized in fiscal year 2021, \$113 million was from undergraduate students, \$19 million was from graduate students, and \$7 million was from other sources.

Tuition, fees, and auxiliary revenues are recognized and associated performance obligations are satisfied over time during the course of the fiscal year in which the student services are provided.

Revenue from Sponsored Grants and Contracts

The University receives sponsored program funding in the form of grants and contracts from governments, foundations, industry, and other private sources generally for research activities. The funding may represent a reciprocal transaction in exchange for an equivalent benefit in return, or it may be a nonreciprocal transaction in which the resources provided are for the benefit of the University, the funding organization's mission, or the public at large.

Grants and contracts that are reciprocal in nature include certain private grants and the contract with the U.S. Department of Energy to operate the Princeton Plasma Physics Laboratory. Revenue from exchange agreements generally is recognized over time as performance obligations are satisfied, which in most cases occur as related costs are incurred.

Revenue from nonexchange transactions (contributions/gifts and certain grants) may be subject to conditions in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). Revenue from conditional nonexchange transactions is recognized when the barrier is satisfied, which is generally as costs are incurred or certain milestones are achieved. Conditions on grants, such as Federal government grants, typically include limitations on how research activities must be conducted, such as compliance

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2022 and 2021

with OMB cost principles. In addition, the University has elected the simultaneous release option for conditional contributions that are subject to purpose restrictions. Under this option, net assets without donor restrictions include the donor-restricted contributions for which the purpose restrictions are met in the same reporting period as the revenue is recognized. Revenue from nonexchange agreements that are considered unconditional, such as most foundation grants, generally is recognized as revenue with donor restrictions when the grant funds are awarded, and is released into net assets without donor restrictions when the purpose has been met.

As of June 30, 2022, the University has unrecorded conditional grant agreements of \$329 million from government sponsors and \$113 million from nongovernment sponsors. Indirect costs recovered on federally sponsored programs generally are based on predetermined reimbursement rates, which are stated as a percentage and distributed based on the modified total direct costs incurred. The University negotiates its federal indirect rate with its cognizant federal agency. Indirect costs recovered on all other grants and contracts are based on rates negotiated with the respective sponsors.

New Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance increases the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. Nonfinancial assets include land, buildings, and equipment as well as the use of land, buildings, equipment, utilities, materials, supplies, intangible assets, and services. The guidance requires that contributed nonfinancial assets be reported in the consolidated statements of activities apart from contributions of cash and other financial assets. Disclosures are required for the disaggregation of the amount of contributed nonfinancial assets recognized in the consolidated statements of activities by category and type, qualitative information about whether the contributed nonfinancial assets were monetized or utilized, a description of the program(s) if utilized, policies surrounding monetization and utilization, donor imposed restrictions, valuation techniques and inputs to arrive at fair value, and information about the principal market used to determine fair value. This guidance, which must be applied retrospectively, is effective for the University in fiscal year 2022. The University adopted ASU 2020-07 in fiscal year 2022 and there was no material impact on the University consolidated financial statements.

In January 2021, the FASB issued ASU 2021-01, *Reference Rate Reform (Topic 848)*, which provides temporary optional guidance to ease the potential burden in accounting for reference rate reform due to the risk of cessation of the London Interbank Offered Rate (LIBOR). The amendments in this update are optional and apply to all entities that have derivative instruments that use an interest rate for margining, discounting, or contract price alignment that is modified as a result of reference rate reform. The pronouncement is effective immediately and can be applied through December 31, 2022. The University adopted ASU 2021-01 in fiscal year 2022 and there was no material impact on the University consolidated financial statements.

In August 2018, the FASB issued ASU 2018-14, *Compensation - Retirement Benefits - Defined Benefits Plans - General*. The new guidance changes the disclosures required for defined benefit pension and other postretirement benefit plans. Certain disclosures are no longer required, including the effect of a one-percentage-point change in the assumed healthcare cost trend rate on the aggregate of the service and interest cost components of net periodic benefit cost and on the benefit obligation for postretirement healthcare benefits. Additionally, new disclosures are

Notes to Consolidated Financial Statements

Princeton University
Years ended June 30, 2022 and 2021

required, including the reasons for significant gains and losses affecting benefit obligations. The University adopted ASU 2018-14 in fiscal year 2022, and there was no material impact on the University consolidated financial statements.

3. INVESTMENTS

Managed Investments

All managed investments are reported at fair value. The fair value of marketable equity, debt, and certain derivative securities (which include both domestic and foreign issues) generally is based upon a combination of published current market prices and exchange rates. The fair value of restricted securities and other investments for which published market prices are not available is based on estimated values using discounted cash flow analysis and other industry standard methodologies. Where applicable, independent appraisers and engineers assist in the valuation. The fair value of limited partnerships and similar investment vehicles is based on the net asset value of such investments and generally is estimated by external investment managers, including general partners or valuation committees. These valuations necessarily involve assumptions and methods that are reviewed, evaluated, and adjusted, if necessary, by the University. Changes in assumptions could have a significant effect on the fair values of these investments. Actual results could differ from these estimates and could have a material impact on the consolidated financial statements. These investments generally are less liquid than other investments, and the values reported may differ from the values that would have been reported had a ready market for these securities existed. Securities transactions are reported on a trade-date basis. Realized gains and losses are calculated using the specific identification cost method.

A summary of managed investments by asset category at fair value at June 30, 2022 and 2021 is presented below. The managed investment categories are presented on a “manager-mandate” basis, that is, all of the assets and market value of the underlying funds and accounts are included in the asset class that is the primary focus of the fund or account (many funds and accounts have contractual flexibility to invest across more than one asset class).

<i>(dollars in millions)</i>	2022	2021
Managed investments:		
Developed markets	\$ 2,797.1	\$ 3,388.6
Emerging markets	2,561.5	3,131.8
Independent return	8,648.4	8,435.0
Private equity	15,629.8	16,404.4
Real assets	4,114.1	4,420.4
Fixed income	1,421.6	1,154.5
Cash and other	330.1	430.2
Gross managed investments¹	\$ 35,502.6	\$ 37,364.9
Receivables (liabilities) associated with investments – net	(0.3)	38.0
Noncontrolling interests	(211.5)	(211.0)
Net managed investments	\$ 35,290.8	\$ 37,191.9

¹Includes derivative financial instruments at fair value

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2022 and 2021

The Princeton University Investment Company (PRINCO) manages investments for a foundation that the University controls, the Stanley J. Seeger Hellenic Fund, and deposits held in custody for others. The investment balances managed by PRINCO for these entities as of June 30, included in the University's consolidated financial statements, are as follows:

<i>(dollars in millions)</i>	2022	2021
Princeton University	\$ 35,063.1	\$ 36,958.4
Stanley J. Seeger Hellenic Fund	67.2	71.0
Deposits held in custody for others	160.5	162.5
Net managed investments	\$ 35,290.8	\$ 37,191.9

The composition of net investment return from managed and other investments for the years ended June 30 was as follows:

<i>(dollars in millions)</i>	2022	2021
Net realized and unrealized gains (losses)	\$ (857.4)	\$ 11,697.3
Interest, dividends, and other income	296.9	131.5
Total	\$ (560.5)	\$ 11,828.8

Princeton University investments, together with the Stanley J. Seeger Hellenic Fund and deposits held in custody for others, are invested in a single unitized pool. The market value of each unit was \$16,139.83 and \$17,067.25 at June 30, 2022 and 2021, respectively. The average value of a unit during the years ending June 30, 2022 and 2021 was \$16,924.40 and \$13,974.70, respectively.

The average invested market balance in the unitized pool during the years ending June 30, 2022 and 2021 was \$36.943 billion and \$30.165 billion, respectively.

The University follows a spending rule for its unitized investments, including funds functioning as endowment, that provides for regular increases in spending while preserving the long-term purchasing power of the endowment. Earnings distributed and available for spending are shown in operating revenue, and the balance is shown as nonoperating revenue. Amounts distributed per unit under that rule were \$703.48 and \$676.42 for fiscal years 2022 and 2021, respectively.

The University invests in various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

Derivative Financial Instruments

As part of its investment strategy, the University enters into transactions utilizing a variety of financial instruments and strategies, including futures, swaps, options, short sales, and forward foreign currency contracts. These financial instruments and strategies allow the University to fine-tune the asset allocation of the investment portfolio. In the case of forward currency exchange contracts, options, and swap contracts, these instruments are traded through securities and commodities exchanges. These financial instruments are executed with creditworthy banks and brokerage firms, are subject to an enforceable master netting arrangement or similar agreement, and are presented at fair value on a net basis on the Consolidated Statements of Financial Position.

Notes to Consolidated Financial Statements

Princeton University
Years ended June 30, 2022 and 2021

Investment-related derivative exposures at June 30 are as follows:

2022 <i>(dollars in millions)</i>	Long Notional¹	Short Notional¹	Net Derivative Assets (Liabilities)	Gains (Losses)²
Index futures	\$ 50.0	-	\$ 1.7	\$ (137.4)
Equity swaps	1,186.1	\$ (1,169.5)	58.6	664.7
Options contracts	318.4	(1,833.8)	334.4	273.5
Total	\$ 1,554.5	\$ (3,003.3)	\$ 394.7	\$ 800.8

2021 <i>(dollars in millions)</i>	Long Notional¹	Short Notional¹	Net Derivative Assets (Liabilities)	Gains (Losses)²
Index futures	-	\$ (1,123.3)	\$ (15.8)	\$ (234.7)
Equity swaps	\$ 1,218.2	(1,047.0)	16.6	79.6
Options contracts	-	-	-	-
Total	\$ 1,218.2	\$ (2,170.3)	\$ 0.8	\$ (155.1)

¹ Notional amounts are representative of the volume and activity of each derivative type during the years ended June 30, 2022 and 2021

² Gains and losses on derivatives are recorded under "Net realized and unrealized appreciation on investments" in the Consolidated Statements of Activities

Investment-related derivative assets, liabilities, and collateral by counterparty at June 30 are as follows:

2022 <i>(dollars in millions)</i>	# of Contracts	Gross Derivative Assets	Fair Value		
			Gross Derivative Liabilities	Collateral (Held) Pledged	Net
Counterparty A	2	\$ 22.3	-	\$ (18.2)	\$ 4.1
Counterparty B	9	-	\$ (89.9)	49.6	(40.3)
Counterparty C	9	521.5	(59.2)	(421.5)	40.8
Total	20	\$ 543.8	\$ (149.1)	\$ (390.1)	\$ 4.6

2021 <i>(dollars in millions)</i>	# of Contracts	Gross Derivative Assets	Fair Value		
			Gross Derivative Liabilities	Collateral (Held) Pledged	Net
Counterparty A	28	\$ 30.6	\$ (28.5)	\$ 47.0	\$ 49.1
Counterparty B	8	100.6	(77.7)	(16.8)	6.1
Counterparty C	1	-	(24.1)	6.3	(17.8)
Total	37	\$ 131.2	\$ (130.3)	\$ 36.5	\$ 37.4

Funds Held in Trust by Others

The University is the income beneficiary of various trusts that are held and controlled by independent trustees. In addition, the University is the income beneficiary of entities that qualify as supporting organizations under Section 509(a)(3) of the U.S. Internal Revenue Code. Funds held in trust by others are recognized at the estimated fair value of the assets or the present value of the future cash flows when the irrevocable trust is established or the University is notified of its existence. Funds held in trust by others, stated at fair value, amounted to \$123.7 million in 2022 and \$144.3 million in 2021.

Other Investments

Other investments include working capital (consisting primarily of U.S. Treasury bonds), a small number of funds that must be separately invested due to donor or legal restrictions, planned giving investments, proceeds from debt, and local real estate holdings expected to be liquidated strategically over several years.

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2022 and 2021

A summary of other investments at fair value at June 30, 2022 and 2021 is as follows:

<i>(dollars in millions)</i>	2022	2021
Working capital	\$ 655.8	\$ 459.5
Planned giving investments	152.8	195.2
Proceeds from debt	914.5	548.3
Strategic real estate investments	37.6	38.1
Other	89.7	94.7
Total	\$ 1,850.4	\$ 1,335.8

4. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosure about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. Fair value should be based on assumptions that market participants would use when pricing an asset or liability, including assumptions about risk and the risks inherent in valuation techniques and the inputs to valuations. Fair value measurements assume that the transaction occurs in the principal market for the asset or liability (the market with the most volume and activity for the asset or liability from the perspective of the reporting entity), or in the absence of a principal market, the most advantageous market for the asset or liability (the market in which the reporting entity would be able to maximize the amount received or minimize the amount paid). The University applies fair value measurements to certain assets and liabilities, including the University's managed investments, other investments, and funds held in trust by others, in accordance with the requirements described above.

The University maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Fair value is based on actively quoted market prices, if available. In the absence of actively quoted market prices, price information from external sources, including broker quotes and industry publications, is used. If pricing information from external sources is not available, or if observable pricing is not indicative of fair value, then judgment is required to develop the estimates of fair value using discounted cash flow and other income valuation approaches.

The University utilizes the following fair value hierarchy, which prioritizes, into three broad levels, the inputs to valuation techniques used to measure fair value:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities that the University has the ability to access at the measurement date. Instruments categorized in Level 1 primarily consist of a broadly traded range of equity and debt securities.

Level 2: Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived from observable market data by correlation or other means.

Level 3: Unobservable inputs for the asset or liability, including situations where there is little, if any, market activity for the asset or liability. Instruments categorized in Level 3 primarily consist of limited partnership interests and other similar investment vehicles.

The fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The lowest level input that is significant to a fair value measurement in its entirety determines the applicable level in the fair value hierarchy. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2022 and 2021

the asset or liability. Fair value measurements are categorized as Level 3 when a significant proportion of price or other inputs that are considered to be unobservable are used in their valuations.

Investments in investee funds that are valued using the net asset value (NAV) of the underlying investee fund as a practical expedient have been excluded from the fair value hierarchy and are shown as a separate column in the fair value leveling table. Where the University has the ability to redeem its investment with the investee at net asset value per share (or its equivalent) using the practical expedient, such investments have been excluded from the fair value hierarchy. Certain of these investments may be subject to modest holdback provisions to cover audit and other potential expenses or adjustments in the event of a complete withdrawal.

The University has various processes and controls in place to ensure that investment fair value is reasonable and performs due diligence procedures on its investments, including an assessment of applicable accounting policies, a review of the valuation procedures employed, and consideration of redemption features and price transparency. The University holds direct real estate investments categorized as Level 3. Valuation for material directly held real estate investments is determined from periodic valuations prepared by independent appraisers or broker opinions.

