

Rochester Institute of Technology

**Report on Federal Awards in Accordance with
the Uniform Guidance**

For the Year Ended June 30, 2021

Primary EIN: 16-0743140

Rochester Institute of Technology
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For the fiscal year ended June 30, 2021

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Report of Independent Auditors

To the Board of Trustees of the Rochester Institute of Technology

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Rochester Institute of Technology and its subsidiaries ("the University"), which comprise the consolidated balance sheets as of June 30, 2021 and 2020, and the related consolidated statements of activities and of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Rochester Institute of Technology and its subsidiaries as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, the University changed the manner in which it accounts for leases in 2021. Our opinion is not modified with respect to this matter.



Other Matter

Other 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, 2021 is 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) and is not a required part of the consolidated financial statements. The 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 is 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 11, 2021 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended June 30, 2021. 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

Rochester, New York
November 11, 2021

Rochester Institute of Technology
Consolidated Balance Sheets
June 30, 2021 and 2020
(in thousands)

	2021	2020
Assets		
Cash and cash equivalents	\$ 113,842	\$ 93,001
Cash and cash equivalents, held with trustees	17,734	17,994
Accounts receivable, net	20,035	18,491
Inventories and other assets	21,264	10,071
Contributions receivable, net	57,247	62,390
Student loans receivable, net	14,589	20,024
Investments, at fair value	1,630,787	1,271,002
Property, plant and equipment, net	681,610	673,242
Total assets	\$ 2,557,108	\$ 2,166,215
Liabilities		
Accounts payable and accrued expenses	\$ 60,672	\$ 47,625
Deferred revenues and other liabilities	78,626	68,922
Accrued postretirement benefits	138,804	139,958
Federal Perkins Loan Program advances	15,535	20,054
Long-term debt, net	356,576	369,718
Total liabilities	650,213	646,277
Net assets		
Without donor restrictions	1,210,387	986,176
With donor restrictions	696,508	533,762
Total net assets	1,906,895	1,519,938
Total liabilities and net assets	\$ 2,557,108	\$ 2,166,215

The accompanying notes are an integral part of these Consolidated Financial Statements.

Rochester Institute of Technology
Consolidated Statements of Activities
For the fiscal year ended June 30, 2021
(With summarized financial information for the year ended June 30, 2020)
(in thousands)

			2021	2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating revenues and other support				
Tuition and fees (includes discounts of \$276,339 and \$233,063, respectively)	\$ 317,419	\$ -	\$ 317,419	\$ 325,319
Sales and services of auxiliaries	67,921	-	67,921	66,541
Grants and contracts	155,453	1,016	156,469	140,170
Private contributions	1,326	9,230	10,556	12,987
Investment return	23,167	20,868	44,035	47,588
Other sources	15,662	-	15,662	20,365
Net assets released from restrictions	25,766	(25,766)	-	-
Total operating revenues and other support	606,714	5,348	612,062	612,970
Operating expenses				
Salaries and wages	\$ 301,647	\$ -	\$ 301,647	\$ 307,292
Benefits	95,769	-	95,769	100,651
Postretirement benefits	4,691	-	4,691	4,393
Purchased services	43,042	-	43,042	43,263
Materials and supplies	41,337	-	41,337	41,574
Depreciation	42,808	-	42,808	42,769
Interest	10,085	-	10,085	10,115
Utilities, taxes and insurance	12,359	-	12,359	11,093
Travel for scholarship, professional development and recruitment	1,088	-	1,088	7,062
Other	18,160	-	18,160	20,385
Total operating expenses	570,986	-	570,986	588,597
Net operating activities	35,728	5,348	41,076	24,373
Nonoperating activities				
Investment return, net	\$ 174,580	\$ 157,174	\$ 331,754	\$ (12,419)
Net assets released from restrictions	8,914	(8,914)	-	-
Contributions for long-term assets	4,798	9,188	13,986	17,074
Grants and contracts for long-term assets	10	354	364	660
Net periodic postretirement benefit cost other than service cost	562	-	562	127
Other postretirement benefit changes	741	-	741	(9,234)
Beneficiary payments and change in value of deferred giving arrangements	-	(269)	(269)	(143)
Other	(1,122)	(135)	(1,257)	2,101
Net nonoperating activities	188,483	157,398	345,881	(1,834)
Increase in net assets	224,211	162,746	386,957	22,539
Net assets at beginning of year	986,176	533,762	1,519,938	1,497,399
Net assets at end of year	\$ 1,210,387	\$ 696,508	\$ 1,906,895	\$ 1,519,938

The accompanying notes are an integral part of these Consolidated Financial Statements.

Rochester Institute of Technology
Consolidated Statement of Activities
For the fiscal year ended June 30, 2020
(in thousands)

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues and other support			
Tuition and fees (includes discounts of \$233,063)	\$ 325,319	\$ -	\$ 325,319
Sales and services of auxiliaries	66,541	-	66,541
Grants and contracts	139,893	277	140,170
Private contributions	3,600	9,387	12,987
Investment return	27,672	19,916	47,588
Other sources	20,365	-	20,365
Net assets released from restrictions	25,973	(25,973)	-
Total operating revenues and other support	609,363	3,607	612,970
Operating expenses			
Salaries and wages	307,292	-	307,292
Benefits	100,651	-	100,651
Postretirement benefits	4,393	-	4,393
Purchased services	43,263	-	43,263
Materials and supplies	41,574	-	41,574
Depreciation	42,769	-	42,769
Interest	10,115	-	10,115
Utilities, taxes and insurance	11,093	-	11,093
Travel for scholarship, professional development and recruitment	7,062	-	7,062
Other	20,385	-	20,385
Total operating expenses	588,597	-	588,597
Net operating activities	20,766	3,607	24,373
Nonoperating activities			
Investment return, net	\$ (5,771)	\$ (6,648)	\$ (12,419)
Net assets released from restrictions	597	(597)	-
Contributions for long-term assets	10,732	6,342	17,074
Grants and contracts for long-term assets	298	362	660
Net periodic postretirement benefit cost other than service cost	127	-	127
Other postretirement benefit changes	(9,234)	-	(9,234)
Beneficiary payments and change in value of deferred giving arrangements	-	(143)	(143)
Other	2,195	(94)	2,101
Net nonoperating activities	(1,056)	(778)	(1,834)
Increase in net assets	19,710	2,829	22,539
Net assets at beginning of year	966,466	530,933	1,497,399
Net assets at end of year	\$ 986,176	\$ 533,762	\$ 1,519,938

The accompanying notes are an integral part of these Consolidated Financial Statements.

Rochester Institute of Technology
Consolidated Statements of Cash Flows
For the fiscal years ended June 30, 2021 and 2020
(in thousands)

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 386,957	\$ 22,539
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation, amortization and accretion expense	41,886	42,170
Loss on disposal of property, plant and equipment	258	325
Realized and unrealized net gains on investments	(371,188)	(25,411)
Contributions and government grants restricted for long-term purposes	(16,030)	(31,930)
Noncash contributions of property, plant, equipment and securities	(4,781)	(10,578)
Gain on extinguishment of debt	(126)	(12,789)
Premium on issuance of debt	-	32,866
Asset retirement obligation liquidation and adjustment	(956)	(81)
Changes in assets and liabilities:		
Accounts receivable	(1,544)	233
Inventories and other assets	(52)	(1,246)
Contributions receivable	5,143	24,299
Student loans receivable	147	88
Accounts payable and accrued expenses	14,324	574
Deferred revenues and other liabilities	(5,209)	9,102
Accrued postretirement benefits	(1,154)	9,659
Net cash provided by operating activities	47,675	59,820
Cash flows from (used in) investing activities		
Purchases of investments	(378,210)	(359,190)
Proceeds from the sales and maturities of investments	389,645	233,634
Proceeds from the sale of property	37	27
Payments received on student loans	5,288	6,117
Acquisition of property, plant and equipment	(43,215)	(48,650)
Net cash used in investing activities	(26,455)	(168,062)
Cash flows from (used in) financing activities		
Contributions and contracts restricted for long-term purposes	14,293	29,064
Proceeds from sale of contributed securities	1,759	2,991
Payments of long term debt	(11,976)	(225,884)
Proceeds from the issuance of debt	-	316,382
Debt issuance costs	(196)	(1,760)
Decrease in refundable government grants for student loans	(4,519)	(2,670)
Net cash (used in) from financing activities	(639)	118,123
Increase in cash, cash equivalents and restricted cash	20,581	9,881
Cash, cash equivalents and restricted cash - beginning of year	110,995	101,114
Cash, cash equivalents and restricted cash - end of year	\$ 131,576	\$ 110,995
Supplemental disclosures of cash flow information		
Interest paid (including capitalized interest of \$898 and \$1,154 in 2021 and 2020, respectively)	\$ 11,577	\$ 11,878
Contributions of long-term assets	4,781	10,578
Contributions of marketable securities	1,993	3,234
Decrease in construction-related payables	(1,330)	(1,203)
Asset exchanged under asset retirement obligation	3,680	-
See Note 3 for supplemental cash flow disclosures for leases		

The accompanying notes are an integral part of these Consolidated Financial Statements.

Rochester Institute of Technology
Notes to Consolidated Financial Statements
For the fiscal year ended June 30, 2021

1. Summary of Significant Accounting Policies

a. Organization

Rochester Institute of Technology (University, RIT) is a privately endowed, co-educational university comprised of nine colleges and two degree-granting academic units. The University, which occupies approximately 1,300 acres in Rochester, New York, has approximately 19,000 full and part-time undergraduate and graduate students and 4,000 employees.

The following organizations are consolidated into the financial statements of the University:

- 5257 West Henrietta Road, LLC (Inn), doing business as the RIT Inn & Conference Center, is a not-for-profit single member limited liability company with the University as its sole member. The Inn is a dual-use 304-room full service hotel with 213 rooms available for student housing during the academic year.
- Magic Spell Studios, LLC (MAGIC Spell) is a not-for-profit single member limited liability company with the University as its sole member. MAGIC Spell operates a center for research and development of digital media directly supporting the charitable and educational activities of the University.
- RIT Campus Club, Inc. (Campus Club) is a not-for-profit subsidiary of the University. Campus Club was established to support certain aspects of the University's dining operations.
- RIT Global Delivery Corporation, Inc. (GDC) is a wholly owned not-for-profit subsidiary of the University established to develop and deliver global instruction. RIT Croatia, a subsidiary of GDC, delivers instructional services in Croatia. GDC also delivers instructional services in the United Arab Emirates where it operates RIT Dubai in conjunction with the Dubai Silicon Oasis Authority; in Kosovo through the American University in conjunction with the Kosovo Foundation; and in Beijing and Weihai, China through a partnership with Beijing Jiatong University.
- RIT Venture Fund I, LLC (Fund I) is a for-profit limited liability company; the University is its investor member and sole investor. The Fund was formed to make investments in seed, venture and growth-stage companies that involve students, faculty, alumni and/or technologies owned or developed by the University.

b. Basis of Accounting

The University's Consolidated Financial Statements are prepared on the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP) in the United States of America. All significant intercompany transactions and accounts have been eliminated.

c. Use of Estimates

The preparation of financial statements in conformity with GAAP in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from estimates.

d. Cash, Cash Equivalents and Restricted Cash

The total cash, cash equivalents and restricted cash shown in the Consolidated Statements of Cash Flows is comprised of cash and cash equivalents and cash and cash equivalents, held with trustees on the Consolidated Balance Sheets and include cash, money market funds and U.S. government securities with maturities of three months or less when purchased. Cash equivalents within the University's investment portfolio are reported as investments. The University classifies restricted cash as cash and cash equivalents, held with trustees. These funds will be used for construction of or debt service payments on certain facilities.

e. Inventories and Other Assets

The University's technology store inventory is valued at cost using the first-in, first-out (FIFO) retail method. Other inventories are stated at the lower of cost, generally on a FIFO basis, or market value.

Capitalized implementation costs and corresponding accumulated amortization for software recorded as a hosting arrangement deemed a service contract total \$2,215 and \$1,605 at June 30, 2021 and 2020, respectively, and are included in inventories and other assets on the Consolidated Balance Sheets. These costs are amortized over the term of the associated hosting arrangement on a straight-line basis and included in purchased services on the Consolidated Statements of Activities.

Operating lease right-of-use (ROU) assets are included in inventories and other assets on the Consolidated Balance Sheets.

f. Contributions Receivable

Contributions to the University, either from donors or grantors, provide funding for academic programs, research, investment in facilities and student support. Contributions due after one year are discounted at a range from 1.3% to 3.7%, to their fair value, based upon the fiscal year in which the contribution is to be received. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for potentially uncollectible contributions receivable is provided based upon management's judgment and analysis of the creditworthiness of the donors or grantors, past collection experience and other relevant factors.

g. Investments

Investments are recorded at fair value based on quoted market prices when available. The estimated fair value for certain investments in private equity, real asset, hedge and other externally managed funds are based on valuations provided by external investment managers. These investments are generally less liquid than other investments, and the values reported by the general partner or investment manager may differ from the values that would have been reported, had a ready market for these securities existed. The valuations necessarily involve estimates, appraisals, assumptions and methods which are reviewed by the University and external investment management.

To minimize the risk of loss, externally managed hedge fund investments are diversified by strategy, manager and number of positions. The risk of any derivative exposure associated with such funds is limited to the amount invested with each manager.

The University's interest rate risk management strategy provides for maximum flexibility within its debt structure, seeks to lower its cost of capital, and manages risk on a portfolio basis. The University does not hold or issue derivative financial instruments for trading purposes; however, the Board of Trustees has authorized investments in derivatives to maintain asset class ranges, hedge non-U.S. dollar investments and currencies, and provide for defensive portfolio strategies. Derivative investments are recorded at fair value and valuation gains and losses are included on the Consolidated Statements of Activities.

Investment return included in operating revenues and other support consists of amounts appropriated by the Board of Trustees from the University's pooled endowments, as well as income and realized gains and losses on investments from working capital and a trust of which the University is a partial beneficial owner. Any difference between total return and amounts appropriated for expenditure from the pooled endowments and income and realized gains reinvested per donor restrictions is reported within nonoperating activities.

h. Life Income, Gift Annuities, and Interest in Perpetual Trusts Held by Others

The University's split-interest agreements with donors consist primarily of gift annuity agreements and irrevocable charitable remainder trusts for which the University serves as trustee. Assets held in the trusts are included in investments and total \$14,597 and \$13,215 at June 30, 2021 and 2020, respectively. Contribution revenues are recognized when trusts (or annuity agreements) are established, after recording liabilities for the present value of the estimated future payments to be made to beneficiaries. The liabilities are adjusted annually for changes in the value of assets, accretion of the discount, and other changes in the estimates of future benefits. Discount rates are used to calculate the net present

Rochester Institute of Technology
Notes to Consolidated Financial Statements
For the fiscal year ended June 30, 2021

value of the obligations, and are based on market rates commensurate with the beneficiary's life expectancy. As of June 30, 2021 and 2020 liabilities associated with split interest agreements total \$8,421 and \$8,842, respectively.

The University is also the beneficiary of certain perpetual trusts held and administered by others. The present value of the estimated future cash receipts from the trusts is recognized in investments and as contribution revenue. The carrying value of the investments is adjusted annually for changes in fair value.

i. Property, Plant and Equipment

Land, buildings, capital improvements, equipment, capitalized software exclusive of implementation costs for hosting arrangements considered service contracts, special collections and construction-in-progress are stated at cost at the time of acquisition or fair value (if contributed). Asset retirement costs are initially recorded at fair value and are included in buildings and capital improvements.

Special collections include works of art, literary works, historical treasures and artifacts that are maintained in the University's libraries and public areas of the campus. These collections are protected and preserved for public exhibition, education, research and the furtherance of public service.

Contributed property, plant and equipment, including special collections, are recognized as revenue in the period in which the items are gifted. Property, plant and equipment acquired through federal appropriations, grants and contracts where the Federal Government retains a reversionary interest are also capitalized and depreciated. Interest on borrowings during construction is capitalized.

Depreciation is recognized using the straight-line method with useful lives of 30 to 50 years for buildings, 8 to 30 years for building improvements, 10 to 30 years for site improvements, 4 to 15 years for automobiles, furniture, fixtures and equipment, and 3 to 10 years for software exclusive of implementation costs for hosting arrangements considered service contracts. Land, special collections and construction-in-progress are not depreciated. The cost and accumulated depreciation of property, plant and equipment sold or retired have been eliminated. Costs incurred for maintenance, repairs and renewals of relatively minor items are expensed as incurred.

Finance lease ROU assets are included in equipment and software in property, plant and equipment on the Consolidated Balance Sheets.

j. Premium and Discount on Long-Term Debt

Premiums and discounts arising from the original issuance of long-term debt are amortized on either the effective interest method or the straight-line basis, which approximates the effective interest method, over the life of the debt. The unamortized portion of these premiums and discounts is included in long-term debt on the Consolidated Balance Sheets.

k. Classifications of Net Assets

The University reports its net assets and changes therein according to two classifications: without donor restrictions and with donor restrictions based upon the existence or absence of donor-imposed restrictions. Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without restrictions with the exception of investment expenses which are reported in both net asset classes.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are derived from tuition, sales and services of auxiliaries, contributions, and other support that are not subject to explicit donor-imposed restrictions. Certain net assets classified as without donor restrictions for external reporting purposes are board-designated for specific purposes or uses under various internal operating and administrative arrangements of the University.

Rochester Institute of Technology
Notes to Consolidated Financial Statements
For the fiscal year ended June 30, 2021

Net Assets With Donor Restrictions

Net assets with donor restrictions are derived from contributions (from donors and grantors) or income and gains on contributed assets, including the original amount of gifts which donors have given to be maintained in perpetuity, as well as net assets from endowments not yet appropriated for spending by the University that are subject to explicit donor-imposed restrictions on expenditure. Restrictions include support of specific colleges or academic programs of the University, professorships, research, faculty support, scholarships and fellowships, building construction and other purposes.

When time and purpose restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions. The University uses the simultaneous release option to report conditional contributions with donor restrictions that are recognized and expensed in the same reporting period as revenue without donor restrictions. This allows the University to bypass the need to initially record these resources in net assets with donor restrictions and subsequently release them.

Classification of net assets by restriction and purpose as of June 30 are summarized as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Board designated net assets:			
General	\$ 423,231	\$ -	\$ 423,231
Postretirement	138,804	-	138,804
Program support	54,731	-	54,731
Scholarships	31,476	-	31,476
Professorships	25,626	-	25,626
Facilities	16,326	813	17,139
Total board designated net assets	690,194	813	691,007
Other net assets:			
Endowment funds ^{1,2}	-	611,866	611,866
Pledges for long-lived assets	-	41,794	41,794
Designated for program services	-	35,619	35,619
Annuities ¹	-	5,139	5,139
Grants and contracts	-	1,095	1,095
Loan funds ¹	-	138	138
Net investment in plant	455,826	44	455,870
Net expendable resources	64,367	-	64,367
Total other	520,193	695,695	1,215,888
Total	\$ 1,210,387	\$ 696,508	\$ 1,906,895

¹ Endowment funds, annuities and loan funds include \$210,680, \$4,370 and \$134 of net assets restricted in perpetuity, respectively, totaling \$215,184

² Includes term endowment funds totaling \$3,175

Rochester Institute of Technology
Notes to Consolidated Financial Statements
For the fiscal year ended June 30, 2021

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Board designated net assets:			
General	\$ 289,303	\$ -	\$ 289,303
Postretirement	126,471	-	126,471
Program support	30,939	-	30,939
Scholarships	23,461	-	23,461
Professorships	19,031	-	19,031
Facilities	12,133	602	12,735
Total board designated net assets	501,338	602	501,940
Other net assets:			
Endowment funds ^{3,4}	-	452,092	452,092
Pledges for long-lived assets	-	43,970	43,970
Designated for program services	-	32,679	32,679
Annuities ³	-	3,518	3,518
Grants and contracts	-	723	723
Loan funds ³	-	134	134
Net investment in plant	442,767	44	442,811
Net expendable resources	42,071	-	42,071
Total other	484,838	533,160	1,017,998
Total	\$ 986,176	\$ 533,762	\$ 1,519,938

³ Endowment funds, annuities and loan funds include \$204,043, \$3,268 and \$130 of net assets restricted in perpetuity, respectively, totaling \$207,441

⁴ Includes term endowment funds totaling \$2,379

I. Operations

Revenues earned and expenses incurred during the fiscal year are classified on the University's Consolidated Statements of Activities as either operating or nonoperating activity. Operating revenues and other support and expenses consist primarily of those items attributable to the University's education and training programs, sales and services of auxiliaries and research activities.

Nonoperating activities within the Consolidated Statements of Activities consist primarily of contributions from donors and grantors for building construction and renovation, realized and unrealized gains and losses on investments, long-term benefit plan obligation funding changes and other activities not attributable to the current year.

m. Revenue Recognition

Exchange Transactions

The University recognizes revenue from exchange transactions when there is a transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The primary sources of revenue from contracts with customers consist of tuition and fees, sales and services of auxiliaries and exchange transactions with grantors.

Tuition and Fees

Tuition and fees revenue, comprised of tuition for undergraduate and graduate students enrolled in classes and required fees, is recognized in the fiscal year in which the academic programs are delivered. The acceptance letter conveys enrollment expectations, provides information regarding tuition price, anticipated financial aid and required payment schedules, and outlines each party's rights and obligations. Since the

student provides consideration in exchange for instruction, the contract has commercial substance and based on experience, the University expects to receive the payments due under the contract. The University uses the portfolio approach to assess the probability of collectability.

The performance obligation corresponding to tuition and fees is the delivery of instruction and it is satisfied over the stated period of the contract, which is the academic term. The time period between when revenue is recognized and when payment is due is not significant. Tuition revenue reflects reductions attributable to discounts in the form of scholarship awards, credits and refunds which are recognized as a reduction of the transaction price at the time revenue for the corresponding contract is recognized.