The following tables present the University's assets that are measured at fair value for each hierarchy level, at June 30, 2022 and 2021:

2022 <i>(dollars in millions)</i>	Fair Value Measurements at Reporting Date Using				NAV as Practical Expedient
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets at fair value					
Managed investments (gross):					
Developed markets	\$ 2,797.1	\$ 27.1	-	\$ 0.4	\$ 2,769.6
Emerging markets	2,561.5	0.2	\$ (22.2)	-	2,583.5
Independent return	8,648.4	7.0	-	-	8,641.4
Private equity	15,629.8	1.7	505.1	2.9	15,120.1
Real assets	4,114.1	687.5	(89.9)	21.8	3,494.7
Fixed income	1,421.6	1,421.6	-	-	-
Cash and other	330.1	722.5	(392.4)	-	-
Total managed					
investments (gross)	35,502.6	2,867.6	0.6	25.1	32,609.3
Funds held in trust by others	123.7	-	-	123.7	-
Other investments	1,850.4	1,655.0	-	195.4	-
Total	\$ 37,476.7	\$ 4,522.6	\$ 0.6	\$ 344.2	\$ 32,609.3

2021 <i>(dollars in millions)</i>	Fair Value Measurements at Reporting Date Using				NAV as Practical Expedient
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets at fair value					
Managed investments (gross):					
Developed markets	\$ 3,388.6	\$ 33.1	\$ (10.2)	\$ 0.5	\$ 3,365.2
Emerging markets	3,131.8	504.9	(24.1)	-	2,651.0
Independent return	8,435.0	14.6	-	0.5	8,419.9
Private equity	16,404.4	3.2	(45.8)	3.0	16,444.0
Real assets	4,420.4	847.4	96.7	3.0	3,473.3
Fixed income	1,154.5	1,154.5	-	-	-
Cash and other	430.2	469.1	(38.9)	-	-
Total managed					
investments (gross)	37,364.9	3,026.8	(22.3)	7.0	34,353.4
Funds held in trust by others	144.3	-	-	144.3	-
Other investments	1,335.8	1,100.8	-	235.0	-
Total	\$ 38,845.0	\$ 4,127.6	\$ (22.3)	\$ 386.3	\$ 34,353.4

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2022 and 2021

Assets and liabilities of a majority-owned and -controlled investment fund have been consolidated for reporting purposes at June 30, 2022 and 2021. Gross managed investments include consolidated investment fund assets of \$1,127.2 million and \$1,136.8 million at June 30, 2022 and 2021, respectively, and liabilities associated with investments include consolidated investment fund liabilities of \$0.0 million and \$8.9 million at June 30, 2022 and 2021, respectively. The portion of consolidated net assets not owned by the University is reported as a noncontrolling interest.

The following tables present the net change in the assets measured at fair value on a recurring basis and included in the Level 3 fair value category for the years ended June 30, 2022 and 2021:

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)							
(dollars in millions)	June 30, 2021	Total gains or losses included in changes in net assets	Purchases	Sales and settlements	Transfers into Level 3	Transfers out of Level 3	June 30, 2022
Assets at fair value							
Managed investments (gross):							
Developed markets	\$ 0.5	\$ (0.1)	-	-	-	-	\$ 0.4
Emerging markets	-	-	-	-	-	-	-
Independent return	0.5	-	-	\$ (0.5)	-	-	-
Private equity	3.0	(0.1)	-	-	-	-	2.9
Real assets	3.0	(29.6)	\$ 1.1	(13.6)	\$ 60.9	-	21.8
Total managed							
investments (gross)	7.0	(29.8)	1.1	(14.1)	60.9	-	25.1
Funds held in trust by others	144.3	(20.6)	-	-	-	-	123.7
Other investments	235.0	(30.0)	3.4	(13.0)	-	-	195.4
Total Level 3 investments	\$ 386.3	\$ (80.4)	\$ 4.5	\$(27.1)	\$ 60.9	-	\$ 344.2

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)							
(dollars in millions)	June 30, 2020	Total gains or losses included in changes in net assets	Purchases	Sales and settlements	Transfers into Level 3	Transfers out of Level 3	June 30, 2021
Assets at fair value							
Managed investments (gross):							
Developed markets	\$ 0.9	\$ (0.8)	\$ 0.4	-	-	-	\$ 0.5
Emerging markets	-	-	-	-	-	-	-
Independent return	1.1	0.3	-	\$ (0.9)	-	-	0.5
Private equity	11.4	(8.4)	-	-	-	-	3.0
Real assets	3.4	(0.2)	1.2	(1.4)	-	-	3.0
Total managed							
investments (gross)	16.8	(9.1)	1.6	(2.3)	-	-	7.0
Funds held in trust by others	112.1	30.1	2.1	-	-	-	144.3
Other investments	194.3	57.5	3.0	(19.8)	-	-	235.0
Total Level 3 investments	\$ 323.2	\$ 78.5	\$ 6.7	\$(22.1)	-	-	\$ 386.3

The University assesses the valuation hierarchy for each asset or liability measured on an annual basis. From time to time, assets or liabilities will be transferred within hierarchy levels as a result of changes in valuation methodologies, liquidity, and/or redemption terms. Three transfers into Level 3 from NAV assets occurred in the year ended June 30, 2022. The University's policy is to recognize transfers at the beginning of the reporting period.

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2022 and 2021

Realized gains of \$3.5 million and \$5.7 million related to Level 3 investments and unrealized losses of \$83.9 million and unrealized gains of \$72.8 million related to Level 3 investments are included in net realized and unrealized appreciation on investments in the Consolidated Statements of Activities for the years ended June 30, 2022 and 2021, respectively.

The following tables and disclosures set forth the significant terms of the agreements with investment managers or funds by major category at June 30, 2022 and 2021. The information is presented on a “manager-mandate” basis.

2022 <i>(dollars in millions)</i>	June 30 Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Managed investments (gross)				
Developed markets (a)	\$ 2,797.1	\$ 68.1	monthly—annually	10-180 days
Emerging markets (b)	2,561.5	278.6	daily—annually	7-90 days
Independent return (c)	8,648.4	507.1	monthly—annually	3-90 days
Fixed income and cash (d)	1,751.7	-	daily	1 day
Marketable asset classes	\$ 15,758.7	\$ 853.8		
Private equity (e)	15,629.8	3,758.3		
Real assets (f)	4,114.1	2,121.6		
Nonmarketable asset classes	\$ 19,743.9	\$ 5,879.9		
Total gross managed investments	\$ 35,502.6	\$ 6,733.7		

2021 <i>(dollars in millions)</i>	June 30 Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Managed investments (gross)				
Developed markets (a)	\$ 3,388.6	\$ 119.2	monthly—annually	10-120 days
Emerging markets (b)	3,131.8	1.1	daily—annually	7-90 days
Independent return (c)	8,435.0	547.1	monthly—annually	3-90 days
Fixed income and cash (d)	1,584.7	-	daily	1 day
Marketable asset classes	\$ 16,540.1	\$ 667.4		
Private equity (e)	16,404.4	2,889.0		
Real assets (f)	4,420.4	1,646.2		
Nonmarketable asset classes	\$ 20,824.8	\$ 4,535.2		
Total gross managed investments	\$ 37,364.9	\$ 5,202.6		

(a) Developed Markets: This asset class includes funds and accounts primarily invested in equities traded on domestic exchanges, over-the-counter markets, or equity and debt securities traded on exchanges in countries with developed economies. The fair values of the investments in this asset class have been estimated using the net asset value per share of the investee funds. Investments representing approximately 4 percent of the market value of this asset class are in nonredeemable assets.

(b) Emerging Markets: This asset class includes funds primarily invested in public equity and debt securities traded in countries with emerging economies. The fair values of the investments in this asset class have been

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2022 and 2021

estimated using the net asset value per share of the investee funds or, in the case of custodied accounts, the fair value of the securities held, at prevailing exchange rates. Investments representing approximately 32 percent of the market value of this asset class are invested in nonredeemable assets.

(c) Independent Return: This asset class includes funds invested in equity and debt securities and financial instruments such as options, swaps, futures, and other derivatives. Funds in this asset class may hold both long and short positions in any of these instruments and pursue a variety of investment strategies such as long/short equity investments and event-driven/arbitrage based upon the fund's investment mandate and the current opportunity set. Investments representing approximately 25 percent of the market value of this asset class are invested in nonredeemable assets.

(d) Fixed Income and Cash: On a combined basis, these asset classes primarily include U.S. government and U.S. government-guaranteed securities held in separate accounts at the custodial bank. The majority of the investments in these asset classes can be liquidated on a daily basis.

(e) Private Equity: This asset class includes funds primarily invested in buyouts or venture capital. The fair values of the investments in this asset class generally have been estimated using partners' capital statements issued by the funds, which reflect the University's ownership interest. Generally, investments in this asset class are not redeemable. Distributions from investee funds in the portfolio are received as the underlying investments of the funds are liquidated.

(f) Real Assets: This asset class includes funds primarily invested in real estate and natural resources. The fair values of the investments in this asset class have been estimated using partners' capital statements issued by the funds, which reflect the University's ownership interest. Generally, investments in this asset class are not redeemable. However, \$855.2 million at June 30, 2022 and \$1,080.4 million at June 30, 2021 was invested in redeemable funds. More broadly, distributions from investee funds are received as the underlying investments of the funds are liquidated.

Investments in the marketable asset classes generally are redeemable, made in entities that allow the University to request withdrawals in specified circumstances. However, approximately \$3.0 billion of the marketable asset classes are invested in "nonredeemable assets," which are not eligible for redemption by the University. Nonredeemable assets are specific investments within a fund designated by the fund manager as ineligible for withdrawal. Due to the illiquid nature of nonredeemable assets, it is impossible for the University to predict when these assets will liquidate and the proceeds be distributed to investors.

In addition to nonredeemable assets, the University may be limited in its ability to effect a withdrawal if a fund manager invokes a "gate" provision restricting redemptions from its fund. Gates generally are triggered when aggregate fund withdrawal requests exceed a contractually predetermined threshold. No withdrawal requests were impacted by a gate in the year ended June 30, 2022.

The University is obligated under certain agreements to fund capital calls periodically up to specified commitment amounts. Such commitments generally are called over periods of up to 10 years and contain fixed expiration dates or other termination clauses.

Notes to Consolidated Financial Statements

Princeton University
Years ended June 30, 2022 and 2021

5. ENDOWMENT

The University's endowment consists of approximately 4,800 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the University to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the University to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

ASC 958, *Not-for-Profit Entities*, provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), which was enacted in the state of New Jersey in June 2009.

Interpretation of relevant law – The University interprets the UPMIFA as requiring the preservation of the fair value at the original gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Also classified as net assets with donor restrictions is accumulated appreciation on donor-restricted endowment funds until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by UPMIFA. The University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the University and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the University
- (7) The investment policies of the University

Endowment net asset composition by type of fund as of June 30, 2022 and 2021 was:

	Without Donor Restrictions	With Donor Restrictions	Total
2022 (dollars in thousands)			
Donor-restricted endowment funds:			
Restricted in perpetuity	-	\$ 2,355,951	\$ 2,355,951
Appreciation	-	17,483,330	17,483,330
Board-designated endowment funds	\$ 15,286,936	-	15,286,936
Total	\$ 15,286,936	\$ 19,839,281	\$ 35,126,217
2021 (dollars in thousands)			
Donor-restricted endowment funds:			
Restricted in perpetuity	-	\$ 2,251,419	\$ 2,251,419
Appreciation	-	18,579,232	18,579,232
Board-designated endowment funds	\$ 16,195,791	-	16,195,791
Total	\$ 16,195,791	\$ 20,830,651	\$ 37,026,442

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2022 and 2021

Changes in endowment net assets for the years ended June 30, 2022 and 2021 were:

2022 <i>(dollars in thousands)</i>	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of the year	\$ 16,195,791	\$ 20,830,651	\$ 37,026,442
Net investment return	(220,843)	(268,201)	(489,044)
Contributions	1,938	89,690	91,628
Appropriation of endowment assets for expenditure	(692,514)	(836,223)	(1,528,737)
Reclassifications, transfers, and board designations	2,564	23,364	25,928
Endowment net assets, end of year	\$ 15,286,936	\$ 19,839,281	\$ 35,126,217

2021 <i>(dollars in thousands)</i>	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of the year	\$ 10,978,605	\$ 14,965,678	\$ 25,944,283
Net investment return	5,369,914	6,513,537	11,883,451
Contributions	3,023	107,498	110,521
Appropriation of endowment assets for expenditure	(654,027)	(798,483)	(1,452,510)
Reclassifications, transfers, and board designations	498,276	42,421	540,697
Endowment net assets, end of year	\$ 16,195,791	\$ 20,830,651	\$ 37,026,442

Funds with deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the University to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in restricted net assets were \$2.4 million at June 30, 2022. The aggregate fair value of these funds was \$53.5 million, and the aggregate of the original gift amounts was \$55.9 million. At June 30, 2021, there were no funds with deficiencies. Deficiencies can result from unfavorable market fluctuations that occur shortly after the investment of new permanently restricted contributions while continued appropriations are deemed prudent by the Board of Trustees.

In accordance with the terms of donor gift instruments, the University is permitted to reduce the balance of restricted endowments below the original amount of the gift. Subsequent investment gains then are used to restore the balance up to the fair market value of the original amount of the gift. Both fund deficiencies and subsequent gains above that amount are recorded in net assets with donor restrictions.

Return objectives and risk parameters – The University has adopted investment and spending policies for endowment assets that attempt to support the University’s current and future operating needs while preserving intergenerational equity. Endowment assets include those assets of donor-restricted funds that the University must hold in perpetuity or for donor-specified periods as well as University-designated funds. Under these policies, the endowment assets are invested in a manner intended to produce returns that exceed both the annual rate of spending and University inflation.

Strategies employed for achieving objectives – The vast majority of the endowment assets are actively managed by PRINCO, which is structured as a University office but maintains its own Board of Directors, and operates under the final authority of the University’s Board of Trustees (the “Trustees”).

In pursuit of the investment return objectives, PRINCO maintains an equity-biased portfolio and seeks to partner with best-in-class investment management firms across diverse asset categories.

Notes to Consolidated Financial Statements

Princeton University
Years ended June 30, 2022 and 2021

Spending policy and how the investment objectives relate to spending policy – Each year, the Trustees decide upon an amount to be spent from the endowment for the following fiscal year. In their deliberations, the Trustees use a spending framework designed to enable sizable amounts to be spent in a reasonably stable fashion, while allowing for reinvestment sufficient to preserve purchasing power in perpetuity. The framework targets annual spending rates of between 4.0 percent and 6.25 percent.

The endowment must seek investment returns sufficient to meet spending policy targets as well as to maintain future purchasing power without deterioration of corpus resulting from University inflation.

6. LIQUIDITY AND AVAILABILITY OF RESOURCES

The University's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the Consolidated Statements of Financial Position were as follows:

<i>(dollars in thousands)</i>	2022	2021
Financial assets:		
Cash	\$ 27,736	\$ 37,297
Accounts receivable	115,244	102,216
Educational and mortgage receivable	15,767	15,993
Contributions receivable	137,527	115,406
Working capital	655,785	459,407
Investments: appropriated for spending in the following year	1,597,000	1,517,000
Total financial assets available within one year	\$ 2,549,059	\$ 2,247,319
Liquidity resources:		
Taxable debt and commercial paper (unexpended)	1,016,181	825,887
Bank lines of credit (undrawn)	534,434	533,195
Total financial assets and resources available within one year	\$ 4,099,674	\$3,606,401

As part of the University's liquidity management strategy, the University structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the University invests cash in excess of daily requirements in short-term working capital investments. Cash withdrawals from the managed investment pool normally coincide with the endowment spending distribution but may be adjusted higher or lower based on the timing of gift receipts, capital calls, income and capital distributions, operating expenses, and other factors affecting available cash. Endowment funds appropriated for spending are distributed to University department and program budgets for spending, subject to donor restrictions where applicable; however, cash withdrawals from the investment pool are available for general liquidity purposes. To help manage unanticipated liquidity needs, the University has committed bank lines of credit in the amount of \$555 million, upon which it could draw, and a taxable commercial paper program authorized to a maximum level of \$480 million.