Sales and Services of Auxiliaries

Revenue from sales and services of auxiliaries consists primarily of revenue received from student housing and dining contracts. Contracts are created when students make their housing and dining elections for the academic semester, which contain the terms of the contracts and each party's rights and obligations regarding the goods or services to be transferred. Housing revenue includes rental income for undergraduate and graduate students that reside in University-owned dormitories and apartments and RIT Inn revenue for events, student housing, and hotel guests. Dining revenue primarily includes Dining Dollars meal plans and food and beverage purchases in University-operated facilities by students, employees, and visitors. Revenue from certain meal plans is included in deferred revenue until spent. Since the student provides consideration in exchange for housing and dining during the academic term, the contracts have commercial substance and based on experience, the University expects to receive the payments due under the contracts. The University uses the portfolio approach to assess the probability of collectability.

The performance obligation associated with housing and dining contracts is satisfied over a period of time as the student simultaneously receives and consumes the benefits performed by the University. The time period between when revenue is recognized on these fixed price contracts and when payment is due is not significant. Revenue from the RIT Inn & Conference Center is earned over the time period of the guests' stay and event revenue is recognized at a point in time when the event takes place. Payment is due at the time of service. The performance for individual food and beverage transactions at University-operated establishments is satisfied at a point in time and revenue is recognized based on the amount of consideration received at the time of purchase, including applicable discounts.

In response to the coronavirus pandemic (COVID-19), effective at 8 p.m. on Sunday, March 22, 2020, the "New York State on PAUSE" executive order mandated that all non-essential businesses statewide close in-office personnel functions and temporarily banned all non-essential gatherings of individuals of any size for any reason. The University complied with the order by closing the campus including its housing and dining facilities and transitioning to remote educational delivery for the remainder of the Spring 2020 term and through the Summer 2020 term. The University issued credits following the campus closure for unused Spring 2020 term room and board charges on a pro-rata basis. Credits against the transaction price totaled \$15,339 for the year ended June 30, 2020 and are included in sales and services of auxiliaries on the Consolidated Statements of Activities.

The University successfully re-opened the campus for the academic year 2020-21 by modifying its operations in accordance with national, state and local agencies guidelines to ensure the health and safety of students, faculty and staff. There were no credits against the transaction price for room and board charges for the year ended June 30, 2021.

Contracts with Grantors

Revenue from contracts with grantors consists primarily of goods or services which provide direct benefit and have commercial value to the resource provider, including proprietary rights, patents, copyrights, or advance and exclusive knowledge of research outcomes. Payment terms vary by grantor; however, the time period between when revenue is recognized and when payment is due is not significant. Contracts entered into with grantors typically contain a single performance obligation (i.e. proprietary rights to research outcomes) and revenue is recognized over the life of the contract based on when expenses are

incurred. When contracts contain milestone requirements, revenue is recognized upon the completion of those milestones and acceptance by the grantor. Revenue is measured as the amount of consideration the University expects to receive in exchange for goods, services, or proprietary rights. Contracts are evaluated for uncollectable consideration based upon management's judgment, analysis of the creditworthiness of the grantors, past collection experience and other relevant factors.

Contributions

The University recognizes revenue from donors' and grantors' contributions, including unconditional promises to give, in the period received. Unconditional promises to give are recorded as revenue with donor restrictions and released to net assets without donor restrictions as restrictions are met or qualifying expenses are incurred.

The University receives contributions for which promises to give are conditional upon incurring certain qualifying allowable expenses, matching requirements under the grant program and other conditions that depend on future events. The University recognizes such revenue in the period the conditions are met.

n. Income Taxes

The University and its consolidated U.S. subsidiaries, except for Fund I, are not-for-profit organizations, and generally exempt from income taxes on related income under Section 501(c)(3) of the Internal Revenue Code (IRC) but are subject to unrelated business income tax on activities not related to their exempt purposes. Fund I, a limited liability company of which RIT is the investor member, is classified as a disregarded entity for federal income tax purposes. The accounting for income taxes Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification addresses the determination of whether certain tax positions result in benefits claimed or expected to be claimed on a tax return and whether they should be recorded in the Consolidated Financial Statements. For tax-exempt entities, tax positions include the entity's tax-exempt status and assumptions used to determine unrelated business taxable income. The University believes its tax positions meet the more-likely-than-not recognition threshold referenced in the Topic.

o. Accounting Pronouncements

FASB issues Accounting Standards Updates (ASUs) that are applicable to and have an impact on the Consolidated Financial Statements. The University evaluates and implements pronouncements by the effective fiscal year end date or prior if early adoption is permitted and deemed appropriate. The adoption of certain ASU's is pending further evaluation as noted.

Implemented

ASU No. 2016-02, "Leases (Topic 842)"

This pronouncement was designed to increase transparency and comparability among organizations by recognizing lease assets and liabilities on the balance sheet and disclosing key information about leasing arrangements. The new guidance was adopted by the University, effective July 1, 2020 (transition date) using the modified retrospective transition method that allows for application of the standard at the adoption date rather than at the beginning of the earliest comparative period presented in the Consolidated Financial Statements. Therefore, financial information is not updated and the disclosures required under the new standard are not modified for dates and periods before July 1, 2020. Leases are classified as either operating or finance.

The University elected the transition practical expedient package by applying previous accounting conclusions under Accounting Standard Codification (ASC) Topic 840, Leases (ASC 840), to all leases that existed prior to the transition date. As a result, the University did not reassess whether existing or expired contracts contained leases; lease classification for any existing or expired leases; or whether lease origination costs qualified as initial direct costs. The ASU and subsequent amendments require lessees to recognize assets and liabilities on the balance sheet for all leases with a term of greater than 12 months and disclosure of certain quantitative and qualitative information pertaining to an entity's leasing arrangements. The University also elected the hindsight practical expedient, which permits the use of hindsight when determining lease term and impairment of right-of-use assets, and the land easement reassessment practical expedient. These practical expedients were elected for all classes of underlying assets.

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The adoption of the standard resulted in the recognition of a finance lease right-of-use asset and finance lease liability of \$983. Operating lease right-of-use assets and corresponding liabilities recognized as of July 1, 2020 amounted to \$12,545 (Refer to Note 3 for disclosures about leases).

Under Evaluation

ASU No. 2020-07, "Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)" requires increased transparency in the presentation of contributed nonfinancial assets by enhancing information disclosed in the Consolidated Financial Statements. ASU No. 2020-07 does not impact the accounting for recognition of nonfinancial assets. This ASU was issued in September 2020 and is effective for the fiscal year ended June 30, 2022.

ASU No. 2016-13 "Measurement of Credit Losses on Financial Instruments (Topic 326)" replace the current GAAP incurred loss impairment methodology with one that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. This ASU was issued in June 2016 and the effective date, as prescribed by ASU No. 2019-10, is the fiscal year ended June 30, 2024.

p. Risks and Uncertainties

The University's investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least possible that changes in risks in the near term would materially affect the amounts reported in the financial statements.

In March 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak a pandemic. The spread of COVID-19 worldwide has had, and continues to have, a significant impact on the global, national, state and local economies and, as a result, financial markets have and continue to experience volatility. The values of certain investments have and will fluctuate in response to changing market conditions and, therefore, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. The University made significant adjustments to its campus facilities and business operations to re-open for the Fall term in academic year 2020-21. The University continues to evaluate and modify its operations in response to the COVID-19 pandemic; taking into consideration expert agencies guidelines, as well as, information from health officials. As of the issuance of these financial statements, impact on operations as a result of the COVID-19 pandemic continues to evolve and it is at least possible that changes in risks in the near term would materially affect the amounts reported herein.

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2. Accounts Receivable

Accounts receivable as of June 30 are summarized as follows:

	2021	2020
Grants and contracts:		
Federal and state sources	\$ 1,691	\$ 2,251
Private sources	562	430
Total grants and contracts	2,253	2,681
Student accounts	14,289	14,177
Other	6,897	4,358
Total student accounts and other	21,186	18,535
Total accounts receivable	23,439	21,216
Less: allowance for doubtful accounts	(3,404)	(2,725)
Accounts receivable, net	\$ 20,035	\$ 18,491

Receivables as of June 30, 2021 are expected to be collected by June 30, 2022.

3. Leases

The University's lease portfolio primarily consists of real estate and equipment leases with varying lengths and payments. The University determines if an arrangement is a lease at inception and the terms are evaluated to determine if there is an identified asset and the contract conveys the right to control the use of the asset in exchange for consideration. Finance and operating lease ROU assets and lease obligations are recognized based on the present value of the future minimum lease payments over the lease term at commencement date.

The lease ROU assets and obligations are calculated including options to extend or terminate the lease when it is reasonably certain that the University will exercise those options. The University uses the implicit rate noted within the contract. If not readily available, the University uses the federal treasury rate plus one hundred basis points at commencement date to determine the present value of future payments. The operating lease ROU asset also includes any lease payments made and excludes incentives and any initial direct costs incurred. Operating lease expense for minimum payments is recognized on a straight-line basis over the lease term.

The University has elected the short-term lease exception under Topic 842, and as such, all leases with an initial term of 12 months or less are not recorded on the Consolidated Balance Sheets and lease expense is recognized on a straight-line basis over the term within purchased services on the Consolidated Statements of Activities.

The finance leases as of June 30 are summarized as follows:

	Consolidated Balance Sheet	2021
Right-of-use assets, net of accumulated amortization of \$129	Property, plant and equipment, net	\$ 854
Finance lease obligation	Long-term debt	(853)

Operating leases as of June 30 are summarized as follows:

	Consolidated Balance Sheet	2021
Right-of-use assets	Inventories and other assets	\$ 11,140
Operating lease obligation	Deferred revenues and other liabilities	(11,140)

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The following table reflects lease costs for the year ended June 30:

	Consolidated Statements of Activities	2021
Operating lease costs	Purchased services	\$ 1,594
Finance lease costs:		
Amortization of leased assets	Depreciation	129
Interest on lease liabilities	Interest	27
Total finance lease costs		156
Total lease costs		\$ 1,750

Supplemental cash flow information related to leases for the year ended June 30 are as follows:

	2021
Operating cash outflows from finance leases	\$ 27
Operating cash outflows from operating leases	1,594
Financing cash outflows from finance leases	130
Total cash paid for amounts included in measurement of lease liabilities	\$ 1,751
ROU assets obtained in the exchange for lease liabilities	
Finance leases	\$ 983
Operating leases	12,545

The following presents the weighted-average lease terms and discount rates for operating and finance leases as of June 30, 2021:

	2021
Weighted average remaining lease term (yrs) - Finance Leases	6
Weighted average remaining lease term (yrs) - Operating Leases	10
Weighted average discount rate - Finance Leases	3.18%
Weighted average discount rate - Operating Leases	1.76%

The following table includes the future maturities of lease payments for periods subsequent to June 30, 2021.

	2021		
	Operating	Financing	Total
2022	\$ 1,569	\$ 156	\$ 1,725
2023	1,564	156	1,720
2024	1,512	156	1,668
2025	1,469	156	1,625
2026	1,361	156	1,517
Thereafter	4,812	158	4,970
Undiscounted cash flows	12,287	938	13,225
Less: discount	(1,147)	(85)	(1,232)
Lease obligations, net	\$ 11,140	\$ 853	\$ 11,993

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4. Contributions Receivable

Contributions receivable consists of the following unconditional promises to give, less related allowances for uncollectible receivables and discounts for present value on long-term pledges at June 30:

	2021		
	Grantors	Donors	Total
Unconditional promises expected to be collected in:			
Less than one year	\$ 18,090	\$ 20,126	\$ 38,216
One year to five years	-	18,272	18,272
Over five years	-	2,207	2,207
Contributions receivable	18,090	40,605	58,695
Less: allowance and discount	-	(1,448)	(1,448)
Contributions receivable, net	\$ 18,090	\$ 39,157	\$ 57,247

	2020		
	Grantors	Donors	Total
Unconditional promises expected to be collected in:			
Less than one year	\$ 18,730	\$ 19,486	\$ 38,216
One year to five years	87	24,305	24,392
Over five years	-	1,465	1,465
Contributions receivable	18,817	45,256	64,073
Less: allowance and discount	(1)	(1,682)	(1,683)
Contributions receivable, net	\$ 18,816	\$ 43,574	\$ 62,390

The University has received conditional promises to give from grantors that depend upon the occurrence of the following future events at June 30:

	2021	2020
Cost share and qualifying allowable expenses	\$ 1,145	\$ 2,465
Cost share only	1,183	13,829
Qualifying allowable expenses or specified outcomes	131,013	66,084
Conditional contributions	\$ 133,341	\$ 82,378

As of June 30, 2021 and 2020, the University has no conditional promises to give from donors.

Contributions to acquire property, plant and equipment are recorded as net assets with donor restrictions and are released from restrictions at the time the asset is placed in service. As a result, \$41,794 and \$43,970 of assets contributed to acquire property, plant and equipment are recorded as net assets with donor restrictions as of June 30, 2021 and 2020, respectively.

5. Student Loans Receivable and Credit Disclosures

On September 30, 2017, the Federal Perkins Loan Program (Program) expired when it was not extended by the U.S. Congress. Students did not receive new loans after that date unless the student had received a disbursement before October 1, 2017 for the 2017-2018 award year.

The University's student loans receivable represents the amounts due from current and former students under the Program. Loans disbursed under the Program are assigned to the Federal Government in certain non-repayment situations. Allowances for doubtful accounts are established when a non-deferred loan is delinquent for 240 days.

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Outstanding loans cancelled under the Program result in a decrease in the liability to the government. Under current federal guidelines, the University has chosen to service existing Perkins Loans through a third-party administrator. At June 30, student loans included on the Consolidated Balance Sheets consists of the following:

	2021	2020
Federal Perkins Loan Program	\$ 16,812	\$ 23,290
Less: allowance for doubtful accounts	(2,223)	(3,266)
Student loans receivable, net	\$ 14,589	\$ 20,024

The student loans receivable aging analysis at June 30 is as follows:

	2021	2020
Current	\$ 13,272	\$ 18,049
1-60 days past due	577	755
61-90 days past due	156	307
>91 days past due	2,807	4,179
Total student loan receivables	\$ 16,812	\$ 23,290

Program advances of \$15,535 and \$20,054 at June 30, 2021 and 2020, respectively, are classified as liabilities on the Consolidated Balance Sheets. The U.S. Department of Education (ED) provided direction and the University remitted the federal portion of cash on hand from June 30, 2020 and 2019 of \$4,907 and \$3,551, in fiscal year 2021 and 2020, respectively. The June 30, 2021 federal share of Perkins Loans collected during 2021 will be remitted to the Federal Government when at such time ED provides guidance. Cash on hand representing funds collected amounted to \$5,989 and \$6,956 at June 30, 2021 and 2020, respectively, which includes the federal share, and is included in cash and cash equivalents on the Consolidated Balance Sheets.

6. Investments

Total investments for the fiscal years ended June 30 are as follows:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Cash and short-term investments	\$ 28,307	\$ 28,307	\$ 5,931	\$ 5,931
Domestic fixed income	310,025	308,245	300,349	305,149
Global fixed income	54,878	56,319	39,776	39,850
Domestic equity securities	95,341	201,768	92,649	142,562
Global equity securities	135,142	213,790	138,403	162,018
Hedge funds	128,778	273,047	145,727	261,350
Private equity	238,474	447,404	216,797	270,362
Real assets	93,247	101,907	91,917	83,780
Total investments	\$ 1,084,192	\$ 1,630,787	\$ 1,031,549	\$ 1,271,002

Assets and liabilities measured and reported at fair value are classified and disclosed within one of the following categories:

Level 1

Quoted prices (unadjusted) in active markets for identical assets as of the measurement date. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Market price data is generally obtained from exchange or dealer markets. Investments within Level 1 may include active listed equities and exchange traded funds, option contracts traded in active markets, and certain U.S. government investments and money market securities.

Level 2

Pricing inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers. Investments within Level 2 may include investment-grade corporate bonds, less liquid listed equities, option contracts, certain mortgage products, bank loans, and U.S. government investments.

Level 3

Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. Investments within Level 3 primarily consist of the University's ownership in closely held private companies and the cash surrender value of insurance contracts.

Net Asset Value

The University is permitted as a practical expedient under GAAP to estimate the fair value of an investment at the measurement date using the reported net asset value (NAV) without further adjustment unless the University expects to sell the investment at a value other than NAV or if the NAV is not calculated in accordance with GAAP. The University's investments in commingled funds, hedge funds, and private equity and real asset limited partnerships are recorded at fair value based on the most recent NAV reported by the investment manager. The NAV of these investments is determined by the investment manager, and is based on appraisal or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the investment manager, taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. The University has performed due diligence around these investments to ensure that NAV is an appropriate measure of fair value as of June 30 and has concluded that these valuations are a reasonable estimate of fair value as of June 30, 2021 and 2020, but are subject to uncertainty and, therefore, may differ from the value that would have been used had an active market for all of the investments existed.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Furthermore, the fair value hierarchy does not correspond to a financial instrument's relative liquidity in the market or to its level of risk.

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Following is a summary of the University's investments carried at fair value as of June 30, 2021:

	Level 1	Level 2	Level 3	Net Asset Value	Total
Cash and short-term investments	\$ 11,229	\$ 17,078	\$ -	\$ -	\$ 28,307
Domestic fixed income	143,834	164,186	225	-	308,245
Global fixed income	51,921	-	-	4,398	56,319
Domestic equity securities	46,396	-	-	155,372	201,768
Global equity securities	14,901	-	-	198,889	213,790
Hedge funds	-	-	-	273,047	273,047
Private equity	-	-	188	447,216	447,404
Real assets	24,150	-	-	77,757	101,907
Total investments at fair value	\$ 292,431	\$ 181,264	\$ 413	\$ 1,156,679	\$ 1,630,787

Following is a summary of the University's investments carried at fair value as of June 30, 2020:

	Level 1	Level 2	Level 3	Net Asset Value	Total
Cash and short-term investments	\$ 1,931	\$ 4,000	\$ -	\$ -	\$ 5,931
Domestic fixed income	115,788	189,138	223	-	305,149
Global fixed income	26,142	-	-	13,708	39,850
Domestic equity securities	34,516	-	-	108,046	142,562
Global equity securities	13,465	-	-	148,553	162,018
Hedge funds	-	-	-	261,350	261,350
Private equity	-	-	3,162	267,200	270,362
Real assets	20,030	-	-	63,750	83,780
Total investments at fair value	\$ 211,872	\$ 193,138	\$ 3,385	\$ 862,607	\$ 1,271,002

The following table provides additional information about the University's investments which are recorded at NAV as of June 30, 2021:

Asset Class	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period	Redemption Restrictions ¹
Global fixed income	\$ 4,398	\$ -	Monthly	1 to 15 days	Lock up provisions expired
Domestic equity securities	155,372	-	Monthly	1 to 15 days	Lock up provisions expired
Global equity securities	198,889	-	Monthly	1 to 15 days	Lock up provisions expired
Hedge funds	273,047	-	30 to more than 365 days	35 to 90 days	2 year lock up on 3% of allocation; all other lock up provisions expired
Private equity	447,216	166,632	NA ²	NA ²	NA
Real assets	77,757	32,511	NA ²	NA ²	NA
Total	\$ 1,156,679	\$ 199,143			

¹ Represents initial investment lock up restriction. 4% of the Hedge funds allocation is subject to a 33.3% annual redemption gate.

² The University does not have redemption rights in these investments; the remaining lives are between 1 and 10 years.

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The following table provides additional information about the University's investments which are recorded at NAV as of June 30, 2020:

Asset Class	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period	Redemption Restrictions ¹
Global fixed income	\$ 13,708	\$ -	Monthly	1 to 15 days	Lock up provisions expired
Domestic equity securities	108,046	-	Monthly	1 to 15 days	Lock up provisions expired
Global equity securities	148,553	-	Monthly	1 to 15 days	Lock up provisions expired
Hedge funds	261,350	-	30 to more than 365 days	35 to 90 days	Lock up provisions expired
Private equity	267,200	140,918	NA ²	NA ²	NA
Real assets	63,750	43,134	NA ²	NA ²	NA
Total	\$ 862,607	\$ 184,052			

¹ Represents initial investment lock-up restriction. No other material redemption restrictions, such as redemption gates, were in place at year end.

² The University does not have redemption rights in these investments; the remaining lives are between 1 and 10 years.

Total Investment Return

Following is a summary of the total investment return and its classification on the Consolidated Statements of Activities for the years ended June 30:

	2021	2020
Total investment return		
Interest and dividends	\$ 15,203	\$ 17,344
Realized and unrealized gains on investments, net of investment management fees and other expenses	360,586	17,825
Total investment return	\$ 375,789	\$ 35,169
Consolidated Statements of Activities classification		
Allocated for operating activities per spending policy	\$ 38,137	\$ 39,588
Interest and dividends	5,898	8,000
Total operating investment return	44,035	47,588
Nonoperating investment return	331,754	(12,419)
Total investment return	\$ 375,789	\$ 35,169

7. Endowment

The University's endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments (board-designated). As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The New York Prudent Management of Institutional Funds Act (NYPMIFA) governs the management and investment of funds held by not-for-profit corporations and other institutions. Absent donor stipulations to the contrary, the statutory guidelines contained in NYPMIFA relate to the prudent management, investment and expenditure of donor-restricted endowment funds without regard to the original value of the gifts. However, NYPMIFA contains specific factors that must be considered prior to making investment decisions or appropriating funds for expenditure.

The Board of Trustees' interpretation of its fiduciary responsibilities for donor-restricted endowment funds under New York State's Not-for-Profit Corporation Law, including NYPMIFA, is to preserve intergenerational equity to the extent possible by prudently managing, investing, and spending from the endowment funds. This principle holds that future endowment beneficiaries should receive at least the same level of economic support that the current generation receives. As a result of this interpretation, the University classifies as net assets with donor restrictions the unappropriated portion of: a) the

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original value of gifts donated to a true endowment fund; b) the original value of subsequent gifts to a true endowment fund; and, c) accumulations to a true endowment fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Also included in net assets with donor restrictions is accumulated appreciation on donor-restricted endowment funds which are available for expenditure in a manner consistent with the donor's intent and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

The Board of Trustees determines the appropriate amount to withdraw from endowment and similar funds on an annual basis to provide support for operations with prudent concern for the long-term growth in the underlying assets as well as the specific factors detailed in NYPMIFA.