Additionally, the University has board-designated endowment funds of \$15.3 billion and \$16.2 billion as of June 30, 2022 and 2021, respectively. Although the University does not

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2022 and 2021

intend to spend from its board-designated endowment funds other than amounts appropriated for expenditure as part of its annual budget approval process, amounts from its board-designated endowment could be made available if necessary. However, both the board-designated and donor-restricted endowments contain investments with lock-up provisions that reduce the total investments that could be made available (see Note 4 for disclosures about investments).

7. EDUCATIONAL AND MORTGAGE LOANS

Educational loans include donor-restricted and federally sponsored educational loans that bear mandated interest rates and repayment terms and are subject to significant restrictions on their transfer and disposition. These loans totaled \$42.7 million and \$46.0 million at June 30, 2022 and 2021, respectively.

Through a program designed to attract and retain excellent faculty and senior staff, the University provides home acquisition and financing assistance on residential properties in the area surrounding the University. Notes receivable from faculty and staff and co-ownership interests in the properties are included in mortgage loans and are collateralized by mortgages on those properties. These loans and interests totaled \$405.6 million and \$404.7 million at June 30, 2022 and 2021, respectively.

Allowance for Doubtful Loans

Management assesses the adequacy of the allowance for doubtful loans by performing evaluations of the loan portfolio, including such factors as the differing economic risks associated with each loan category, the financial condition of borrowers, the economic environment, the level of delinquent loans, and the value of any collateral associated with the loans. In addition to general economic conditions and other factors described above, a detailed review of the aging of loans receivable is considered in management's assessment. The level of the allowance is adjusted according to the results of management's analysis.

Loans less than 120 days delinquent are deemed to have a minimal delay in payment and generally are not written off. Loans delinquent by 120 days or more are subject to standard collection practices, including litigation. Only loans that are deemed uncollectible are written off, and this occurs only after several unsuccessful collection attempts, including placement at an external collection agency. Considering the other factors discussed herein, management considers the allowance for doubtful loans at June 30, 2022 and 2021 to be prudent and reasonable.

Educational and mortgage loans receivable at June 30, 2022 and 2021 are reported net of allowances for doubtful loans of \$1.2 million and \$0.6 million, respectively.

Notes to Consolidated Financial Statements

Princeton University
Years ended June 30, 2022 and 2021

8. CONTRIBUTIONS RECEIVABLE

At June 30, 2022 and 2021, the University had received from donors unconditional pledges receivable in the following periods:

<i>(dollars in thousands)</i>	2022	2021
Less than one year	\$ 137,527	\$ 115,406
One to five years	222,706	131,595
More than five years	48,392	61,995
Total	\$ 408,625	\$ 308,996
Less unamortized discount	35,217	21,113
Less allowance for doubtful pledges	8,389	6,970
Total	\$ 365,019	\$ 280,913

The amounts pledged have been recorded after discounting the future cash flows to the present value (discount rates ranged from 0.72 percent to 6.18 percent). Current-year pledges are included in revenue as additions to net assets with donor restrictions and are included in contributions receivable at fair value based on observable ASC 820 Level 2 inputs.

In addition, at June 30, 2022, the University had received from donors pledges totaling \$66.2 million, conditioned upon the raising of matching gifts from other sources and other criteria. These amounts will be recognized as income in the periods in which the conditions have been fulfilled.

9. PROPERTY

Land additions are reported at estimated market value at the date of gift or on a cost basis. Buildings and improvements are stated at cost. Expenditures for operation and maintenance of physical plant are expensed as incurred.

Items classified as property at June 30, 2022 and 2021 consisted of the following:

<i>(dollars in thousands)</i>	2022	2021
Land	\$ 121,067	\$ 110,265
Buildings and improvements	5,346,779	5,046,289
Construction in progress	712,803	427,983
Equipment and systems	526,784	505,917
Rare books	152,393	138,329
Library books, periodicals, and bindings	347,317	335,189
Fine art objects	167,077	160,185
Total property	\$ 7,374,220	\$ 6,724,157
Accumulated depreciation	(2,385,836)	(2,203,333)
Total	\$ 4,988,384	\$ 4,520,824

Equipment, library books, periodicals, and bindings are stated at cost, net of accumulated depreciation. Equipment includes items purchased with federal government funds; an indeterminate portion of those items are expected to be transferred to the University at the termination of the respective grant or contract.

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2022 and 2021

In addition to making purchases with University funds, the University, since its inception, has received a substantial number of fine art objects and rare books from individual gifts and bequests. Art objects and rare books acquired through June 30, 1973 are carried at insurable values at that date because it is not practicable to determine the historical cost or market value at the date of gift. Art objects and rare books acquired subsequent to June 30, 1973 are recorded at cost or fair value at the date of gift. Works of art, literary works, historical treasures, and artifacts that are part of a collection are protected, preserved, and held for public exhibition, education, and research in furtherance of public service. Collections are not capitalized, and contributed collection items are not recognized as revenues in the University's consolidated financial statements. Should items of the collection be sold, proceeds from the sale will be used for the acquisition of new collection items, the direct care (which includes conservation care, cataloging, documenting, and proper access and use) of existing collections, or both.

The University uses componentized depreciation for buildings and building improvements used for research. The costs of research facilities are separated into building shell, service system, and fixed equipment components that are separately depreciated.

Annual depreciation is calculated on the straight-line method over useful lives ranging from 10 to 50 years for buildings and improvements, 30 years for library books, and 5 to 25 years for equipment and systems. Art objects and rare books having cultural, aesthetic, or historical value are not depreciated.

10. LEASES

The University's leases are primarily real estate operating leases. Under the lease accounting standard, a lease conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Leases result in the recognition on the consolidated statements of financial position of right-of-use (ROU) assets, representing the right to use the underlying assets for the lease term, and lease liabilities, representing the obligation to make lease payments arising from the lease based on the present value of lease payments over the lease term. The University determines if an arrangement is a lease or contains a lease at inception of a contract.

The University accounts for nonlease components and the lease components to which they relate as a single lease component for all leases. Certain real estate leases have renewal options, and the lease term includes options to extend the lease when it is reasonably certain that the University will exercise that option. Real estate lease agreements typically have initial terms of 5 to 15 years. The University does not include short-term leases within the consolidated statements of financial position since it has elected the practical expedient to exclude leases with an initial term of 12 months or less from operating ROU assets and lease liabilities.

At lease inception, operating lease assets and liabilities are recognized based on the present value of lease payments over the lease term. The University has elected to utilize a portfolio approach to the implementation of existing operating leases and applied a single discount rate to all leases in each portfolio. For the initial and subsequent measurement of all lease liabilities, the discount rate is based on the rate implied within the lease, or, if not readily determinable, the University applies a risk-free rate, using the applicable treasury yield as of implementation date.

Notes to Consolidated Financial Statements

Princeton University
Years ended June 30, 2022 and 2021

Lease expense is recognized on a straight-line basis over the term of the lease. Operating lease expense was \$17 million and \$15 million (including amortization related to ROU assets and lease liabilities) for the years ended June 30, 2022 and 2021, respectively.

ROU assets recorded in Other assets were \$28.2 million and \$34.8 million at June 30, 2022 and 2021, respectively. Lease liabilities recorded in Deposits, advance receipts, and accrued liabilities were \$28.3 million and \$35.4 million at June 30, 2022 and 2021, respectively.

The weighted average remaining lease term was 3.5 years and 4.0 years for leases at June 30, 2022 and 2021, respectively. The weighted average discount rate was 1.83 percent and 1.89 percent for operating leases at June 30, 2022 and 2021, respectively.

Future maturities of lease liabilities at June 30, 2022 are as follows:

(dollars in thousands)

2023	\$ 9,793
2024	9,352
2025	5,071
2026	2,636
2027	2,164
Thereafter	-
Total minimum lease payments	29,016
Imputed interest	(717)
Total lease liabilities	\$ 28,299

11. INCOME AND EXCISE TAXES

The University is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes on related income. The University files U.S. federal and various state and local tax returns. The statute of limitations on the University's U.S. federal tax returns remains open for the years ended June 30, 2019 through the present.

On December 22, 2017, the Tax Cuts and Jobs Act (TCJA) was enacted. TCJA impacts the University in several ways, including imposing excise taxes on certain excess compensation and net investment income, establishing new rules for calculating unrelated business taxable income. The University has reflected the tax assets, liabilities, and payables in the consolidated financial statements based on reasonable estimates under the regulatory guidance on the TCJA. Regulations on certain aspects of TCJA continue to be promulgated by the IRS. The University continues to evaluate current and future tax positions.

ASC 740, *Income Taxes*, prescribes the minimum recognition threshold that a tax position must meet in connection with accounting for uncertainties in income tax positions taken, or expected to be taken, by an entity before being measured and recognized in the consolidated financial statements. The University continues to evaluate its tax positions pursuant to the principles of ASC 740, and has determined that there is no material impact on the University's consolidated financial statements.

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2022 and 2021

12. INDEBTEDNESS TO THIRD PARTIES

At June 30, 2022 and 2021, the University's debt consisted of taxable bonds, taxable notes, tax-exempt bonds issued through the New Jersey Educational Facilities Authority (NJEFA), commercial paper, and various parent loans as follows:

<i>(dollars in thousands)</i>	2022	2021
Taxable Revenue Bonds		
2009 Series A, 5.70%, due March 2039, net of unamortized discount of \$934 and \$988	\$ 499,066	\$ 499,012
2016 Series A, 1.85%, 2.61%, 3.63%, due July 2021, July 2026, July 2046	75,000	75,000
2017 Series A, 3.84%, due July 2048	150,000	150,000
2020 Series A, 2.52% due July 2050	500,000	500,000
2022 Series, 4.20% due March 2052	300,000	-
Taxable Notes		
2012, 3.37%, due July 2042	170,000	170,000
2013, 4.73%, due July 2044	75,000	75,000
NJEFA Revenue Bonds		
2014 Series A, 3.77%, due July 2044, including unamortized premium of \$14,120 and \$14,762	193,720	197,632
2015 Series A, 2.32% due July 2035, including unamortized premium of \$19,691 and \$21,205	87,035	106,665
2015 Series D, 3.40% due July 2045, including unamortized premium of \$15,175 and \$15,835	150,115	154,090
2016 Series A, 2.53% due July 2035, including unamortized premium of \$15,152 and \$16,317	107,882	113,552
2016 Series B, 1.77% due July 2027, including unamortized premium of \$13,108 and \$15,729	104,928	116,064
2017 Series B, 2.91% due July 2036, including unamortized premium of \$39,554 and \$42,379	268,153	293,439
2017 Series C, 3.50% due July 2047, including unamortized premium of \$17,801 and \$18,513	150,711	154,288
2017 Series I, 2.97% due July 2040, including unamortized premium of \$54,567 and \$57,598	373,587	388,023
2021 Series B, 2.34% due March 2051, including unamortized premium of \$48,646 and \$50,324	292,501	300,324
2021 Series C, 1.66% due March 2041, including unamortized premium of \$24,075 and \$25,342	197,140	204,607
2022 Series A, 2.96% due March 2032, including unamortized premium of \$39,779 and \$0	339,779	-
NJEFA Capital Improvement Fund Bonds		
2014 Series B, 3.67%, due September 2033, including unamortized premium of \$133 and \$145	2,329	2,472
Commercial Paper		
Taxable, 1.51% and 0.07% with maturities up to one year	40,100	18,500
Parent Loans, 0.56% to 4.26% with maturities up to six years		
	35,097	38,246
<hr/>		
Total Borrowings	\$ 4,112,143	\$ 3,556,914
Unamortized debt issuance costs	(10,419)	(9,157)
<hr/>		
Total Borrowings Net of Unamortized Issuance Costs	\$ 4,101,724	\$ 3,547,757

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2022 and 2021

The University is authorized by the Trustees to issue new debt of up to \$650 million annually. In June 2022, the University issued \$300 million of the NJEFA 2022 Series A Tax-Exempt Bonds to finance the costs of the acquisition, construction, renovation, and installation of certain capital assets to be located at or near the University's main campus in Princeton, New Jersey. In addition, the University issued \$300 million of Taxable Bonds, Series 2022 in June 2022. The University intends to issue additional debt in the future.

The full faith and credit of the University is pledged in all loan agreements with the NJEFA. In fiscal year 1999, the University entered into a loan facility (subsequently converted to two separate loan facilities) with a national bank to fund its parent loan program, which is currently authorized by the Trustees up to \$100 million. Fixed or variable rates may be selected on a pass-through basis to the borrowers; terms may be as long as 14 years.

In fiscal year 1998, a commercial paper program was authorized as an initial step of financing to provide construction funds for approved capital projects. The commercial paper proceeds are primarily used to finance construction expenditures until permanent financing from gifts or other sources is made available. The University maintains both taxable and tax-exempt programs, which is currently authorized to a maximum level of \$600 million.

Principal payments for each of the next five years and thereafter on debt outstanding at June 30, 2022, excluding commercial paper, are as follows:

<i>(dollars in thousands)</i>	Principal Payments
2023	\$ 100,942
2024	86,929
2025	89,246
2026	114,816
2027	260,790
Thereafter	3,118,455
Subtotal	3,771,178
Unamortized premium	300,866
Net long-term debt	\$ 4,072,044

The University has committed bank lines of credit totaling \$500 million, under which the University may borrow on an unsecured basis at agreed-upon rates. The University also has \$55 million in lines of credit to fund its educational loan program and other corporate purposes, with a fixed rate loan facility of up to \$30 million, and a variable rate loan facility of \$25 million. There were \$6.8 million and \$6.5 million in letters of credit outstanding under these credit facilities at June 30, 2022 and 2021, respectively.

13. EMPLOYEE BENEFIT PLANS

All faculty and staff who meet specific employment requirements participate in a defined contribution plan, which invests in the Teachers Insurance and Annuity Association and College Retirement Equities Fund, Vanguard Fiduciary Trust Funds, and other funds. The University's contributions were \$72.5 million and \$69.6 million for the years ended June 30, 2022 and 2021, respectively. The University also provides deferred compensation arrangements for certain officers, faculty, and staff. Accrued benefits of \$484.2 million and \$683.5 million for the years ended June 30, 2022 and 2021, respectively, include the Accumulated postretirement benefit obligation and deferred compensation.

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2022 and 2021

Postretirement Benefits Other Than Pensions

ASC 715, *Compensation — Retirement Benefits*, requires the recognition of a defined benefit postretirement plan's funded status as either an asset or a liability on the Consolidated Statements of Financial Position. Actuarial gains or losses and prior service costs or credits that arise during the period must be recognized as a component of net assets without donor restrictions. The University calculates its Accumulated Postretirement Benefit Obligation (APBO) in accordance with ASC 715, which initially was elected in 1993 and amortized over 20 years. The University continues to recognize the cost of providing postretirement benefits for employees over the service period until their full retirement eligibility under the plan.

The University provides single-coverage health insurance to its retirees who meet certain eligibility requirements. Participants may purchase additional dependent or premium coverage. The accounting for the plan anticipates future cost-sharing changes to the written plan that are consistent with the University's expressed intent to increase retiree contributions in line with medical costs.

The benefit costs for the years ended June 30, 2022 and 2021 consisted of the following:

<i>(dollars in thousands)</i>	2022	2021
Service cost	\$ 35,391	\$ 35,612
Interest cost	16,272	15,772
(Gain)/loss amortization	-	1,219
Total	\$ 51,663	\$ 52,603

The APBO at June 30, 2022 and 2021 consisted of actuarially determined obligations to the following categories of employees:

<i>(dollars in thousands)</i>	2022	2021
Retirees	\$ 146,906	\$ 168,014
Active employees eligible to retire	107,703	157,370
Other active participants	151,184	271,458
Total	\$ 405,793	\$ 596,842

The decrease in the postretirement benefit obligation was primarily driven by an actuarial gain due to increase in the discount rates. As of June 30, 2022 and 2021, the APBO was unfunded.

A reconciliation of unrecognized net (gain) or loss recognized in Net assets without donor restrictions is presented below:

<i>(dollars in thousands)</i>	2022	2021
Amount at the beginning of the year	\$ 40,275	\$ 67,081
Gain during year	(232,972)	(25,587)
Amortization during year	-	(1,219)
Total	\$ (192,697)	\$ 40,275

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2022 and 2021

The assumptions used to calculate the APBO at June 30, 2022 and 2021 were as follows:

	2022	2021
Discount rate	4.50%	2.75%
Healthcare cost trend rate	5.63%	5.63%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year the rate reaches the ultimate trend rate	2027	2027
Prescription drug cost trend rate	6.88%	6.88%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year the rate reaches the ultimate trend rate	2027	2027

The table below reflects expected postretirement plan benefit payments over the next 10 years. These amounts reflect the total benefits expected to be paid from the plan, net of the participants' share of the cost and federal subsidies. Expected benefit payments are based on the same assumptions used to measure the benefit obligations and include estimated future employee benefit service.

(dollars in thousands)

2023	\$ 10,686
2024	11,502
2025	12,358
2026	12,828
2027	13,885
2028 – 2032	83,047

The University provides Medicare retiree drug coverage through an employer group waiver plan (EGWP). Under EGWP, the cost of drug coverage is offset through direct federal subsidies, brand-name drug discounts, and reinsurance reimbursements. The net effect of these subsidies has been recognized in the calculation of the University's postretirement benefit obligation as of June 30, 2022 and 2021.

14. NET ASSETS

Net assets are categorized as without donor restrictions and with donor restrictions. Net assets without donor restrictions are derived from gifts and other institutional resources that are not subject to explicit donor-imposed restrictions. This category also includes income and gains on these funds. Included in the total is the net investment in plant and equipment. Certain net assets classified as without donor restrictions for external reporting purposes are board-designated for specific purposes or uses under the internal operating budget practices of the University. Net assets with donor restrictions generally are established by donors in support of schools or departments of the University, often for specific purposes such as professorships, research, faculty support, scholarships and fellowships, athletics, the library, the art museum, building construction, and other specific purposes. This category includes gifts, pledges, trusts and remainder interests, and income and gains that can be expended but for which restrictions have not yet been met. Such restrictions include purpose restrictions and time restrictions imposed by donors or implied by the nature of the gift, or by the interpretations of law. Donor restrictions normally are released upon the passage of time or the incurrence of expenditures that fulfill the donor-specified purpose. Certain donor restrictions are perpetual in nature and may include gifts, pledges, trusts and remainder interests, and

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2022 and 2021

income and gains that are required to be permanently retained.

The composition of net assets by restriction and purpose at June 30, 2022 and 2021 was as follows:

2022 Net Assets <i>(dollars in millions)</i>	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Endowment:			
Teaching and research	\$ 1,726	\$ 7,397	\$ 9,123
Student financial aid	821	5,419	6,240
Department programs and support	3,509	4,813	8,322
Designated for operations	9,231	2,210	11,441
Other:			
Pledges	-	365	365
Capital, unallocated gifts, and grants	-	635	635
Annuities and trusts	-	206	206
Net investment in plant	2,335	-	2,335
Operating	(692)	-	(692)
Noncontrolling interests	212	-	212
Total	\$ 17,142	\$ 21,045	\$ 38,187

2021 Net Assets <i>(dollars in millions)</i>	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Endowment:			
Teaching and research	\$ 1,831	\$ 7,786	\$ 9,617
Student financial aid	875	5,688	6,563
Department programs and support	3,965	5,022	8,987
Designated for operations	5,909	2,335	8,244
Designated for capital	3,616	-	3,616
Other:			
Pledges	-	281	281
Capital, unallocated gifts, and grants	-	536	536
Annuities and trusts	-	248	248
Net investment in plant	2,058	-	2,058
Operating	(898)	-	(898)
Noncontrolling interests	211	-	211
Total	\$ 17,567	\$ 21,896	\$ 39,463

15. EXPENSES BY FUNCTIONAL AND NATURAL CLASSIFICATION

Expenses are presented by functional classification in alignment with the overall mission of the University. The University's primary service mission is academic instruction and research, which includes direct supporting functions such as the University's library system and art museum. Student services and support include various student-supporting functions such as admission, health, career, and athletics, as well as auxiliary enterprises and related student aid. The Princeton

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2022 and 2021

Plasma Physics Laboratory, which is operated by the University on behalf of the U.S. Department of Energy, is classified as an independent operation.

Natural expenses attributable to more than one functional expense category are allocated using reasonable cost allocation techniques. Plant operations and maintenance expenses are allocated on a square footage basis. Interest expense on indebtedness is allocated to the functional categories that have benefited from the associated debt. Depreciation is allocated based on functional usage of property, plant, and equipment.

Expenses by functional and natural classification for the years ended June 30, 2022 and 2021 were as follows:

2022

Natural Classification (dollars in thousands)	Academic & Research	Student Services & Support	General Admin & Operations	Independent Operations	Total
Salaries and wages	\$ 525,259	\$ 71,784	\$ 193,453	\$ 73,136	\$ 863,632
Employee benefits	180,290	22,553	40,232	26,300	269,375
Supplies, services, and other	186,818	78,096	56,039	67,971	388,924
Space and occupancy	5,257	3,495	74,940	3,974	87,666
Student stipends and prizes	-	80,141	-	38	80,179
Allocations:					
Depreciation	139,469	37,352	19,028	80	195,929
Interest	64,696	9,203	39,584	-	113,483
Operations and maintenance	92,704	30,815	(123,519)	-	-
Total operating expenses	1,194,493	333,439	299,757	171,499	1,999,188
Net periodic benefit cost other than service cost	10,390	1,434	2,829	1,619	16,272
Total expenses	\$ 1,204,883	\$ 334,873	\$ 302,586	\$ 173,118	\$ 2,015,460

2021

Natural Classification (dollars in thousands)	Academic & Research	Student Services & Support	General Admin & Operations	Independent Operations	Total
Salaries and wages	\$ 503,043	\$ 63,175	\$ 184,642	\$ 66,789	\$ 817,649
Employee benefits	171,709	19,986	35,357	23,543	250,595
Supplies, services, and other	150,230	49,120	57,629	48,417	305,396
Space and occupancy	6,200	4,524	64,112	3,522	78,358
Student stipends and prizes	-	74,998	-	51	75,049
Allocations:					
Depreciation	133,662	36,899	17,954	76	188,591
Interest	73,611	10,472	40,209	-	124,292
Operations and maintenance	81,219	27,285	(108,504)	-	-
Total operating expenses	1,119,674	286,459	291,399	142,398	1,839,930
Net periodic benefit cost other than service cost	11,082	1,449	2,892	1,568	16,991
Total expenses	\$ 1,130,756	\$ 287,908	\$ 294,291	\$ 143,966	\$ 1,856,921

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2022 and 2021

Student Financial Aid

The University provides financial aid to undergraduate students in the form of scholarship grants designed to meet 100 percent of demonstrated financial need. All Ph.D. and many Master's degree candidates in the Graduate School receive financial support for the duration of their degree program in the form of fellowships, assistantships in research or teaching, and non-University awards. Graduate student support covers the full cost of tuition and fees and a stipend that supports estimated living expenses. Students also may be awarded grants that support various academic or research activities. Undergraduate scholarships and graduate fellowships and assistantships are reported as discounts to tuition and fee revenues in the Consolidated Statements of Activities. Student stipends, awards, and prizes are reported as operating expenses. Student financial aid costs are funded by the University's endowment, Annual Giving, and other University resources.

Total student financial aid costs for the years ended June 30, 2022 and 2021 were as follows:

Student Financial Aid (dollars in thousands)	2022	2021
Scholarships and fellowships	\$ 334,525	\$ 280,061
Stipends and prizes	80,179	75,049
Total	\$ 414,704	\$ 355,110

16. COMMITMENTS AND CONTINGENCIES

At June 30, 2022, the University had authorized major renovation and capital construction projects for more than \$3,941.2 million. Of the total, approximately \$1,575.1 million had not yet been expended.

The University has entered into certain agreements to guarantee the debt of others. Under these agreements, if the principal obligor defaults on the debt, then the University may be required to satisfy all or part of the remaining obligation. The total amount of these guarantees was \$16.9 million at June 30, 2022.

The University is subject to certain legal claims that have arisen in the normal course of operations. In the opinion of management, the ultimate outcome of these actions will not have a material effect on the University's consolidated financial position, consolidated statement of activities, or cash flows.

17. SUBSEQUENT EVENTS

The University has evaluated subsequent events through November 21, 2022, which is the date the consolidated financial statements were issued, and determined that there were no subsequent events requiring adjustment or disclosure in the consolidated financial statements.

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2022 and 2021

18. CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

The following tables present the consolidating statements of financial position of all legal entities of the Trustees of Princeton University as of June 30, 2022 and 2021:

As of June 30, 2022 <i>(dollars in thousands)</i>	Princeton University	Affiliates	Eliminations	Consolidated
Assets				
Cash	\$ 27,736	-	-	\$ 27,736
Accounts receivable	158,691	-	-	158,691
Receivables associated with investments	25,673	-	-	25,673
Educational and mortgage loans receivable	448,278	-	-	448,278
Contributions receivable	365,019	-	-	365,019
Managed investments at fair value	35,095,652	\$ 406,950	-	35,502,602
Funds held in trust by others	123,691	12	\$ (12)	123,691
Other investments	1,850,436	-	-	1,850,436
Property, net of accumulated depreciation	4,988,384	-	-	4,988,384
Other assets	68,754	-	-	68,754
Total assets	\$ 43,152,314	\$ 406,962	\$ (12)	\$ 43,559,264
Liabilities				
Accounts payable	\$ 100,268	-	-	\$ 100,268
Liabilities associated with investments	25,957	-	-	25,957
Deposits, advance receipts, and accrued liabilities	351,806	\$ 45,148	-	396,954
Deposits held in custody for others	181,706	-	\$ (12)	181,694
Liability under planned giving agreements	64,749	-	-	64,749
Liability for annuity contracts	16,449	-	-	16,449
Indebtedness to third parties	4,101,724	-	-	4,101,724
Accrued postretirement benefits	484,225	-	-	484,225
Total liabilities	\$ 5,326,884	\$ 45,148	\$ (12)	\$ 5,372,020
Net assets				
Total net assets without donor restrictions	\$ 16,847,820	\$ 294,666	-	\$ 17,142,486
Total net assets with donor restrictions	20,977,610	67,148	-	21,044,758
Total net assets	37,825,430	361,814	-	38,187,244
Total liabilities and net assets	\$ 43,152,314	\$ 406,962	\$ (12)	\$ 43,559,264

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2022 and 2021

As of June 30, 2021 <i>(dollars in thousands)</i>	Princeton University	Affiliates	Eliminations	Consolidated
Assets				
Cash	\$ 37,297	-	-	\$ 37,297
Accounts receivable	161,933	-	-	161,933
Receivables associated with investments	98,282	-	-	98,282
Educational and mortgage loans receivable	450,663	-	-	450,663
Contributions receivable	280,913	-	-	280,913
Managed investments at fair value	36,724,156	\$ 640,695	-	37,364,851
Funds held in trust by others	144,338	12	\$ (12)	144,338
Other investments	1,335,787	-	-	1,335,787
Property, net of accumulated depreciation	4,520,824	-	-	4,520,824
Other assets	65,150	-	-	65,150
Total assets	\$ 43,819,343	\$ 640,707	\$ (12)	\$ 44,460,038
Liabilities				
Accounts payable	\$ 70,820	-	-	\$ 70,820
Liabilities associated with investments	60,241	-	-	60,241
Deposits, advance receipts, and accrued liabilities	352,747	-	-	352,747
Deposits held in custody for others	181,732	-	\$ (12)	181,720
Liability under planned giving agreements	83,046	-	-	83,046
Liability for annuity contracts	17,346	-	-	17,346
Indebtedness to third parties	3,547,757	-	-	3,547,757
Accrued postretirement benefits	683,527	-	-	683,527
Total liabilities	\$ 4,997,216	-	\$ (12)	\$ 4,997,204
Net assets				
Total net assets without donor restrictions	\$ 16,997,117	\$569,700	-	\$ 17,566,817
Total net assets with donor restrictions	21,825,010	71,007	-	21,896,017
Total net assets	38,822,127	640,707	-	39,462,834
Total liabilities and net assets	\$ 43,819,343	\$ 640,707	\$ (12)	\$ 44,460,038

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2022 and 2021

19. 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 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 668.172, using audited consolidated financial statements submitted through ED's eZ-Audit system. The composite score is based on three ratios: Primary Reserve, Equity, and Net Income. These ratios utilize the following financial data of the University, which are not otherwise presented in the consolidated financial statements or other notes to the consolidated financial statements, as of and for the year ended June 30, 2022:

Required input per standards	Ratio(s) Uses	Input Amount (in thousands)	Related financial statement amount not used as input on supplementary schedule (in thousands)
Unsecured related party receivables (contributions receivable)	Primary reserve	\$ 11,728	
Contributions receivable from unrelated parties	N/A	353,291	
Total contributions receivable	NA		\$ 365,019
Property, plant and equipment, net - pre-implementation	Primary reserve	3,553,594	
Property, plant and equipment, net - post-implementation with outstanding debt for original purchase	Primary reserve	101,618	
Property, plant and equipment, net - post-implementation without outstanding debt for original purchase	Primary reserve	48,909	
Construction in progress - reconciling item from Note 9	Primary reserve	535,295	
Total property, plant and equipment, net	NA		4,988,384
Long-term debt - for long-term purposes pre-implementation	Primary reserve	2,148,874	
Long-term debt - for long-term purposes post-implementation	Primary reserve	101,618	
Line of credit for construction in progress	Primary reserve	334,336	
Long-term debt for operations and unspent capital funds	NA		1,516,896
Total long-term debt	NA		4,101,724
Annuities with donor restrictions	Primary reserve	9,383	
Term endowments with donor restrictions	Primary reserve	4,529,189	
Life income funds with donor restrictions	Primary reserve	74,816	
Net assets with donor restrictions: restricted in perpetuity	Primary reserve	2,579,707	
Other net assets with donor restrictions	NA		13,851,663
Total net assets with donor restrictions	NA		21,044,758
Inputs directly from the consolidated statement of activities			
Total revenues and other sources	Net Income	2,330,726	
Non operating gains	Net Income	15,173	
Reclassifications, transfers, and other nonoperating	Net Income	559	
		2,346,458	
Total operating expenses	Net Income	1,999,188	
Net periodic benefit cost other than service cost	Net Income	(16,272)	
		1,982,916	