To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets a diversified asset allocation that places a greater emphasis on equity-based and alternative investments to achieve its long-term objectives within prudent risk constraints.

The University currently accounts for endowment activity in two investment pools: Pool I and Pool II. Pool I is comprised of contributions, both donor-restricted and board-designated, made to the University for a variety of purposes, as well as contributions transferred from Pool II; Pool II is comprised of contributions, both donor-restricted and board-designated, made to the National Technical Institute for the Deaf (NTID). Each pool has a separate investment and spending policy.

Pool I – The University has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value over the prior 20 quarters through March of the preceding fiscal year in which the distribution is planned. The total spending distribution should be at least equal to 3.50% but not greater than 5.25% of the beginning of year portfolio market value. The distribution excludes those funds with deficiencies due to unfavorable market fluctuations. During periods when investment return exceeds the distribution, such excess return is added to these investments. Likewise, when investment return is less than the distribution, such deficit is funded by accumulated return. In establishing the distribution policy, the University considered the long-term expected return on its endowment. New gifts to existing funds participate in the spending policy in the quarter that begins subsequent to the date of the gift. New funds participate in the spending policy in the quarter that begins one year subsequent to the date of the gift. Accordingly, over the long term, the University expects the current spending policy to allow its endowment to grow at a rate exceeding expected inflation, consistent with the University's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as, to provide additional real growth through new gifts and investment return. In 1994, the University's Board of Trustees established a board-designated fund within Pool I to finance a portion of the University's postretirement medical obligations. Distributions had been reinvested in the fund each year since inception, and, accordingly, were not available to support the general operations of the University. In November 2013, the University's Board of Trustees approved a resolution allowing, with the approval of the chair of the Finance Committee, a portion or all of a year's distributions related to the board-designated postretirement fund to be allocated to support the general operations of the University. During the year ended June 30, 2021 and 2020, \$0 and \$2,000, respectively, was distributed in accordance with this resolution. The market value for this board-designated fund was \$138,804 and \$126,471 at June 30, 2021 and 2020, respectively.

Pool II – The University established Pool II for NTID during 1989 in accordance with the federal program established by Public Law 99-371 (August 4, 1986) to support NTID. Pool II assets are invested in a manner intended to produce price and yield results that are at least equal to a blended benchmark of 70% of the S&P 500 Index and 30% of the Barclays Capital Aggregate Bond Index, assuming a moderate level of investment risk. The program stipulates that the investment of annual additions to Pool II is restricted to IRC 501(f) investment organizations. The federal guidelines authorize a spending distribution from Pool II of not more than 50% of current year's investment income (interest and dividends only). After a period of 10 years, the University can elect to invest the funds consistent with the University's overall long-term investment strategy (Pool I).

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At June 30, 2021, the endowment net asset composition by type of fund consists of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted funds	\$ -	\$ 611,866	\$ 611,866
Board-designated funds	690,194	813	691,007
Total funds	\$ 690,194	\$ 612,679	\$ 1,302,873

Following are changes in endowment net assets for the year ended June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2020	\$ 501,338	\$ 452,694	\$ 954,032
Investment return	193,951	174,657	368,608
Contributions	-	6,150	6,150
Amounts appropriated for expenditure	(17,275)	(20,822)	(38,097)
Other changes:			
Transfers to create board-designated endowment funds	12,180	-	12,180
Endowment net assets, June 30, 2021	\$ 690,194	\$ 612,679	\$ 1,302,873

At June 30, 2020, the endowment net asset composition by type of fund consists of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted funds	\$ -	\$ 452,092	\$ 452,092
Board-designated funds	501,338	602	501,940
Total funds	\$ 501,338	\$ 452,694	\$ 954,032

Following are changes in endowment net assets for the year ended June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2019	\$ 502,738	\$ 454,494	\$ 957,232
Investment return	13,071	13,234	26,305
Contributions	-	4,837	4,837
Amounts appropriated for expenditure	(19,672)	(19,871)	(39,543)
Other changes:			
Transfers to create board-designated endowment funds	5,201	-	5,201
Endowment net assets, June 30, 2020	\$ 501,338	\$ 452,694	\$ 954,032

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 the NYPMIFA requires the University to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions. It is the University's policy to exclude these funds from the spending distribution until the fund's fair value is equal to or greater than the perpetual value. Subsequent gains that restore the fair value of the assets of such endowment funds to the required level are classified as an increase in net

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For the fiscal year ended June 30, 2021

assets with donor restrictions. There are no deficiencies of this nature as of June 30, 2021. As of June 30, 2020, funds with an original gift value of \$2,510 had deficiencies of \$98.

8. Liquidity and Available 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 Balance Sheets are as follows:

	2021	2020
Cash and cash equivalents	\$ 113,842	\$ 93,001
Accounts receivable, net	20,035	18,491
Contributions receivable, net	38,216	38,216
Student loans receivable, net	1,387	1,748
Investments:		
Working capital investments	224,213	174,987
Appropriated for spending in the following year	42,460	37,833
Financial assets available within one year	\$ 440,153	\$ 364,276

As part of the University's liquidity management strategy, its financial assets are structured to be available as expenditures, liabilities and other obligations come due. The University allocates cash in excess of daily requirements to short-term investments. When determining the availability of resources to meet cash requirements within one year, the University considers general expenditures to be those related to its mission-related activities as well as the delivery of services undertaken to support its day-to-day operations. In addition to these available financial assets, a significant portion of the University's annual expenditures are funded by current year operating revenues and other support including tuition and fees, sales and services of auxiliaries and grants and contracts. Endowment funds appropriated for spending and contributions receivable, subject to donor-restrictions where applicable, are considered available for general liquidity purposes.

Additionally, the University maintains board-designated funds of \$691,007 and \$501,940 as of June 30, 2021 and 2020, respectively. Although the University does not intend to spend from this endowment, other than amounts appropriated for expenditure as part of its annual appropriation process, amounts from its board-designated funds could be made available for liquidity needs 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. (Refer to Note 6 for disclosures about investments).

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Notes to Consolidated Financial Statements
For the fiscal year ended June 30, 2021

9. Property, Plant and Equipment

Property, plant and equipment, less related depreciation on certain asset categories at June 30, is as follows:

	2021	2020
Buildings and capital improvements	\$ 1,114,503	\$ 1,075,317
Equipment and software	156,296	173,286
Less: accumulated depreciation	(644,591)	(627,204)
Depreciable property, plant and equipment, net	626,208	621,399
Land	11,924	11,723
Special collections	13,073	12,806
Construction-in-progress	30,405	27,314
Property, plant and equipment, net	\$ 681,610	\$ 673,242

Total depreciation expense for 2021 and 2020 was \$42,808 and \$42,769, respectively.

10. Asset Retirement Obligations

The University accounts for asset retirement obligations, primarily asbestos-related removal costs, in accordance with asset retirement and environmental obligations guidance. The University accrues for asset retirement obligations in the period incurred if sufficient information is available to reasonably estimate the fair value of the obligation. Over time, the liability is accreted to its settlement value. Upon settlement of the liability, the University will recognize a gain or loss for any difference between the settlement amount and liability recorded.

The University reassesses its asset retirement obligations annually, adjusting both the liability, included in deferred revenues and other liabilities, and the associated asset retirement costs, included in property, plant and equipment, on the Consolidated Balance Sheets.

The following schedule reflects changes in asset retirement obligations for the year ended June 30:

	2021	2020
Beginning balance	\$ 23,220	\$ 22,439
Change in estimate	(475)	143
Abatement liability incurred	3,823	-
Abatement liability settled	(481)	(224)
Accretion expenses	906	862
Ending balance	\$ 26,993	\$ 23,220

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For the fiscal year ended June 30, 2021

11. Deferred Revenue

Deferred revenue from customer contracts represents amounts collected from, or invoiced to, customers in advance of revenue recognition. The deferred revenue balance will increase or decrease based on the timing of invoices and recognition of revenue. The University applies the practical expedient in FASB ASC 606-10-50-14 and, therefore, does not disclose information about remaining performance obligations that have original expected durations of one year or less. Significant changes in deferred revenue liability balances during the years ended June 30 are as follows:

2021					
	Balance at June 30, 2020	Revenue Recognized	Consideration Received in Advance of Performance	Refunds and Other Adjustments	Balance at June 30, 2021
Student related revenues	\$ 24,969	\$ (24,144)	\$ 19,597	\$ 56	\$ 20,478
Tuition prepayment program	5,137	(3,678)	1,922	542	3,923
Contracts with grantors	3,157	(1,683)	696	-	2,170
Other	1,453	(2,197)	1,830	(24)	1,062
2020					
	Balance at June 30, 2019	Revenue Recognized	Consideration Received in Advance of Performance	Refunds and Other Adjustments	Balance at June 30, 2020
Student related revenues	\$ 12,118	\$ (11,307)	\$ 24,220	\$ (62)	\$ 24,969
Tuition prepayment program	6,347	(4,373)	3,192	(29)	5,137
Contracts with grantors	3,672	(1,517)	1,002	-	3,157
Other	1,631	(2,009)	1,878	(47)	1,453

Student related revenues consist of tuition, sales and services of auxiliaries, advance deposits, and student credit balances and represent payments received in advance of the period when services will be rendered and performance obligations met. These deferred revenue balances will be recognized as revenue over the academic terms beginning and ending in the following fiscal year as services are rendered.

Tuition prepayments will be recognized as revenue over the respective academic terms when performance obligations are met beginning July 1, 2021 through June 30, 2025. Anticipated recognition of revenue for the fiscal years ended June 30 are as follows:

2022	\$ 2,194
2023	1,151
2024	366
2025	212
	\$ 3,923

Other deferred revenue consists of general customer contracts with performance obligations that will be met and revenue recognized during the fiscal year ended June 30, 2022.

12. Benefit Plans

a. Retirement Benefit Plan

The Rochester Institute of Technology Retirement Savings Plan (Plan) is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and IRC Section 403(b). The Plan is available to all employees who meet certain eligibility requirements. Plan contributions are invested in one or more of the funding vehicles made available to participants under the Plan. Contributions may be allocated to annuity contracts offered by Teachers Insurance Annuity Association (TIAA) and/or custodial accounts which are invested in regulated investment companies (mutual funds) offered by Fidelity Investments (Fidelity). In addition, employees may choose to invest in a self-directed brokerage account through which they can access additional mutual fund options. TIAA and Fidelity are recordkeepers of the Plan. It is the University's policy to currently fund defined contribution pension costs as they are incurred. Total retirement contribution expense for 2021 and 2020 was \$22,195 and \$22,063, respectively.

b. Postemployment Benefits

The accrued postemployment benefits of the University were \$632 and \$1,017 at June 30, 2021 and 2020, respectively.

c. Postretirement Benefits

The University sponsors a defined benefit medical plan that covers substantially all employees.

Eligibility

Employees hired prior to January 1, 1995 are eligible for retiree medical benefits if they are at least 50 years old, with at least 10 years of service (5 years if hired prior to July 1, 1990) and age plus service total at least 70 at retirement. Employees hired on or after January 1, 1995 are eligible for retiree medical benefits if they are at least 55 years old, with at least 10 years of service, and age plus service totals at least 70 at retirement.

Employees hired prior to January 1, 2019 who are at least 45 years of age or have at least 10 years of full-time service or 15 years of eligible part-time service as of January 1, 2019 are grandfathered into the pre-January 1, 2019 retirement eligibility conditions. For employees who are not grandfathered or are hired on or after January 1, 2019, retirement eligibility is at least age 62 with 15 years of full-time service (20 years of eligible part-time service).

Delivery of Medical Benefits

Pre-Medicare retirees:

Retirees contribute towards the cost of coverage based on the plan option selected and salary at retirement, but are required to pay a larger contribution than active employees.

Medicare-eligible retirees:

Retirees and spouses receive an annual health reimbursement account (HRA) allocation from the University to obtain healthcare coverage via a private healthcare exchange.

HRA allocations vary based on the retiree classifications described above, with earlier hire dates receiving a greater HRA allocation. Coverage from the healthcare exchange includes reimbursement for drug claims in the catastrophic tier under Medicare Part D.

Rochester Institute of Technology
Notes to Consolidated Financial Statements
For the fiscal year ended June 30, 2021

The postretirement medical plan's obligations and applicable discount rates as of June 30 are as follows:

	2021	2020
Change in projected benefit obligation		
Postretirement benefit obligation at beginning of year	\$ 139,958	\$ 130,299
Service cost	4,691	4,393
Interest cost	4,090	4,631
Participants' contributions	607	556
Actuarial (gains) losses	(5,393)	4,476
Benefits paid	(5,149)	(4,397)
Postretirement benefit obligation at end of year	\$ 138,804	\$ 139,958
Amounts recognized in net assets without donor restrictions consist of:		
Net prior service credit	\$ (58,588)	\$ (65,568)
Net losses	21,146	28,867
Accumulated income in net assets without donor restrictions	\$ (37,442)	\$ (36,701)
Discount rates		
Net periodic benefit cost	2.98%	3.63%
Year-end benefit obligation	3.04%	2.98%

The components of net periodic postretirement benefit costs are as follows at June 30:

	2021	2020
Operating activities:		
Service cost	\$ 4,691	\$ 4,393
Nonoperating activities:		
Interest cost	4,090	4,631
Amortization of unrecognized prior service benefit	(6,980)	(6,987)
Amortization of net losses	2,328	2,229
Total nonoperating activities	(562)	(127)
Net periodic postretirement benefit cost	\$ 4,129	\$ 4,266

Postretirement benefit changes of \$741 and \$(9,234) for the fiscal years ending June 30, 2021 and 2020, respectively, consisting of prior service cost amortization, net actuarial loss amortization and experience gains (losses) are included in nonoperating activities on the Consolidated Statements of Activities.

The University expects to recognize a postretirement benefit amortization gain in fiscal year 2022 of \$5,302 relating to \$6,980 of prior service credits partially offset by \$1,678 of net actuarial losses. Amortization of prior service costs or credits which result from changes to plan provisions and amortization of actuarial net gains or losses which result from experience different from assumed and from changes in assumptions (excluding asset gains and losses not yet reflected in market-related value) are included as components of Net Periodic Postretirement Benefit Cost/(Income) for a year. The amortization of actuarial net gain or loss is the net gain or loss divided by the average remaining service period to full eligibility for participating employees expected to receive benefits under the postretirement medical plan.

Rochester Institute of Technology
Notes to Consolidated Financial Statements
For the fiscal year ended June 30, 2021

The postretirement medical plan's health care cost trend rate assumptions are as follows at June 30:

	2021	2020
Initial rate	6.5%	6.5%
Ultimate rate	5.0%	5.0%
Fiscal year of ultimate rate	2024	2024

The health care cost trend rate assumption has a significant effect on the amounts reported; a 1% point change in the assumed health care cost trend rates would have the following effects:

	1% Point Increase	1% Point Decrease
Effect on total of service and interest cost components	\$ 533	\$ (430)
Effect on postretirement benefit obligation	\$ 4,662	\$ (3,942)

Benefit Payments

At June 30, the University's aggregated future estimated postretirement benefit payments, which reflect future services, are as follows:

2022	\$ 5,105
2023	5,347
2024	5,642
2025	5,975
2026	6,239
2027-2031	36,859

d. Self-insurance Plans

The University is self-insured for medical, prescription drug and dental benefits. Based on estimates provided by its actuaries, the University's obligation for health care claims incurred but not reported is \$2,272 and \$2,096 as of June 30, 2021 and 2020, respectively. The University is also self-insured for workers compensation and has established a liability for asserted and unasserted claims totaling \$5,033 and \$4,041 as of June 30, 2021 and 2020, respectively. These amounts are included in accounts payable and accrued expenses on the Consolidated Balance Sheets.

Rochester Institute of Technology
Notes to Consolidated Financial Statements
For the fiscal year ended June 30, 2021

13. Long-Term Debt

The University has entered into various agreements for the purpose of financing construction, renovation and improvement of its facilities and equipment. Long-term debt outstanding for these purposes, net of applicable unamortized premium/discount and debt issuance costs as of June 30, is as follows:

Issue	Interest Rate(s)¹	Type of Rate	Maturity	2021	2020
Tax-exempt revenue bonds:					
Dormitory Authority of the State of New York (DASNY)					
Series 2006A	5.25%	Fixed	7/1/22	\$ 10,435	\$ 15,260
Series 2010	N/A	Fixed	7/1/20	-	3,480
Series 2012	4.00% - 5.00%	Fixed	7/1/22	3,505	5,180
Series 2019A	4.00% - 5.00%	Fixed	7/1/49	119,635	119,635
Series 2019C	N/A	Variable	2/1/21	-	162
Series 2020A	5.00%	Fixed	7/1/40	47,800	48,345
Taxable revenue bonds:					
Dormitory Authority of the State of New York (DASNY)					
Series 2019B	2.09% - 3.44%	Fixed	7/1/42	145,700	146,900
Other debt	3.18% - 3.56%	Variable	Various	1,151	551
Total long-term debt, principal				328,226	339,513
Bond premium/discount, net				30,189	32,181
Unamortized debt issuance costs, net				(1,839)	(1,976)
Total long-term debt, net				\$ 356,576	\$ 369,718

¹ Represents interest rates on debt outstanding as of June 30, 2021

The required principal payments for long-term debt for each of the years in the five-year period ending June 30, 2026 and thereafter are presented below. The schedule has been prepared based on the contractual maturities of the debt outstanding at June 30:

2022	\$ 11,585
2023	12,105
2024	11,559
2025	12,129
2026	12,464
Thereafter	268,384
	\$ 328,226

Deposits with bond trustees consist of debt service funds and the unexpended proceeds of certain debt totaling \$130,792 and \$139,242, and are included in cash and cash equivalents held with trustees and investments on the Consolidated Balance Sheets as of June 30, 2021 and 2020, respectively.

Rochester Institute of Technology
Notes to Consolidated Financial Statements
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Tax-Exempt Revenue Bonds

The University's tax-exempt bonds are issued through DASNY, a New York State agency serving as a conduit issuer of tax-exempt debt. Proceeds from tax-exempt revenue bonds outstanding as of June 30, 2021 were used as follows:

DASNY 2006A Series

Insured revenue bonds were issued to advance refund a substantial portion of the outstanding aggregate principal amount of the University's 1997 Series bonds which had been issued to refund the remaining obligation of general and unconditional obligation Series E revenue bonds. Proceeds were also used to renovate on-campus housing facilities and improve the technological infrastructure of the University.

DASNY 2012 Series

Secured revenue bonds were issued to advance refund a portion of DASNY 2002B Series bonds and a portion of DASNY 2008A Series bonds and for the construction of a new athletic and multi-purpose facility, renovations and improvements to academic facilities, replacement of electrical infrastructure and the acquisition of University Commons Project II on-campus residential housing.

During the fiscal year 2020, the University advance refunded a portion of 2012 Series bonds which were outstanding in the principal amount of \$136,050 (see DASNY 2019B Series). A portion of the proceeds from the DASNY 2019B Series bonds were used to purchase U.S. government securities which were deposited into an irrevocable trust solely for the purpose of making debt service payments on the 2012 Series bonds. Accordingly, the refunded 2012 Series bonds were legally extinguished and neither the indebtedness nor the assets of the irrevocable trust are included on the Consolidated Balance Sheet as of June 30, 2021. In connection with this refunding in fiscal year 2020, the University incurred debt extinguishment gains of \$2,774 included in other nonoperating activities on the Consolidated Statements of Activities.

DASNY 2019A Series

Unsecured revenue bonds were issued to refinance the University's taxable bank loan and for the construction of the Student Hall for Exploration and Development and a music performance theater.

DASNY 2019C Series

Unsecured revenue bonds were issued in fiscal year 2020 and were available to be drawn by October 8, 2022. On February 1, 2021, the bonds were redeemed and terminated within the draw-down period.

DASNY 2020A Series

Unsecured revenue bonds were issued to forward refund a portion of the 2010 Series bonds.

Taxable Revenue Bonds

The University's taxable bonds are issued through DASNY. Proceeds from taxable revenue bonds outstanding as of June 30, 2021 were used as follows:

DASNY 2019B Series

Unsecured taxable revenue bonds were issued to advance refund a portion of the 2012 Series bonds (See DASNY 2012 Series).

Other Debt

Other debt consists of amounts associated with agreements the University has entered into for finance leases of equipment and furniture.

Line of Credit

The \$30,000 unsecured line of credit agreement executed on September 11, 2020 was terminated on June 3, 2021.

Rochester Institute of Technology
Notes to Consolidated Financial Statements
For the fiscal year ended June 30, 2021

14. Student Aid

For the fiscal year ending June 30, aid provided to students is summarized as follows:

2021			
	Institutional Support¹	Sponsored Support²	Total
Financial aid and merit-based scholarships	\$ 259,168	\$ 17,171	\$ 276,339
Student salaries and wages	15,728	10,003	25,731
Total student aid	\$ 274,896	\$ 27,174	\$ 302,070
2020			
	Institutional Support¹	Sponsored Support²	Total
Financial aid and merit-based scholarships	\$ 216,872	\$ 16,191	\$ 233,063
Student salaries and wages	17,769	9,423	27,192
Total student aid	\$ 234,641	\$ 25,614	\$ 260,255

¹ Institutional support includes student aid from operating resources without donor restrictions.

² Sponsored support includes student aid funded from donor restricted and University designated resources and external sources, including federal, state or private grants and/or contributions.