Supplemental Schedules

Princeton University

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Federal Grantor / Pass-Through / Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Passed to Subrecipients	Total Federal Expenditures
Research and Development Cluster				
Department of Energy Direct Programs				
Office of Science Financial Assistance Program	81.049		\$ 1,928,038	\$ 13,882,176
Conservation Research and Development	81.086		113,011	359,813
Renewable Energy Research and Development	81.087		231,710	1,067,326
Fossil Energy Research and Development	81.089		-	(395)
Stewardship Science Grant Program	81.112		19,141	330,640
Advanced Research Projects Agency - Energy	81.135		922,627	3,133,453
Subtotal Department of Energy Direct Programs			3,214,527	18,773,013
Department of Energy Pass-Through Programs				
Arizona State University	81.049	ASUB00000192 (PRIME DOE # DE-SC0002423)	-	12,637
DOE - National Renewable Energy Lab - CO	81.049	Agreement dtd 8.7.20 (DE-AC36-08GO28308)	-	62,661
HIT Nano Inc.	81.049	Agreement dated 8/19/20 (Prime Award DE-SC0020731)	-	7,031
Kitware Inc.	81.049	K003114-00-S01 (PRIME DOE # DE-SC0019609)	-	244,975
Lawrence Livermore National Laboratory	81.049	No. B640980 (DE-AC52-07NA27344)	-	50,752
Northwestern University	81.049	60057508 PRIN (PRIME DOE # DE-SC0021314)	-	197,462
Ohio State University - Columbus	81.049	GR117054 / SPC-100003917 (DE-SC0020233)	-	373,985
Princeton NuEnergy Inc.	81.049	Agreement dated 9/30/20 (Prime DOE DE-SC0020868)	-	(446)
SC Solutions, Inc.	81.049	AGRMT dtd 5-20-21 (PRIME DOE # DE-SC0020618)	-	305,440
SLAC National Accelerator Laboratory	81.049	207168 (DE-AC02-76SF00515)	-	67,441
SLAC National Accelerator Laboratory	81.049	208979	-	118,964
The Johns Hopkins University	81.049	2004033461 (PRIME DOE DE-SC0019331)	-	161,715
Trustees of Boston University	81.049	4500003341 (PRIME # DOE DE-SC0020437)	-	172,806
University of California at Berkeley	81.049	00009650 (DE-SC0018297)	-	82,972
University of California at Berkeley	81.049	00010576 (DOE- DE-SC0019046)	-	129,573
University of IL at Urbana-Champaign	81.049	088955-16610 (PRIME # DE-SC0018260)	-	295,924
University of IL at Urbana-Champaign	81.049	090634-16916 (PRIME DOE #DE-SC0018420)	-	272,335
University of Miami	81.049	OS00000454 (DOE DE-SC0021333)	-	118,778
University of Tennessee	81.049	A20-0424-S001 (DOE DE-SC0020369)	-	153,191
University of Wisconsin	81.049	0000000837 (PRIME DOE DE- SC0018409)	-	830,182
Arizona State University	81.087	18-331 PRIME (DOE # DE-EE0008090)	-	4,397
Technology Holding LLC	81.087	THL-EE-1 (PRIME DOE DE-EE0008504)	-	128,649
The Pennsylvania State University	81.089	5720-PU-DOE-6825 (Prime: DE-FE0026825)	-	(1)
The Pennsylvania State University	81.089	S000033-USDOE (PRIME DOE DE-FE0026825)	-	122,711
The Pennsylvania State University	81.089	S001342-USDOE (PRIME DOE # DE-FE0026825)	-	107,229
Cornell University	81.112	83228-10966 (PRIME DOE # DE-NA0003764)	-	238,121
Rice University	81.112	R1A451 (PRIME DOE #DE-NA0003942)	-	36,965
Washington State University	81.112	136018 SPC001686 (DOE De-NA0003957)	-	276,610
University of Michigan	81.113	SUBK00010005 (PRIME DOE DE-NA0003920)	-	157,946
Massachusetts Institute of Technology	81.122	S5131 - PO# 543055 (PRIME DOE # DE-OE0000920)	-	118,523
Krell Institute	81.123	LTTR dtd 3-18-15 (PRIME DOE)	-	58,790
Krell Institute	81.123	LTTR dtd 4-1-21 (PRIME DOE)	-	90,458
University of California at Berkeley	81.135	00009799 (PRIME # ARPA DE-AR0000906)	-	101,316
University of Colorado at Boulder	81.135	1558566 (PRIME DOE # DE-AR0001145)	-	323,554
Alliance for Sustainable Energy, LLC	81.RD	SUB-2021-10676 (PRIME DOE # DEAC36- 08GO28308)	-	246,811
Brookhaven National Laboratory	81.RD	388586 PRIME DOE	-	56,302
Brookhaven National Laboratory	81.RD	390028 (PRIME DOE # DE-SC0012704)	-	3,691,948
Consolidated Nuclear Security, LLC	81.RD	4300167061 (PRIME DOE DE-NA0001942)	-	134,806
Consolidated Nuclear Security, LLC	81.RD	4300171776 (PRIME DOE # DE-NA0001942)	-	129,617
Fermi National Accelerator Laboratory	81.RD	655015 (DE-AC02-07-CH11359)	-	190,393
Fermi National Accelerator Laboratory	81.RD	659002 (DOE DE-AC02-07CH11359)	-	21,713
Fermi National Accelerator Laboratory	81.RD	665897 (DOE DE-AC02-07CH11359)	-	115
Fermi National Accelerator Laboratory	81.RD	670098(DE-AC02-07CH11359)	-	43,538
Fermi National Accelerator Laboratory	81.RD	672699 (DOE DE-AC02-07CH11359)	-	4,652
Fermi National Accelerator Laboratory	81.RD	685994 (DOE DE-AC02-07CH11359)	-	41,262
Fermi National Accelerator Laboratory	81.RD	686919 (DOE DE-AC02-07CH11359)	-	19,501
Lawrence Berkeley National Laboratory	81.RD	7380220 (DOE # DE-AC02-05CH11231)	-	136,743
Lawrence Berkeley National Laboratory	81.RD	7557068 (PRIME DOE DE-AC02-05CH11231)	-	86,372
Lawrence Berkeley National Laboratory	81.RD	7560413 (DOE DE-AC02-05CH11231)	-	124,751
Lawrence Livermore National Laboratory	81.RD	B640108	-	220,324
Lawrence Livermore National Laboratory	81.RD	B645440 (PRIME DOE # DE-AC52-07NA27344)	-	26,184
Oak Ridge National Laboratory	81.RD	4000166426 (PRIME # DOE DE-AC05-00OR22725)	-	72,601
Oak Ridge National Laboratory	81.RD	4000183961(DOE DE-AC05-00OR22725)	-	179,760
Pacific Northwest Ntl Labs	81.RD	565136 Revision 1 (PRIME DOE # DE-AC05-76RL01830)	19,375	90,992
Pacific Northwest Ntl Labs	81.RD	607095 (DE-AC05-76RL01830)	-	4,972
Princeton Plasma Physics Laboratory	81.RD	ROA04736 (PRIME DOE # DE-AC02-09CH11466)	-	12,290
Princeton Plasma Physics Laboratory	81.RD	ROA04736-0001 (Prime DE-AC02-09CH11466)	-	124,367
Princeton Plasma Physics Laboratory	81.RD	ROA04736-0002 (Prime DE-AC02-09CH11466)	-	220,503
Princeton Plasma Physics Laboratory	81.RD	ROA04736-0003 (Prime DE-AC02-09CH11466)	-	122,407
Princeton Plasma Physics Laboratory	81.RD	ROA04736-0004 (Prime DE-AC02-09CH11466)	-	9,257
Princeton Plasma Physics Laboratory	81.RD	ROA04736-0005 (DOE DE-AC02-09CH11466)	-	162,820
Princeton Satellite Systems, Inc.	81.RD	RA4-21-2021 (PRIME DOE-ARPA # DE-AR0001372)	-	76,009
The Research Foundation S.U.N.Y.	81.RD	4-87578 (PRIME DOE)	-	198,286
Triad National Security, LLC	81.RD	618251 (DOE NNSA 89233218CNA000001)	-	118,328
Subtotal Department of Energy Pass-Through Programs			19,375	11,991,270
Total Department of Energy			3,233,902	30,764,283
Department of Health and Human Services Direct Programs				
Food and Drug Administration Research	93.103		-	47,102
Environmental Health	93.113		360,964	682,905
NIEHS Superfund Hazardous Substances Basic Research and Education	93.143		-	292,130
Human Genome Research	93.172		-	794,838
Mental Health Research Grants	93.242		679,900	10,549,635
Drug Abuse and Addiction Research Programs	93.279		-	296,471
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		-	143,038
Trans-NIH Research Support	93.310		100,388	2,188,879
Research Infrastructure Programs	93.351		-	399,795
Cancer Detection and Diagnosis Research	93.394		88,028	173,188

The accompanying notes are an integral part of this schedule.

Princeton University

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Federal Grantor / Pass-Through / Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Passed to Subrecipients	Total Federal Expenditures
Cancer Treatment Research	93.395		-	234,496
Cancer Biology Research	93.396		148,521	1,138,880
Cancer Research Manpower	93.398		-	67,882
Cardiovascular Diseases Research	93.837		1,068,607	2,703,039
Lung Diseases Research	93.838		31,394	187,114
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		12,388	1,289,000
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		-	114,264
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		581,390	5,816,807
Allergy, Immunology and Transplantation Research	93.855		173,987	1,998,890
Biomedical Research and Research Training	93.859		356,586	15,194,566
Child Health and Human Development Extramural Research	93.865		2,083,058	4,790,647
Aging Research	93.866		53,804	478,941
Vision Research	93.867		-	373,636
PHS - IPA Agreement	93.RD		-	92,909
Subtotal Department of Health and Human Services Direct Programs			5,739,015	50,049,052
Department of Health and Human Services Pass-Through Programs				
The Pennsylvania State University	93.061	S001383-CDC (Prime CDC 75D30120P08980)	-	9,518
University of California at Los Angeles	93.113	1925 G YA054 (PRIME NIH # 5R01ES027027-05)	-	25,557
Broad Institute	93.172	5001184-5500001628 (PRIME NIH # 3U41HG009494-05S1)	-	83,479
Cold Spring Harbor Laboratory	93.242	64550517 (PRIME # NIH NIMH 5U01MH114824-05)	-	106,274
Massachusetts Institute of Technology	93.242	S4723 PO#596531(PRIME NIH #5-U01MH117072-04)	-	122,019
The Trustees of Columbia University	93.242	1(GG014083) PRIME NIH #5R01MH121093-03	-	143,031
The Trustees of Columbia University	93.242	3(GG012936-05) PRIME # NIH NIMH 5P50MH109429-05)	-	179,702
University of Michigan	93.242	SUBK00010629 (PRIME # 5R01MH121079-03)	-	49,980
Emory University	93.279	A036407(T856882 (PRIME # NIH NIDA 1DP1DA042103-02	-	58,778
Emory University	93.279	T994780 (PRIME NIH NIDA 5R01DA042742-04)	-	17,831
University of Washington	93.279	UWSC10708 (NIH NIDA 5R01DAA047869-04	-	64,214
Stony Brook University	93.286	82984-2-1150328 (PRIME NIH 5R01EB026946-03)	-	109,166
University of Chicago	93.286	FP069028 (PRIME NIH #5R01EB026943-03)	-	100,710
University of Michigan	93.307	3004628723 (PRIME # NIH 5R01MD011716-02)	125,097	225,918
Rutgers - NJ Medical School	93.350	1885 (PRIME NIH # 5UL1TR003017-03)	-	162,000
Rutgers Institute for Translational Medicine & Science	93.350	1881 (PRIME NIH # 5UL1TR003017-03	-	12,128
Rutgers Institute for Translational Medicine & Science	93.350	1883 (PRIME NIH # 5UL1TR003017-03	-	12,128
Rutgers Institute for Translational Medicine & Science	93.350	1884 (PRIME NIH # 5UL1TR003017-03)	-	12,128
Rutgers University - New Brunswick	93.350	1539 (PRIME NIH # 5UL1TR003017-02)	-	(40)
Rutgers University - New Brunswick	93.350	1740 (5TL1TR003019-02)	-	53,619
Rutgers University - New Brunswick	93.350	1880 (NIH 5UL1TR003017-03)	-	118,458
Rutgers University - New Brunswick	93.350	1882 (PRIME NIH # 5UL1TR003017-03	-	32,798
Rutgers University - New Brunswick	93.350	2062 (PRIME NIH # 5TL1TR003019-03)	-	174,400
Rutgers University - New Brunswick	93.350	2160 (NIH 5UL1TR003017-03)	-	118,433
Rutgers University - New Brunswick	93.350	SUB00002333 (NIH 5UL1TR003017-04)	-	38,478
Rutgers University - New Brunswick	93.350	SUB00002337 (PRIME NIH # 5UL1TR003017-04)	-	81,533
Rutgers University - New Brunswick	93.350	SUB00002339 (PRIME NIH 5KL2TR003018-04	-	10,208
Mount Sinai Hospital	93.351	AGRMT 7-14-2016 PRIME#(5R01OD010929-15)	-	458,741
University of Pittsburgh	93.351	CNVA00044062 (136278-3) PRIME # 2P40OD010996-17	-	195,602
Dana-Farber Cancer Institute	93.353	1206204 (PRIME # NIH NCI 5U2CCA233195-04)	-	194,600
University of California - San Francisco	93.353	11709sc (PRIME NIH 3U54CA244438-01S3 REVISED)	-	155,057
Dana-Farber Cancer Institute	93.393	1319301 (PRIME NIH # 5R01CA259365-02)	-	394,449
GPB Scientific, Inc.	93.393	AGRMT. dtd 7-8-19 (PRIME NIH # 5R42CA228616-03)	-	19,053
Rockefeller University	93.393	SUB00000236 (PRIME NIH # 5P01CA196539-07)	-	265,994
Weill Cornell Medical College	93.393	203550-2 (PRIME # NIH NCI 5R01CA218668-04)	-	70,530
Washington University	93.394	WU-21-112(PRIME #NIH 5U24CA211006-05)	-	10,000
Fox Chase Cancer Center	93.396	15139-03 (1R01CA236391-03)	-	1,392
Memorial Sloan Kettering Cancer Center	93.396	C21952710 (PRIME NIH 5R35CA220508-04)	-	50,000
Rutgers University - New Brunswick	93.396	8338 (PRIME # 5R01CA163591-09)	-	225,171
Trustees of Boston University	93.396	4500003866 (1U01CA214292-01)	-	74,012
Rutgers Cancer Institute of New Jersey	93.397	1060 (PRIME NIH 5P30CA072720-22)	-	8,529
Rutgers Cancer Institute of New Jersey	93.397	1400 (PRIME NIH 5P30CA072720-21)	-	(139)
Rutgers Cancer Institute of New Jersey	93.397	1936 (PRIME NCI # P30CA072720)	-	32,726
Rutgers University - New Brunswick	93.397	1822 (PRIME NIH # 5P30CA072720-22)	-	90,649
Rutgers University - New Brunswick	93.397	1823 (Prime 2P30CA072720-20 REVISED)	-	6,928
Rutgers University - New Brunswick	93.397	2286 (PRIME NIH # 5P30CA072720-23	-	30,532
Rutgers University - New Brunswick	93.397	2293 (PRIME NIH # 5P30CA072720-22)	-	18,243
Rutgers University - New Brunswick	93.398	2123 (PRIME NIH # 5T32CA257957-02)	-	29,238
University of North Carolina at Chapel Hill	93.837	5108063 (PRIME # NIH 1R01HL135007-01A1)	-	(19,312)
University of Pennsylvania	93.837	579337(PRIME # NIH NHLBI 5-R01HL133218-04)	-	(45,580)
University of Minnesota	93.839	A006625102 (Prime 2R01HL132906-05)	-	204
The Trustees of Columbia University	93.847	4(GG013026-01) PRIME NIH 5RC2DK116690-04)	-	13,627
University of Michigan	93.847	3004731859 (PRIME # NIH 5UG3DK114907-05)	-	82,612
University of Michigan	93.847	SUBK00010384 (PRIME # NIH U24DK100845)	-	24,728
University of Pennsylvania	93.847	571355 (PRIME NIH NIDDK 5P30DK019525-45)	-	231,212
University of Washington	93.847	UWSC10171 (PRIME# NIH NIDDK 5U2CDK114886-05)	-	25,986
Stanford University	93.853	61988198-135726 (PRIME NIH NINDS 5R01NS110060-02)	-	429,776
Stanford University	93.853	62569323-135726 (PRIME NIH # 5R01NS110060-04)	-	88,489
The Trustees of Columbia University	93.853	2(GG017143-04) (PRIME NIH # 1U19NS123716-01)	-	163,024
The Trustees of Columbia University	93.853	4(GG017143-06) (PRIME NIH # 1U19NS123716-01)	-	38,453
University of South Florida	93.853	6143-1199-02-A (PRIME NIH 5U01NS113868-02)	-	40,169
Weill Cornell Medical College	93.853	191469-01 (183045-01)(PRIME # NIH 5R01NS104926-04)	-	259,838
Loyola University Chicago	93.855	211441-2 (NIH 1R01AI146917-01A1)	-	384,636
University of Maryland, Baltimore	93.855	3002235 (NIH R01AI138797)	-	481,662
University of Pennsylvania	93.855	566802 (5R01AI118891-02)	-	(335)
Duke University	93.859	A03-4466 (NIH - R01GM057440)	-	180,755
Rowan University	93.859	50074-1 (NIH - R35GM138303)	-	7,851
Texas A&M University - College Station	93.859	M2000266 (NIH R01GM134063)	-	45,271
University of Massachusetts Boston	93.859	B001192657 (PRIME NIH # R01GM141843)	-	143,332
Stony Brook University	93.865	86675/2/115824 (PRIME NIH #5R01HD07335207)	-	72,900
The Trustees of Columbia University	93.865	2 (GG016094-01)(1R01HD103669-01A1)	-	85,716
University of North Carolina at Chapel Hill	93.865	5108499 (PRIME # NIH 5R01HD089275-05)	-	341,220
University of Massachusetts Boston	93.865	B000515127 (PRIME # NIH NICHD R01HD085870)	-	3,432
Columbia University Irving Medical Center	93.866	1(GG014323-01) PRIME # NIH #5R01AG066887-03)	-	34,253