Rochester Institute of Technology
Notes to Consolidated Financial Statements
For the fiscal year ended June 30, 2021

15. Grants and Contracts Revenue

For the fiscal year ending June 30, revenue sources from grants and contracts are as follows:

2021			
	Contributions	Exchange Transactions	Total
Operating activities:			
Federal ^{1,2}	\$ 129,702	\$ 10,136	\$ 139,838
State	9,472	1,619	11,091
Private	2,051	3,489	5,540
Total operating grants and contracts revenue	\$ 141,225	\$ 15,244	\$ 156,469
Nonoperating activities:			
Federal ¹	\$ 354	\$ -	\$ 354
State	10	-	10
Total nonoperating grants and contracts revenue	\$ 364	\$ -	\$ 364
2020			
	Contributions	Exchange Transactions	Total
Operating activities:			
Federal ^{1,3}	\$ 111,862	\$ 8,000	\$ 119,862
State	13,118	2,689	15,807
Private	1,150	3,351	4,501
Total operating grants and contracts revenue	\$ 126,130	\$ 14,040	\$ 140,170
Nonoperating activities:			
Federal ¹	\$ 372	\$ -	\$ 372
State	288	-	288
Total nonoperating grants and contracts revenue	\$ 660	\$ -	\$ 660

¹ Contributions include appropriation for NTID.

² Contributions include Higher Education Emergency Relief Funds (HEERF II) established by the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) awarded to RIT totaling \$16,978 and an appropriation established by CRRSAA awarded to NTID totaling \$5,701.

³ Contributions include Higher Education Emergency Relief Funds (HEERF I) established by the Coronavirus Aid, Relief, and Economic Security Act (CARES) totaling \$10,380.

16. National Technical Institute for the Deaf

Under an agreement with the U.S. Department of Education (ED), the University established NTID in 1968 to provide post-secondary education and technical training for deaf and hard of hearing persons. NTID is the world's first and largest technical college for deaf students with approximately 1,101 students from the United States and other countries. The Federal Government provides funding through an appropriation, currently covering approximately 81% of NTID's total operating costs, as well as matching funds for NTID's Federal Endowment Fund. Funding is applied for annually and is subject to the Federal Government's continued support of the program.

Rochester Institute of Technology
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For the fiscal year ended June 30, 2021

Operating Revenues

The federal appropriation partially covers direct operating expenses and reimbursement to the University for tuition, fees, room and board and indirect costs for NTID students using RIT facilities. Appropriation revenues are included in grants and contracts on the Consolidated Statements of Activities and totaled \$77,303 and \$73,037 at June 30, 2021 and 2020, respectively. The remaining operating expenses are funded by tuition and fees collected from NTID students and other revenues.

In addition, NTID has received funds in its annual appropriation from ED to support a regional partnership with the Alabama Institute for the Deaf and Blind (AIDB). The NTID Southeast Regional STEM Center was established to expand the geographic reach of activities and services supported by NTID consistent with its mission and strategic plan. Of the amount included in grants and contracts on the Consolidated Statements of Activities, \$4,397 and \$3,557 at June 30, 2021 and 2020 respectively, was appropriated for the AIDB regional partnership.

Nonoperating Activities

The federal appropriation may also be used to match qualifying contributions received from donors for NTID's Federal Endowment Fund. Included in with donor restricted nonoperating government grants and contracts for long-term assets on the Consolidated Statements of Activities are federal matching funds totaling \$354 and \$362 at June 30, 2021 and 2020, respectively.

17. Expenses by Functional and Natural Classification

Certain natural expenses attributable to more than one functional expense category are distributed using reasonable cost allocation methods. Depreciation, interest and plant operation and maintenance expenses are allocated to the functional categories on a square footage basis.

Expenses by functional and natural classification for the fiscal year ending June 30 are as follows:

	2021					
	Instruction & Academic Support	Student & Auxiliary Services	Research & Public Support	General Admin & Operations ¹		Total
Compensation and benefits	\$ 260,533	\$ 67,565	\$ 43,124	\$ 30,885	\$	\$ 402,107
Purchased services and other	37,641	52,598	21,008	4,739		115,986
Depreciation, amortization and interest	20,538	21,460	6,727	4,168		52,893
Total operating expense	\$ 318,712	\$ 141,623	\$ 70,859	\$ 39,792	\$	\$ 570,986
Net periodic benefit cost other than service	(389)	(95)	(11)	(67)		(562)
Total expense	\$ 318,323	\$ 141,528	\$ 70,848	\$ 39,725	\$	\$ 570,424

¹ Includes fundraising expenses of \$9,868

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	2020					
	Instruction & Academic Support	Student & Auxiliary Services	Research & Public Support	General Admin & Operations ¹		Total
Compensation and benefits	\$ 269,923	\$ 66,751	\$ 41,126	\$ 34,536		\$ 412,336
Purchased services and other	42,588	50,121	26,799	3,870		123,378
Depreciation, amortization and interest	20,805	21,345	6,394	4,339		52,883
Total operating expense	\$ 333,316	\$ 138,217	\$ 74,319	\$ 42,745		\$ 588,597
Net periodic benefit cost other than service	(89)	(21)	(2)	(15)		(127)
Total expense	\$ 333,227	\$ 138,196	\$ 74,317	\$ 42,730		\$ 588,470

¹ Includes fundraising expenses of \$10,926

18. Commitments and Contingencies

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

The University received notice in fiscal year 2020 of lawsuits filed purporting to represent a class of students enrolled for the Spring 2020 term and seeking refunds of tuition and fees for that term. The complaints assert that refunds are required because students did not receive the full benefits of the tuition and fees after COVID-19 forced the University to transition to remote delivery of education in March 2020. The complaints do not identify all of the fees for which plaintiffs seek a refund on behalf of the class, nor the specific percentage of tuition they seek to recover. The University is vigorously defending itself in this legal matter.

The University is committed under several construction contracts amounting to approximately \$34,493 and \$17,007 at June 30, 2021 and 2020, respectively. These contracts relate to the renovation and construction of various on-campus facilities including projects totaling \$204 funded by federal and state grants, \$5,414 funded by private donors and \$15,507 funded by the University's Series 2019A debt issue.

19. Subsequent Events

Subsequent events have been evaluated through November 11, 2021, the date the Consolidated Financial Statements were issued.

Supplemental Schedule of Expenditures of Federal Awards

Rochester Institute of Technology
Schedule of Expenditures of Federal Awards
For the fiscal year ended June 30, 2021

Federal Grantor/Pass-Through Grantor Program or Title	Assistance Listing Number	Pass-Through Number or Other Identifying Number	Federal Expenditures	Passed to Subrecipients
<u>Student Financial Assistance Cluster:</u>				
Federal Supplemental Educational Opportunity Grants	84.007		\$ 1,122,945	\$ -
Federal Work-Study Program	84.033		1,874,681	-
Federal Perkins Loan Program	84.038			-
Outstanding loans at July 1, 2020			23,289,677	-
Federal Pell Grant Program	84.063		18,036,292	-
Federal Direct Student Loans	84.268		79,435,521	-
Total Student Financial Assistance Cluster			\$ 123,759,116	\$ -
<u>Department of Education - Appropriations from the U.S. Congress for the National Technical Institute for the Deaf:</u>				
Federal Appropriation	84.908A	H908A190001	\$ 1,197,787	\$ -
Federal Appropriation	84.908A	H908A200001	12,460,082	-
Federal Appropriation	84.908A	H908A210001	63,644,726	-
Federal Appropriation	84.908A	H908B200002	353,855	-
Total National Technical Institute for the Deaf			\$ 77,656,450	\$ -
<u>Research and Development Cluster:</u>				
Department of Agriculture Direct Programs				
Forest Service				
Forestry Research	10.652		\$ 12,602	\$ -
Cooperative Forestry Assistance	10.664		1,011	-
Research Joint Venture and Cost Reimbursable Agreements	10.707		20,861	-
National Institute of Food and Agriculture				
Agriculture and Food Research Initiative (AFRI)	10.310		7,962	-
Subtotal Department of Agriculture Direct Programs			42,436	-
Department of Agriculture Pass-Through Programs From:				
Agricultural Research Service				
Washington State University	10.309	2020-51181-32159/137743 G004249	33,980	-
Subtotal Department of Agriculture Pass-Through Programs			33,980	-
Total Department of Agriculture			76,416	-
Department of Commerce Pass-Through Programs From:				
National Institute For Standards And Technology				
NextCorp	11.611	70NANB20H156/C200069	437	-
Sustainable Manufacturing Innovation Alliance	11.611	BLOCK GRANT/NA	4,836	-
National Oceanic and Atmospheric Administration				
University of New Hampshire	11.008	NA17NOS0080203/L0132	7,568	-
Research Foundation of SUNY	11.417	NA18OAR4170096/80794/1160707/1	52,968	-
St. John Fisher College	11.429	NA20NOS4290010/NA20NOS4290010-RIT	263	-
Subtotal Department of Commerce Pass-Through Programs			66,072	-
Total Department of Commerce			66,072	-

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards

Rochester Institute of Technology
Schedule of Expenditures of Federal Awards
For the fiscal year ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor Program or Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Number or Other Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed to Subrecipients</u>
Department of Defense Direct Programs				
Advanced Research Projects Agency				
Research and Technology Development	12.910		\$ 239,418	\$ -
Army Materiel Command				
Army Materiel Command	12.RD	W52P1J2093043	85,138	-
Basic Scientific Research	12.431		527,350	-
Research and Technology Development	12.910		22,282	-
Department of the Air Force, Materiel Command				
Basic and Applied Scientific Research	12.300		422,396	8,712
Air Force Defense Research Sciences Program	12.800		743,065	-
Department of the Navy, Office of the Chief of Naval Research				
Basic and Applied Scientific Research	12.300		2,352,729	-
National Geospatial Intelligence Agency				
Basic, Applied, and Advanced Research in Science and Engineering	12.630		472,166	39,612
National Reconnaissance Office				
National Reconnaissance Office	12.RD	NRO000-18-C-0052	428,770	-
National Reconnaissance Office	12.RD	NRO000-20-C-0091	391,519	73,964
National Security Agency				
National Security Agency	12.RD	H98230-20-C-0124	1,365,256	-
Subtotal Department of Defense Direct Programs			7,050,089	122,288
Department of Defense Pass-Through Programs From:				
Advanced Research Projects Agency				
George Mason University	12.910	HR00112020048/E2052921	5,173	-
SRI International	12.RD	HR0011-18-C-0051/PO53985	50,781	-
Department of the Air Force, Materiel Command				
CUBRC, LLC	12.RD	FA8750-17-C-0143/08061.S04	10,721	-
Dynamic Radiation Solutions	12.RD	FA9101-17-C-0038/N/A	122,066	-
Kitware, Inc.	12.RD	FA8650-18-C-1075/K002299-00-S01	142,908	-
Research Foundation of SUNY	12.800	FA8650-15-2-5220/B10	34,873	-
Research Foundation of SUNY	12.800	FA8650-15-2-5220/CP-PIC1-Third Course Offering	32,367	-
Department of the Navy, Office of the Chief of Naval Research				
Alfred University	12.300	N00014-17-1-2548/241503-001RIT	13,139	-
Research Foundation of SUNY	12.300	N000142012242/R1228184	44,903	-
University of Rochester	12.300	N00014-18-1-2370/417317	91,524	-
National Reconnaissance Office				
L3Harris Technologies	12.RD	20-C-0224/A000665992	475,405	-
Northrop Grumman Innovation Systems	12.RD	14-C-0133/3021900305	52,613	-
National Security Agency				
North Carolina State University	12.RD	H98230-17-D-0080/2018-0438-02	59,299	-
Office of the Under Secretary of Defense for Acquisition, Technology and Logistics				
Massachusetts Institute of Technology Lincoln Laboratory	12.RD	FA8702-15-D-0001/PO 7000514341	3,711	-
United States Army Materiel Command				
The DOW Chemical Company	12.RD	W912HQ-20-C-0062/R000002775	16,134	-
MXD	12.RD	W15QKN-19-3-0003/MXD 2021-03 PROJECT 20-04-01	43,347	-
Sunray Scientific	12.RD	W911NF-19-2-0345/FT19-20-196	10,477	-
Schlumberger Technology Corporation	12.630	W911NF-17-3-0004/A20.0038	93,640	-
United States Army Medical Command				
University of Iowa	12.420	W81XWH1910637/S01046-01	59,867	-
Subtotal Department of Defense Pass-Through Programs			1,362,948	-
Total Department of Defense			8,413,037	122,288