The accompanying notes are an integral part of this schedule.

Princeton University

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Federal Grantor / Pass-Through / Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Passed to Subrecipients	Total Federal Expenditures
Duke University	93.866	A03-1441(Prime 2P01AG031719-06A1)	-	10,269
Duke University	93.866	A03-1723 (Prime R01-AG053308)	-	140,783
Ohio State University - Columbus	93.866	GR123880 I SPC-1000006003(PRIME NIH #R01AG071649)	-	3,577
Rockefeller University	93.866	SUB00000066 (PRIME NIH #1RF1AG059770-01)	-	99,586
The Trustees of Columbia University	93.866	1(GG014726-01) PRIME NIH # 7RF1AG057341-03)	-	653,716
University of California at Los Angeles	93.866	1920 G XA001 (PRIME # NIH 5R01AG061094-03R)	-	145,956
University of Pennsylvania	93.866	575091 (PRIME NIH NIA # 5R01AG060115-03)	-	180,808
University of Washington	93.866	UWSC11051(PRIME NIH 5U19AG057377-04)	-	72,867
Subtotal Department of Health and Human Services Pass-Through Programs			125,097	8,875,236
Total Department of Health and Human Services			5,864,112	58,924,288
National Science Foundation Direct Programs				
Engineering Grants	47.041		454,385	3,996,301
Mathematical and Physical Sciences	47.049		8,463,652	27,085,086
Geosciences	47.050		2,339,999	5,849,936
Computer and Information Science and Engineering	47.070		4,522,706	13,706,888
Biological Sciences	47.074		64,929	3,892,976
Social, Behavioral, and Economic Sciences	47.075		138,134	2,560,877
Education and Human Resources	47.076		-	5,288,359
Polar Programs	47.078		-	136,022
Office of Integrative Activities	47.083		219,281	393,237
National Science Foundation - IPA Agreement	47.RD		-	412,954
Subtotal National Science Foundation Direct Programs			16,203,086	63,322,636
National Science Foundation Pass-Through Programs				
Colorado State University	47.041	G-00973-04 PRIME #(CBET-1444758)	-	40,421
Optimeos Life Sciences, LLSA	47.041	Agreement DTD 7/30/20 (NSF IIP-2032023)	-	59,541
Phoresis, Inc.	47.041	Agreement DTD 6/7/21 (Prime IIP-2111941)	-	97,067
Tendo Technologies	47.041	Agreement DTD 3/17/22 (IIP-2129550)	-	2,114
The Johns Hopkins University	47.041	2003084213 (PRIME # NSF 1635443)	-	7,980
University of IL at Urbana-Champaign	47.041	101085-18900 (NSF CBET 2029028)	-	71,105
University of Oklahoma	47.041	021-27 (PRIME NSF # EFMA-2029394)	-	6,480
University of Pennsylvania	47.041	580512 (PRIME NSF CMMI-2037097)	-	162,763
University of Washington	47.041	UWSC9464 (PRIME # EFMA-1640986)	-	43,455
Yale University	47.041	*GK000391(D02294) (PRIME NSF # 1640959)	-	10,156
Assn of Univ for Rsrch in Astronomy, Inc	47.049	N51986C (Prime NSF 1202910)	-	2,369,313
California State University, Northridge	47.049	A19-0008-S001 (PRIME NSF # DMR-1828019)	-	35,370
Cornell University	47.049	80497-10950 (PRIME # DMR-1719875)	-	87,074
Emory University	47.049	A374196 (PRIME # NSF CHE-1700982)	-	83,586
Georgia Institute of Technology	47.049	AWD-102084-G1 (formerly RK081-G1) PRIME NSF	-	(257)
University of Chicago	47.049	AWD100383 (SUB00000089) PRIME NSF # OMA1936118	-	379,278
University of Chicago	47.049	FP065300-B (NSF - 1743753)	-	65,640
University of Maryland - College Park	47.049	105914-Z3846203 (PRIME NSF OMA-2120757	-	84,369
University of Michigan	47.049	SUBK00012284 (PRIME NSF # DMR-2004287	-	28,284
University of Nebraska - Lincoln	47.049	25-0521-0244-012 (NSF PHY 2121686)	-	311,674
University of Pittsburgh	47.049	AWD00002599 (012481-1) PRIME # NSF DMR-2004570	-	26,942
University of Wisconsin	47.049	847K254 (PRIME NSF DMR-1839199)	-	171,521
Wake Forest University	47.049	21-031 (PRIME NSF DMR-1627925)	-	22,636
Carnegie Institution - DC	47.050	4-10765-01 (NSF 1722495)	-	41,067
Consortium for Materials	47.050	133660-87BR (EAR-1661511)	-	(20,046)
Monterey Bay Aquarium Research Institute	47.050	2110162 (NSF OCE-1946578)	-	229,990
Rutgers University - New Brunswick	47.050	2067 (NSF #ICER-2103754)	-	85,149
University of California at Davis	47.050	201504240-05 (PRIME # EAR-1550901)	-	212,472
University of California at Irvine	47.050	2018-3651 (OCE-1848576)	-	50,558
University of Florida	47.050	SUB00002934 (NSF 2108308)	-	12,309
University of Rochester	47.050	417876-G / UR FAO GR530058 (NSF PHY-2020249)	-	192,540
Colorado School of Mines	47.070	402052_5804 (PRIME NSF # OAC-2118201)	-	191,427
Computing Research Association	47.070	2021 CI F-Princeton-46 (PRIME NSF # 2127309	-	45,731
Computing Research Association	47.070	2021CIF-Princeton-11 (PRIME NSF # 2127309)	-	109,131
Computing Research Association	47.070	CIF2020-PU-30 (PRIME NSF # 2030859)	-	170,521
Duke University	47.070	333-2825 (PRIME NSF #CNS-2112562)	-	85,775
Ohio State University - Columbus	47.070	SPC-1000005792 / GR125472 (NSF 2118240)	-	10,664
Purdue University	47.070	10000686-016 (PRIME# NSF- CCF-0939370)	-	219
The Pennsylvania State University	47.070	S000646-NSF(OAC-1835768)	-	146
University of California at Berkeley	47.070	00010071 (PRIME NSF #CNS-1545126)	-	33,566
University of Chicago	47.070	AWD064198 (SUB00000471) (PRIME NSF # 1730449)	-	143,213
University of Chicago	47.070	AWD100678(SUB00000206) PRIME NSF # CNS-1739809)	-	(215)
University of Minnesota	47.070	A006581304 (NSF CNS-1737633)	-	94,551
University of Texas at Austin	47.070	UTA19-001211/UTAUS-SUB00000170AM1 (NSF 1854828)	-	48,370
University of Virginia	47.070	GA11530.PO 2282729 (Prime NSF CNS-2041952)	-	21,952
University of Virginia	47.070	GA11606.PO#2389500 (Prime NSF 2142997)	-	75,000
Andluca Technologies	47.075	RA3-10-22 (PRIME # 2112279)	-	58,857
Stanford University	47.075	62040081-134570 (PRIME NSF BCS-1823410)	-	9,089
Education Development Center	47.076	12434 Trustees of Princeton University 00 (NSF)	-	159,886
Pasadena City College	47.076	B220017 (PRIME NSF # DUE-2000281)	-	44,990
Oregon State University	47.078	S2306L-E ((NSF OPP-2019719)	-	39,328
University of Arizona	47.083	577629 (Prime NSF 2040542)	-	149,198
University of Arizona	47.083	637452 (Prime NSF 2134892)	-	457,461
American Educational Research Association	47.RD	AGRMT. dtd 11-18-19 (PRIME NSF-DRL #1749275)	-	5,000
Subtotal National Science Foundation Pass-Through Programs			-	6,924,411
Total National Science Foundation			16,203,086	70,247,047

The accompanying notes are an integral part of this schedule.

Princeton University

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Federal Grantor / Pass-Through / Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Passed to Subrecipients	Total Federal Expenditures
National Aeronautics and Space Administration Direct Programs				
Science	43.001		1,050,528	4,550,641
Space Operations	43.007		-	6,480
Space Technology	43.012		-	61,151
NASA - 80GSFC19C0027	43.RD		204,172	4,591,714
NASA - NNG16PJ29C	43.RD		-	53,018
NASA - NNG16PJ30C	43.RD		-	123,045
NASA - NNG17FC93C	43.RD		1,071,971	1,071,971
Subtotal National Aeronautics and Space Administration Direct Programs			2,326,671	10,458,020
National Aeronautics and Space Administration Pass-Through Programs				
Bay Area Environmental Research Inst	43.001	NASA-80NSSC18K1285	-	75,612
Cal Tech - Jet Propulsion Lab (JPL)	43.001	1599303 (Prime: NNN12AA01C)	-	115,110
Cal Tech - Jet Propulsion Lab (JPL)	43.001	1654279 (NASA Prime NNN12AA01C)	-	6,623
Cal Tech - Jet Propulsion Lab (JPL)	43.001	RSA No. 1637859 (PRIME NASA # NNH17ZDA001N)	-	66,723
Cal Tech - Jet Propulsion Lab (JPL)	43.001	RSA No. 1640771 (NASA 80NM0018D0004)	-	17,329
Cal Tech - Jet Propulsion Lab (JPL)	43.001	RSA No.1671938 (NASA 80NM0018D0004)	-	2,909
Calif Inst of Technology (Cal Tech)	43.001	S403772 (PRIME NASA 80NSSC18K0223)	22,305	32,641
Dartmouth College	43.001	R1259 (NASA 80NSSC19K0580)	-	22,796
National Center for Atmospheric Research	43.001	SUBAWD000667 (PRIME # 80NSSC18K0288)	-	35,319
Smithsonian Astrophysical Observatory	43.001	AR2-23011X(NAS8-03060)	-	6,867
Smithsonian Astrophysical Observatory	43.001	GO1-22098X (NASA NAS8-03060)	-	6,984
Smithsonian Astrophysical Observatory	43.001	GO1-22099X (NASA NAS8-03060)	-	120,105
Smithsonian Astrophysical Observatory	43.001	TM0-21009X (NAS8-03060)	-	55,633
Southwest Research Institute	43.001	M99062DS (PRIME # NASA 80NSSC19K0806)	-	42,762
Space Telescope Science Institute	43.001	HST-HF2-51465.001-A (NAS5- 26555)	-	57,384
The Johns Hopkins University	43.001	136435 (PRIME NASA # NNN06AA01C)	1,725,249	2,249,891
Trustees of Boston University	43.001	4500003538 PRIME # NASA(80NSSC20K0603)	-	12,645
University of Alabama in Huntsville	43.001	2018-250 (PRIME # NASA 80NSSC18K1212)	-	15,830
University of CA at Santa Barbara	43.001	2032 (PRIME # JPL 1633148)	-	19,951
University of California at Berkeley	43.001	00009957 (NASA 80NSSC18K1487)	-	84,304
University of California at Berkeley	43.001	00010749 (PRIME NASA # 80NSSC21K0823)	-	75,247
University of California at San Diego	43.001	124205749 (NASA 80NSSC19K1115)	-	131,128
University of California at Santa Cruz	43.001	A16-0381-S002-P0589758 (NNG16PJ25C)	-	58,642
University of Florida	43.001	UFDSP00011822 (PRIME # NASA NNX17AK87G)	-	14,178
University of IL at Urbana-Champaign	43.001	106345-18667(80NSSC21K1986)	-	245,574
University of Iowa	43.001	S02018-01(80NSSC20K1273)	-	34,842
University of Iowa	43.001	S02731-01 (NASA # 80NSSC21K1242)	-	34,177
University of Miami	43.001	OS00000309 (NASA 80NSSC20K0879)	-	71,785
Vanderbilt University	43.001	UNIV62482AM1 (NASA 80NSSC21K1003)	-	19,709
Woods Hole Oceanographic Institute	43.001	A101370 (PRIME # NASA 80NSSC17K0555)	-	6,119
Texas A&M University - College Station	43.002	M1703308 (PRIME NASA NNX17AJ96A)	-	77,254
University of Michigan	43.002	3004301359 (Prime NNX16AP90A)	-	28,522
Rutgers University - New Brunswick	43.008	1824 (PRIME NASA 80NSSC20M0066)	-	22,398
Cal Tech - Jet Propulsion Lab (JPL)	43.RD	JRSA 1669854 (NASA NNN12AA01C)	-	74,727
Cal Tech - Jet Propulsion Lab (JPL)	43.RD	RSA 1654534 (NASA NNN12AA01C)	-	3,956
Cal Tech - Jet Propulsion Lab (JPL)	43.RD	RSA 1666227 (NASA NNN12AA01C)	-	5,124
Massachusetts Institute of Technology	43.RD	S3662 (Prime NASA NNG14FC03C)	-	219,793
Southwest Research Institute	43.RD	M99009VS (PRIME NASA # NNM06AA75C)	-	42,247
Southwest Research Institute	43.RD	M99023MJM (PRIME NASA #NASW-02008)	-	59,919
Space Telescope Science Institute	43.RD	HST-AR-16133.001-A (NAS5- 26555)	-	225,306
Space Telescope Science Institute	43.RD	HST-AR-16138.010-A (NASA NAS5- 26555)	-	9,951
Space Telescope Science Institute	43.RD	HST-GO-15195.001-A (NAS5-26555)	-	80,030
Space Telescope Science Institute	43.RD	HST-GO-15196.001-A (NASA NAS 5-26555)	-	80,030
Space Telescope Science Institute	43.RD	HST-GO-15875.001-A (NASA NAS5- 26555)	-	1,765
Space Telescope Science Institute	43.RD	HST-GO-16461.002-A (NASA Contract NAS5- 26555)	-	3,240
Space Telescope Science Institute	43.RD	HST-GO-16680.001-A (NASA Contract NAS5- 26555)	-	32,012
Space Telescope Science Institute	43.RD	HST-HF2-51423.001-A (NASA Contract NAS5-26555)	-	15,790
Space Telescope Science Institute	43.RD	HST-HF2-51426.001-A(NASA NAS5-26555)	-	16,091
Space Telescope Science Institute	43.RD	HST-HF2-51431.001-A (NASA NAS5- 26555)	-	115,628
Space Telescope Science Institute	43.RD	HST-HF2-51451.001-A (NASA NAS5- 26555)	-	113,230
Space Telescope Science Institute	43.RD	HST-HF2-51454.002-A (NASA NAS5- 26555)	-	105,382
Space Telescope Science Institute	43.RD	HST-HF2-51480.001-A (NASA NAS5- 26555)	-	80,508
Stanford University	43.RD	61238715-122362 (PRIME# NASA NNG16PJ24C)	-	67,356
Subtotal National Aeronautics and Space Administration Pass-Through Programs			1,747,554	5,219,078
Total National Aeronautics and Space Administration			4,074,225	15,677,098
Department of Defense Direct Programs				
DARPA - HR00112190072	12.RD		280,035	571,288
DARPA - U.SUW912HQ19P0108	12.RD		-	3,290
Subtotal Department of Defense Direct Programs			280,035	574,578
Department of Defense Pass-Through Programs				
Bascom Hunter Technologies, Inc.	12.RD	BHT-SK-0020-007 (PRIME - ONR # N6833521C011)	-	29,844
Bascom Hunter Technologies, Inc.	12.RD	BHT-SK-0020-008 (PRIME ARO # W911NF21P0033)	-	713
Bascom Hunter Technologies, Inc.	12.RD	SBIR RESEARCH AGREEMENT (PRIME ONR)	-	32,515
Combustion Science & Engineering, Inc.	12.RD	Agmt dtd 12/21/2018 (Prime ONR: N68335-18-C-0860)	-	68,753
Galois Connections, Inc.	12.RD	2019-020 (PRIME DARPA BAA #HR001118S0054)	-	90,096
George Mason University	12.RD	E2050121 (DOTC-17-01-INIT1562)	-	4,619
Government of Israel Ministry of Defense	12.RD	PO# 444-0649006 PRIME DSCA # (1000366232)	-	12,523
HRL Laboratories, LLC	12.RD	21004-213646-QS (DOD H98230-21-C-0290)	-	180,717
HRL Laboratories, LLC	12.RD	M15026-503666-DS (H98230-15-R-0453)	-	(153)
Innovative Technology Solutions JV, LLC	12.RD	AGRMT. dtd 8-17-21 (PRIME DOD)	-	229,640
Institute for Human & Machine Cognition	12.RD	2019-29-01-SC3 (PRIME DARPA # FA8650-19-C-7944)	-	65,760
Navy	12.RD	N6264518C4010	-	154,413
Northrop Grumman Corporation	12.RD	PO 5300006940 (PRIME DARPA)	-	60,431
Peraton Labs	12.RD	PO-0022820 (PRIME DARPA # FA8750- 20-C-0025)	-	353,760
Peraton Labs	12.RD	PO-0022995 (PRIME DARPA # HR0011-20-C-0160)	-	951,829

The accompanying notes are an integral part of this schedule.

Princeton University

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Federal Grantor / Pass-Through / Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Passed to Subrecipients	Total Federal Expenditures
Quantum Valley Ideas Laboratories	12.RD	HR00112190080-03 (HR00112190080)	-	304,227
Raytheon Company	12.RD	PO# 4201867418 90013(PRIME IARPA N66001-18-C-4507)	-	139,003
SRI International	12.RD	36929 (PRIME AFRL # FA8750-19-C-0079)	-	315,573
SRI International	12.RD	PO 22108 (140D6318C0020)	-	24,463
SRI International	12.RD	PO 47891 (HR001120C0099)	-	290,534
Stanford University	12.RD	62384833-156135 (PRIME # DARPA HR001120C0107)	-	975,055
Systems Plus, Inc.	12.RD	OPAR dtd 9-27-19 (PRIME DOD)	-	686,520
Twinleaf LLC	12.RD	Agreement DTD 1/11/2021(N6833521C0104)	-	8,592
Twinleaf LLC	12.RD	Contract DTD 6/21/21 (DARPA HR001121C0127)	-	119,734
University of Chicago	12.RD	AWD102323 (SUB00000531)(PRIME DARPA # HR0011219016)	-	155,612
University of Kansas	12.RD	FY2019-111 (W912HZ19C0014)	-	(5,552)
University of Maryland - College Park	12.RD	107532-Z9807201 (PRIME DARPA # HR00112290056)	-	72,365
Subtotal Department of Defense Pass-Through Programs			-	5,321,586
Total Department of Defense			280,035	5,896,164
Army Direct Programs				
Military Medical Research and Development	12.420		-	(5,014)
Basic Scientific Research	12.431		2,070,678	5,234,946
Subtotal Army Direct Programs			2,070,678	5,229,932
Army Pass-Through Programs				
Tunoptix, Inc.	12.114	AGRMT dtd 4-20-22 (PRIME DARPA # W31P4Q-21-C-0043)	-	6,480
Carnegie Mellon University	12.431	1130259-433542 (PRIME ARO # W911NF-20-1-0204)	-	2,401
Harvard University	12.431	134371- 5113612 (PRIME DARPA W911NF2010021)	-	204,191
Harvard University	12.431	134396-5117989 (ARO- W911NF2120147)	-	148,291
Purdue University	12.431	13000942-034 (PRIME ARO W911NF2020221)	-	263,340
The Johns Hopkins University	12.431	2004559380 (PRIME # ARO W911NF-17-1-0304)	-	150,940
University of CA at Santa Barbara	12.431	KK1712 (PRIME ARO # W911NF-16-1-0474)	-	240,388
University of Pittsburgh	12.431	CNVA00059885(414132-1) PRIME (ARO # W911NF1810144)	-	45,689
Subtotal Army Pass-Through Programs			-	1,061,720
Total Army			2,070,678	6,291,652
Navy Direct Programs				
Basic and Applied Scientific Research	12.300		601,817	5,145,929
Subtotal Navy Direct Programs			601,817	5,145,929
Navy Pass-Through Programs				
Duke University	12.300	313-1042 (PRIME AFRL # FA8750-20-2-0504)	-	131,333
Lehigh University	12.300	OPAR DTD 5/6/22	-	426
The UnLAB Inc.	12.300	UnLAB-2020-06 (DARPA # HR0011047197)	-	78,483
University of California at Davis	12.300	A17-0260-S001-A02 (PRIME ONR N00014-17-1-2961)	-	198,042
University of Virginia	12.300	GG13311 146903 (Prime # ONR N00014-14-1-0533)	-	(85)
University of Virginia	12.300	GG13374.PO#2339684 (ONR N00014-21-1-2210)	-	136,502
Subtotal Navy Pass-Through Programs			-	544,701
Total Navy			601,817	5,690,630
Air Force Direct Programs				
Air Force Defense Research Sciences Program	12.800		1,292,149	4,690,456
Subtotal Air Force Direct Programs			1,292,149	4,690,456
Air Force Pass-Through Programs				
Aix-Marseille University	12.800	AGRMT. dtd 3-3-21	-	11,914
Boston College	12.800	5110551-1 (PRIME AFOSR # FA9550-20-1-0282)	-	132,850
California Institute of Technology (Cal Tech)	12.800	S421699 (PRIME # FA9550-16-1-0566)	-	312,539
Rice University	12.800	R18712 PRIME#FA9550-15-1-0022)	-	127,477
The Johns Hopkins University	12.800	2005141316 (PRIME AFOSR # FA9550-21-1-0317)	-	68,165
The Pennsylvania State University	12.800	5843-PU-AFOSR-0037(PRIME # AFOSR FA9550-18-1-0037)	-	1,703
University of California at Berkeley	12.800	00010642 (PRIME AFOSR # FA9550-18-1-0077)	-	219,236
University of California at Los Angeles	12.800	1010 G WA380 (PRIME AFOSR FA9550-18-1-0502)	-	356,416
University of Texas at Austin	12.800	UTA18-001488 (PRIME AFOSR # FA9550-19-1-0005)	-	560,784
Subtotal Air Force Pass-Through Programs			-	1,791,084
Total Air Force			1,292,149	6,481,540
National Security Agency Pass-Through Programs				
Stanford University	12.901	61907448-134270 (PRIME DARPA # FA8650-18-2-7854)	-	485,470
Subtotal National Security Agency Pass-Through Programs			-	485,470
Total National Security Agency			-	485,470
Advanced Research Projects Agency Direct Programs				
Research and Technology Development	12.910		1,523,669	2,801,289
Subtotal Advanced Research Projects Agency Direct Programs			1,523,669	2,801,289
Advanced Research Projects Agency Pass-Through Programs				
Broad Institute	12.910	5000856-5500001546 (DARPA-D18AC00006)	-	(9,431)
CU Aerospace	12.910	20-11-PU (DARPA N6600122C4011)	-	73,133
Duke University	12.910	313-1011 PRIME (DARPA # FA8650-18-2-7832)	-	140,129
Icahn School of Medicine at Mount Sinai	12.910	0258-A061-4609 (PRIME # DARPA N6600119C4022)	-	155,271
Rutgers University - New Brunswick	12.910	1651 (PRIME DARPA # FA8650-20-2-7032)	-	66,496
The Pennsylvania State University	12.910	S001354-DARPA (PRIME DARPA # N66001-20-1-4052)	-	211,750
University of California at Santa Barbara	12.910	KK1932 (PRIME DARPA # D18AC00015)	-	387,511
University of Illinois at Urbana-Champaign	12.910	092435-17095 (PRIME DARPA FA8650-18-2-7866)	-	367,572
University of Illinois at Urbana-Champaign	12.910	108335-18904 (PRIME DARPA # HR00112220028)	-	37,576
University of Massachusetts Lowell	12.910	S51000000045241 (DOD W912HQ20P0027)	-	317
University of Rochester	12.910	417384/URFAO-GR510889 (D18AC0025)	-	38,839
University of Southern California	12.910	108748817 (PRIME DARPA HR00111820046)	-	157,469
Subtotal Advanced Research Projects Agency Pass-Through Programs			-	1,626,632
Total Advanced Research Projects Agency			1,523,669	4,427,921

The accompanying notes are an integral part of this schedule.

Princeton University

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Federal Grantor / Pass-Through / Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Passed to Subrecipients	Total Federal Expenditures
Department of Commerce Direct Programs				
Bipartisan Budget Act of 2018 (DOC)	11.022		-	44,910
Climate and Atmospheric Research	11.431		40,048	410,245
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432		186,865	8,279,597
Subtotal Department of Commerce Direct Programs			226,913	8,734,752
Total Department of Commerce			226,913	8,734,752
National Endowment for the Humanities Direct Programs				
Promotion of the Humanities Research	45.161		-	96,839
Promotion of the Humanities Teaching and Learning Resources and Curriculum Development	45.162		-	23,135
Promotion of the Humanities Office of Digital Humanities	45.169		-	43,899
Subtotal National Endowment for the Humanities Direct Programs			-	163,873
Total National Endowment for the Humanities			-	163,873
Department of Education Direct Programs				
Overseas Programs - Doctoral Dissertation Research Abroad	84.022		-	81,134
Subtotal Department of Education Direct Programs			-	81,134
Total Department of Education			-	81,134
Department of Transportation Pass-Through Programs				
Rutgers University - New Brunswick	20.701	0615 (PRIME # US DEPT. OF TRANS 69A3551847102)	-	93,553
Subtotal Department of Transportation Pass-Through Programs			-	93,553
Total Department of Transportation			-	93,553
Department of the Interior Direct Programs				
Earthquake Hazards Reduction Program	15.807		-	16,125
Department of the Interior - Contracts	15.RD		-	24,210
Subtotal Department of the Interior Direct Programs			-	40,335
Department of the Interior Pass-Through Programs				
Rutgers University - New Brunswick	15.805	2088 (G21AP10595-00)	-	18,211
Subtotal Department of the Interior Pass-Through Programs			-	18,211
Total Department of the Interior			-	58,546
National Archives and Records Administration Direct Programs				
National Historical Publications and Records Grants	89.003		10,445	126,095
Subtotal National Archives and Records Administration Direct Programs			10,445	126,095
Total National Archives and Records Administration			10,445	126,095
Department of Agriculture Direct Programs				
Agriculture and Food Research Initiative (AFRI)	10.310		678,662	1,385,226
Subtotal Department of Agriculture Direct Programs			678,662	1,385,226
Department of Agriculture Pass-Through Programs				
University of California, Riverside	10.310	S-001379 (PRIME USDA # 2017-67022-26135)	-	(10,819)
Subtotal Department of Agriculture Pass-Through Programs			-	(10,819)
Total Department of Agriculture			678,662	1,374,407
U.S. Department of State Direct Programs				
Middle East Partnership Initiative (MEPI)	19.500		133,559	1,225,583
Middle East Partnership Initiative (MEPI)	19.500		139,958	999,709
Total U.S. Department of State			273,517	2,225,292
Agency for International Development Direct Programs				
Agency for International Development - Contracts	98.RD		-	104,889
Subtotal Agency for International Development Direct Programs			-	104,889
Agency for International Development Pass-Through Programs				
Massachusetts Institute of Technology	98.853	S5136, PO# 491380 (PRIME #2R01NS089076-06 REVISED)	-	56,671
Subtotal Agency for International Development Pass-Through Programs			-	56,671
Total Agency for International Development			-	161,560
Office of the Director of National Intelligence				
Intelligence Community Centers for Academic Excellence	54.001		-	56,350
Total Office of the Director of National Intelligence			-	56,350
Environmental Protection Agency Pass-Through Programs				
Wood Env & Infrastructure Solutions, Inc	66.RD		-	112
Total Environmental Protection Agency			-	112
Total Research and Development Cluster			36,333,210	217,961,767
Other Programs				
Department of Energy Direct Programs				
Office of Science Financial Assistance Program	81.049		-	3,707
Subtotal Department of Energy Direct Programs			-	3,707
Total Department of Energy			-	3,707
Department of Defense Direct Programs				
Department of Defense - N00244-17-G-0001	12.U01		-	56,010
Subtotal Department of Defense Direct Programs			-	56,010
Total Department of Defense			-	56,010
Army Direct Programs				
Basic Scientific Research	12.431		-	214
Subtotal Army Direct Programs			-	214
Total Army			-	214
Air Force Direct Programs				
Air Force Defense Research Sciences Program	12.800		-	58,790
Subtotal Air Force Direct Programs			-	58,790
Total Air Force			-	58,790

The accompanying notes are an integral part of this schedule.

Princeton University

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Federal Grantor / Pass-Through / Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Passed to Subrecipients	Total Federal Expenditures
National Endowment for the Humanities Direct Programs				
Promotion of the Humanities_ Research	45.161		-	100,000
Promotion of the Humanities_Office of Digital Humanities	45.169		12,313	146,781
Museums for America	45.301		-	27,562
Subtotal National Endowment for the Humanities Direct Programs			12,313	274,343
Total National Endowment for the Humanities			12,313	274,343
Department of Education Direct Programs				
Department of Education - IPA Agreement	84.U01		-	34,760
Subtotal Department of Education Direct Programs			-	34,760
Total Department of Education			-	34,760
Student Financial Assistance Cluster				
Department of Education Direct Programs				
Federal Supplemental Educational Opportunity Grants	84.007		-	1,234,391
Federal Work-Study Program	84.033		-	1,198,089
Perkins Outstanding Loans	84.038		-	1,572,065
Federal Pell Grant Program	84.063		-	5,434,736
Federal Direct Student Loans	84.268		-	1,985,591
Total for Student Financial Assistance Cluster			-	11,424,872
Total Federal Awards			\$ 36,345,523	\$ 229,814,463

The accompanying notes are an integral part of this schedule.

Princeton University

Schedule of Expenditures of State of New Jersey Awards

For the Year Ended June 30, 2022

State Grantor / Program Title	Grant No./ Reference Number	Award Amount	Grant Period	Current Year Expenditures	Life to Date Expenditures
Research & Development					
<u>New Jersey Department of Health and Senior Services</u>					
New Jersey Commission on Brain Injury Research					
NJ Commission on Brain Injury Research	CBIR20FEL007	\$ 100,500	4/1/2020 - 3/31/2023	\$ 15,000	\$ 47,600
Total New Jersey Commission on Brain Injury Research		100,500		15,000	47,600
New Jersey Commission on Cancer Research (NJCCR)					
NJ Commission on Cancer Research	DCHS20PPC024	100,000	1/1/2020 - 12/31/2021	32,902	100,000
NJ Commission on Cancer Research	DCHS20PPC025	100,000	1/1/2020 - 12/31/2021	37,748	97,748
NJ Commission on Cancer Research	COCR22PRF009	50,000	7/1/2021 - 6/30/2023	22,640	22,640
Total New Jersey Commission on Cancer Research		250,000		93,289	220,388
New Jersey Governors Council on Autism:					
New Jersey Governor's Council on Autism	CAUT20AFP006	130,000	5/01/2020-4/30/2022	62,382	124,740
Total New Jersey Governors Council on Autism		130,000		62,382	124,740
New Jersey Commission on Science and Technology					
NJ Commission on Science and Technology	PROD-00288704	11,250	9/15/2021-3/15/2022	9,339	9,339
Total New Jersey Commission on Science and Technology		11,250		9,339	9,339
Total New Jersey Department of Human Services		491,750		180,011	402,067
Total Research and Development		491,750		180,011	402,067
<u>Other Programs</u>					
<u>New Jersey Department of State</u>					
New Jersey Council on the Arts					
NJ State Council on the Arts	C-2205X020106	55,000	7/1/2021-6/30/2022	55,000	55,000
Total Other Programs		55,000		55,000	55,000
<u>Student Financial Aid</u>					
New Jersey Higher Education Student Assistance Authority					
New Jersey Tuition Grant Aid	NONE	1,157,121	INDEFINITE	1,157,121	1,157,121
Total Student Financial Aid		1,157,121		1,157,121	1,157,121
Total New Jersey State Awards		\$ 1,703,871		\$ 1,392,132	\$ 1,614,188

The accompanying footnotes are an integral part of the Schedule of Expenditures of State of New Jersey Awards

Princeton University

Notes to Schedules of Expenditures of Federal and State Awards

For the Year Ended June 30, 2022

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State of New Jersey Awards (the “Schedules”) have been prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the State of New Jersey Department of the Treasury Circular 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, as applicable. The purpose of the Schedules is to present a summary of the activities of Princeton University (the “University”) for the year ended June 30, 2022, which have been financed by the U.S. Government and the State of New Jersey, respectively. For purposes of the Schedules, federal and state awards include all federal and state financial assistance relationships entered into directly between the University and the federal government or the State of New Jersey and sub awards from nonfederal and nonstate organizations made under federally or state sponsored agreements. Negative amounts listed on the Schedules represent adjustments, in the normal course of business, to amounts included on the prior year’s Schedules. The pass-through entity identifying number on the Schedules represents the identification number assigned by the prime to the applicable program. Assistance Listing Numbers (“ALN”) and pass-through numbers are provided when applicable. Certain awards reference an internal management identifier when no sponsor identifier is available. Because the Schedules present only a selected portion of the activities of the University, they are not intended to and do not present either the financial position, changes in net assets or cash flows of the University.

Consistent with the provisions of OMB Uniform Guidance, the Schedule of Expenditures of Federal Awards does not include expenditures of the Princeton Plasma Physics Laboratory (“PPPL”) that were funded by Department of Energy (“DOE”) contract. The PPPL, a national laboratory operated and managed by the University under contract directly with DOE, represents a government-owned, contractor operated (GOCO) facility. GOCOs are excluded from the provisions of the OMB Uniform Guidance (section 200.38 – Federal award).

The accounting principles followed by the University in preparing the Schedules are as follows:

Sponsored Research (Research and Development) and Other Awards—Expenditures for direct costs are recognized as incurred using the accrual method of accounting and the cost accounting principles contained in the Uniform Guidance. Under those cost principles, expenditures also include a portion of costs associated with general University activities (indirect costs) which are allocated to federal and state awards under negotiated formulas commonly referred to as facilities and administrative cost rates. The University did not elect to use the 10% de minimis rate.

Student Financial Assistance—Expenditures are recognized on the accrual basis for both awards made to students and allowable administrative expenses of running such programs.

Princeton University
Notes to Schedules of Expenditures of Federal and State Awards
For the Year Ended June 30, 2022

2. Facility and Administrative Costs

The University's Federal negotiated predetermined cost rates for the year ended June 30, 2022 were as follows:

Princeton University Sponsored Activity:

On Campus	62.0%
Off Campus	26.0%
Off Campus Geophysical Fluid Dynamics Laboratory (GFDL)	30.5%

Indirect cost rates for New Jersey state awards are determined by New Jersey state agencies on a proposal basis.

3. Federal Perkins Loan Program

Amounts reported in the schedule of expenditures of federal awards for the Federal Perkins Loan Program (84.038) represent the Perkins Revolving Loan Fund outstanding at the beginning of the year, an administrative cost allowance and loans made during the year. The balance of Federal Perkins loans outstanding as of June 30, 2022 was \$1,178,283. The University did not receive a federal capital contribution nor make any matching contribution to the Federal Perkins Loan fund in 2022. In January 2023, the U.S. Department of Education ("DOE") requested \$372,306 from the Perkins Loan Revolving Fund to be returned to the DOE and this amount was paid back in February 2023. An administrative cost allowance associated with expenditures related to Federal Work Study and Federal SEOG is included in the Schedules where applicable.

4. Federal Direct Loan Program

The University participates in the Federal Direct Loan Program (84.268), which includes subsidized and unsubsidized Federal Stafford Loans ("Stafford") and Federal PLUS Loans ("PLUS"). Even though the University is not the recipient of the funds and loans under the Federal Direct Loan Program, which are made to students, such programs are considered a component of the student financial assistance program at the University. The Schedules include the amounts awarded to students during the year ended June 30, 2022. It is not practical to estimate the outstanding balance of loans under this program.

Princeton University

Schedule of Financial Responsibility Data

As of and for the Year Ended June 30, 2022

Location in financial statements or related notes	Financial element	GAAP financial statement line item or disclosure	Amount Used as Ratio Input
<i>(in thousands)</i>			
Primary Reserve Ratio: Expendable Net Assets			
Statement of financial position	Net assets without donor restrictions	\$ 17,142,486	\$ 17,142,486
Statement of financial position	Net assets with donor restrictions	21,044,758	21,044,758
Note 19, Financial Responsibility Standards	Unsecured related party receivable - contributions receivable	11,728	11,728
Statement of financial position	Total property, plant, and equipment, net	4,988,384	-
Note 19, Financial Responsibility Standards	Property, plant and equipment, net - pre-implementation	-	3,553,594
Note 19, Financial Responsibility Standards	Property, plant and equipment, net - post-implementation with outstanding debt for original purchase	-	101,618
Note 19, Financial Responsibility Standards	Property, plant and equipment, net - post-implementation without outstanding debt for original purchase	-	48,909
Note 9, Property, Plant and Equipment	Construction in progress	535,295	535,295
Note 10, Leases	Total lease right-of-use assets	28,184	-
N/A	Lease right-of-use assets - pre-implementation	-	-
Note 10, Leases	Lease right-of-use assets - post-implementation	-	28,184
N/A	Intangible assets	-	-
Statement of financial position	Post-employment and pension liabilities	484,225	484,225
Note 12, Long-Term Debt	Total long-term debt	4,101,724	-
Note 19, Financial Responsibility Standards	Long-term debt - for long-term purposes - pre-implementation	-	2,148,874
Note 19, Financial Responsibility Standards	Long-term debt - for long-term purposes - post-implementation	-	101,618
Note 19, Financial Responsibility Standards	Line of credit for construction in progress	-	334,336
Note 10, Leases	Total liability related to lease right-of-use assets	28,299	-
N/A	Liability related to lease right-of-use assets - pre-implementation	-	-
Note 10, Leases	Liability related to lease right-of-use assets - post-implementation	-	28,299
Note 19, Financial Responsibility Standards	Annuities with donor restrictions	-	9,383
Note 19, Financial Responsibility Standards	Term endowments with donor restrictions	-	4,529,189
Note 19, Financial Responsibility Standards	Life income funds with donor restrictions	-	74,816
Note 19, Financial Responsibility Standards	Net assets with donor restrictions: restricted in perpetuity	-	2,579,707
Primary Reserve Ratio: Expenses and Losses			
Note 19, Financial Responsibility Standards	Total expenses and losses without donor restrictions	1,982,916	1,982,916
Equity Ratio: Modified Net Assets			
Statement of financial position	Net assets without donor restrictions	17,142,486	17,142,486
Statement of financial position	Net assets with donor restrictions	21,044,758	21,044,758
N/A	Intangible assets	-	-
Note 19, Financial Responsibility Standards	Unsecured related party receivable	11,728	11,728
Equity Ratio: Modified Assets			
Statement of financial position	Total assets	43,559,264	43,559,264
N/A	Lease right-of-use assets - pre-implementation	-	-
N/A	Intangible assets	-	-
Note 19, Financial Responsibility Standards	Unsecured related party receivable	11,728	11,728
Net Income Ratio:			
Statement of activities	Change in net assets without donor restrictions - University	(424,331)	(424,331)
Note 19, Financial Responsibility Standards	Total revenues and gains without donor restrictions	-	2,346,458

See accompanying independent auditors' report.



Report of Independent Auditors 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

To the Trustees of Princeton University

We have audited, 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, the consolidated financial statements of Princeton University and its subsidiaries (the "University", which as described in Note 2 is legally known as the Trustees of Princeton University), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities and of cash flows for the year then ended, including the related notes (collectively referred to as the "consolidated financial statements"), and have issued our report thereon dated November 21, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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



Purpose of this Report

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

PricewaterhouseCoopers LLP

November 21, 2022



Report of Independent Auditors on Compliance for Each Federal and State Major Program and on Internal Control Over Compliance Required by Uniform Guidance, New Jersey Department of Treasury Circular Letter 15-08 Office of Management and Budget and The New Jersey Higher Education Student Assistance Authority

To the Trustees of Princeton University

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Princeton University's (the "University," which is legally known as the Trustees of Princeton University) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement, *The New Jersey Department of the Treasury Circular Letter 15-08 Office of Management and Budget, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid and The New Jersey Higher Education Student Assistance Authority Supplement*, that could have a direct and material effect on each of the University's major federal and state programs respectively, for the year ended June 30, 2022. The University's major federal and state programs are identified in the summary of auditor's 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 and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (US 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), *The New Jersey Department of the Treasury Circular Letter 15-08 Office of Management and Budget, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid and The New Jersey Higher Education Student Assistance Authority Supplement* (15-08). Our responsibilities under those standards, the Uniform Guidance and 15-08, 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 and state 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 and state 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 US GAAS, *Government Auditing Standards*, the Uniform Guidance and 15-08 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 and state program as a whole.

In performing an audit in accordance with US GAAS, *Government Auditing Standards*, the Uniform Guidance and 15-08, 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 and 15-08, 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 and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 and state 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 and state 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 and 15-08. Accordingly, this report is not suitable for any other purpose.

PricewaterhouseCoopers LLP

March 8, 2023

Princeton University

Summary of Independent Auditor's Results

Year Ended June 30, 2022

Section I—Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued:		Unmodified opinion
Internal control over financial reporting:		
Material weaknesses(es) identified?	_____ Yes	_____ <u>X</u> No
Significant deficiencies(s) identified that are not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> None reported
Noncompliance material to financial statements noted?	_____ Yes	_____ <u>X</u> No

Federal Awards

Internal Control over major programs:		
Material weaknesses(es) identified?	_____ Yes	_____ <u>X</u> No
Significant deficiencies(s) identified that are not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> None reported
Types of auditor's report issued on compliance for major program		Unmodified opinion

State of New Jersey Awards

Internal Control over major programs:		
Material weaknesses(es) identified?	_____ Yes	_____ <u>X</u> No
Significant deficiencies(s) identified that are not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> None reported
Types of auditor's report issued on compliance for major program		Unmodified opinion
Any audit findings disclosed that are required to be reported in accordance with:		
2 CFR section 200.516 (a)?	_____ Yes	_____ <u>X</u> No
State of New Jersey OMB Circular 15-08?	_____ Yes	_____ <u>X</u> No

Identification of major programs:

CFDA Numbers (s)

Name of Program or Cluster

Federal:
Various

Research & Development Cluster

State:
Various

Student Financial Aid Cluster

Princeton University

Summary of Independent Auditor's Results

Year Ended June 30, 2022

Dollar threshold used to distinguish between
Type A and Type B programs:

Federal Awards: \$3,000,000
State of New Jersey Awards: \$750,000

Federal:

Auditee qualified as low-risk auditee? X Yes _____ No

State:

Auditee qualified as low-risk auditee? X Yes _____ No

Princeton University
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section II – Financial Statement Findings

The audit disclosed no items required to be reported in this section.

Section III—Federal Award Findings and Questioned Costs

The audit disclosed no items required to be reported in this section.

Section IV—State of New Jersey Award Findings and Questioned Costs

The audit disclosed no items required to be reported in this section.

Princeton University
Summary Schedule of Prior Audit Findings and Status
Year Ended June 30, 2022

Federal Programs

No findings in prior years that require an update in this report.

State Programs

No findings in prior years that require an update in this report.