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards

Rochester Institute of Technology
Schedule of Expenditures of Federal Awards
For the fiscal year ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor Program or Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Number or Other Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed to Subrecipients</u>
Department of Energy Pass-Through Programs From:				
Argonne National Laboratory	81.RD	DE-AC02-06CH11357/0F-60169	\$ 44,151	\$ -
Idaho National Laboratory	81.RD	DE-AC07-09ID14517/210042	36,221	-
Lawrence Livermore National Security, LLC	81.RD	DE-AC52-07NA27344/B635721	2,756	-
Lawrence Livermore National Security, LLC	81.RD	DE-AC52-07NA27344/B637984	5,351	-
Savannah River Nuclear Solutions, LLC	81.RD	DE-AC09-08SR22470/0000421354	305,399	-
Sunray Scientific	81.RD	DE-AC02-76SF00515/CRADA 19-0020-CR	17,185	-
TexPower, Inc.	81.RD	DE-SC0020025/200824	7,236	-
University of Connecticut	81.RD	BNL-000350226/392088	35,388	-
University of Connecticut	81.RD	BNL-000350226/431836	1,925	-
UT-Battelle, LLC	81.RD	DE-AC05-00OR22725/4000168756	207,284	-
Pennsylvania State University	81.049	DE-SC0021118/S001331-USDOE	15,809	-
Arizona State University	81.087	DE-EE0008973/ASUB00000551	110,213	-
Iowa State University	81.087	DE-EE0007897/021508A	16,677	-
Sustainable Manufacturing Innovation Alliance	81.087	DE-EE-0007897/SA-17-02	580,360	-
Sustainable Manufacturing Innovation Alliance	81.087	DE-EE-0007897/SA-17-06 APP A	37,116	-
Sustainable Manufacturing Innovation Alliance	81.087	DE-EE-0007897/SA-17-06 APP B	18,810	-
Sustainable Manufacturing Innovation Alliance	81.087	DE-EE0007897/SA-19-13 FOR 18-01-RM-10	39,928	18,807
Sustainable Manufacturing Innovation Alliance	81.087	DE-EE0007897/SA-19-14 FOR 18-01-RM-11	75,757	53,464
Sustainable Manufacturing Innovation Alliance	81.087	DE-EE0007897/SA-19-15 FOR 18-01-RM-13	35,745	4,337
Sustainable Manufacturing Innovation Alliance	81.087	DE-EE0007897/SA-19-16 FOR 18-01-RM-14	80,097	4,302
Sustainable Manufacturing Innovation Alliance	81.087	DE-EE0007897/SA-19-20 FOR 18-02-DE-04	55,884	200
Sustainable Manufacturing Innovation Alliance	81.087	DE-EE0007897/SA-19-24 FOR 18-02-RM-03	78,426	44,089
Sustainable Manufacturing Innovation Alliance	81.087	DE-EE0007897/SA-20-07 FOR 19-01-RM-04	1,318	-
Microbeam Technologies, Inc.	81.089	DE-FE0031547/1537	40,045	-
Microbeam Technologies, Inc.	81.089	DE-FE0031750/MTI02661578	43,883	-
Microbeam Technologies, Inc.	81.112	DE-NA0003856/CRRA-2020-LLE	35,288	-
University of Rochester	81.112	DE-NA0003856/U1945764-20	21,815	-
Subtotal Department of Energy Pass-Through Programs			1,950,067	125,199
Total Department of Energy			1,950,067	125,199
Department of Health and Human Services Direct Programs				
National Institutes of Health				
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077		288,601	-
Research Related to Deafness and Communication Disorders	93.173		484,275	287,454
Nursing Research	93.361		415,055	61,236
Cancer Detection and Diagnosis Research	93.394		141,952	28,795
Cancer Biology Research	93.396		30,116	-
Cardiovascular Diseases Research	93.837		636,777	252,713
Lung Diseases Research	93.838		77,206	33,598
Biomedical Research and Research Training	93.859		1,048,756	9,161
Vision Research	93.867		107,689	-
Subtotal Department of Health and Human Services Direct Programs			3,230,427	672,957

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards

Rochester Institute of Technology
Schedule of Expenditures of Federal Awards
For the fiscal year ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor Program or Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Number or Other Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed to Subrecipients</u>
Department of Health and Human Services Pass-Through Programs From:				
Administration for Community Living				
Brandeis University	93.433	90DPGE001/403315	\$ 35,834	\$ -
Gallaudet University	93.433	90DPCP0002-01-00/2109RIT	139,180	-
Centers for Disease Control and Prevention				
University of Rochester	93.135	6U48DP006394/417729G	4,466	-
Centers for Medicare and Medicaid Services				
Mitre Corporation	93.RD	75FCMC 18D0047/3-134973	624,213	-
National Institutes of Health				
Boston College	93.173	1R21DC017000/5106711-01	3,975	-
University of Michigan	93.173	1R01DC014703-01A1/3003741485	84,873	-
Pennsylvania State University	93.273	7R01AA027708-02/S000393-DHHS	51,454	-
Research Foundation of SUNY	93.273	1R01AA022946-01A1/R1150521	14,890	-
Research Foundation of SUNY	93.279	5R01DA041231/R1147674 (FORMERLY R1009143)	1,342	-
Drexel University	93.837	1R01HL153636-01/900074	69,509	-
University of Rochester	93.837	1R01HL137617-01/417062-G	135,945	-
University of Rochester	93.839	1R61HL154249-01/417819G/UR FAO GR511098	108,526	-
University of Rochester	93.846	1R01AR073169/417374G/UR FAO GR510810	10,621	-
University of Rochester	93.846	1R21AR073961-01/41737G/UR FAO GR510811	3,500	-
University of Rochester	93.846	5R01AR070765/417394G / UR FAOGR510284	21,165	-
University of Rochester	93.859	1K12GM106997-05/416735-G /UR FAO GR510405	86,523	-
University of Rochester	93.859	R25GM107739/417472G	227,228	-
Brandeis University	93.865	1R01HD090103/403519	17,232	-
Subtotal Department of Health and Human Services Pass-Through Programs			1,640,476	-
Total Department of Health and Human Services			4,870,903	672,957
Department of Homeland Security Direct Programs				
Cybersecurity Education and Training Assistance Program (CETAP)	97.RD	70RSAT19CB0000020	222,562	-
Subtotal Department of Homeland Security Direct Programs			222,562	-
Total Department of Homeland Security			222,562	-
Institute of Museum and Library Services Direct Programs				
National Leadership Grants	45.312		292,422	-
Subtotal Institute of Museum and Library Services Direct Programs			292,422	-
Total Institute of Museum and Library Services			292,422	-
Department of the Interior Direct Programs				
U.S. Geological Survey Research and Data Collection	15.808		377,157	-
Subtotal Department of the Interior Direct Programs			377,157	-
Total Department of the Interior			377,157	-
Department of Justice Direct Programs				
Bureau of Justice Assistance				
Project Safe Neighborhoods	16.609		224,587	195,629
Subtotal Department of Justice Direct Programs			224,587	195,629
Department of Justice Pass-Through Programs From:				
Bureau of Justice Assistance				
Ibero-American Development Corporation	16.817	2017-AJ-BX-0013/IBERO - 2017-AJ-BX-0013 SUB	14,714	-
Subtotal Department of Justice Pass-Through Programs			14,714	-
Total Department of Justice			239,301	195,629
Environmental Protection Agency Direct Programs				
Office of Chemical Safety and Pollution Prevention				
Source Reduction Assistance	66.717		90,307	9,740
Subtotal Environmental Protection Agency Direct Programs			90,307	9,740

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards

Rochester Institute of Technology
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<u>Federal Grantor/Pass-Through Grantor Program or Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Number or Other Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed to Subrecipients</u>
Environmental Protection Agency Pass-Through Programs From:				
Office of Chemical Safety and Pollution Prevention				
Erie County Government	66.717	96269916/NA	\$ 25,845	\$ -
Subtotal Environmental Protection Agency Pass-Through Programs			<u>25,845</u>	<u>-</u>
Total Environmental Protection Agency			116,152	9,740
National Aeronautics and Space Administration Direct Programs				
Science	43.001		2,159,431	541,700
Exploration	43.003		79,462	20,332
Space Technology	43.012		159,069	63,445
Subtotal National Aeronautics and Space Administration Direct Programs			<u>2,397,962</u>	<u>625,477</u>
National Aeronautics and Space Administration Pass-Through Programs From:				
Blacksky Aerospace, LLC	43.RD	80NSSC20C0140/121902	102,562	-
California Institute of Technology	43.RD	80GSFC18C0011/S442557	21,057	-
Space Telescope Science Institute	43.RD	NAS5-03127/JWST-ERS-01345.015-A	10,636	-
Space Telescope Science Institute	43.RD	NAS5-26555/HST-AR-15802.001-A	44,054	-
Space Telescope Science Institute	43.RD	NAS5-26555/HST-GO-15081.001-A	5,102	-
Space Telescope Science Institute	43.RD	NAS5-26555/HST-GO-15953.001-A	39,517	-
Battelle Memorial Institute	43.001	80NSSC20K1730/US001-0000806052	17,632	-
Brigham Young University	43.001	80NSSC20K0528/20-0546	13,901	-
DRS Technologies	43.001	80NSSC18K0114/69SW-0610	45,657	-
Smithsonian Astrophysical Observatory	43.001	NAS8-03060/GO0-21015C	6,238	-
Smithsonian Astrophysical Observatory	43.001	NAS8-03060/GO1-22018X	29,113	-
University of California, Irvine	43.001	80NSSC20K1247/2020-1360	24,859	-
University of Illinois	43.001	80NSSC20K1359/101784-18138	28,928	-
University of New Hampshire	43.001	NNX17AK10G/18-005	7,803	-
Cornell University	43.008	NNX15AK07H/76156-10489	3,495	-
Cornell University	43.008	80NSSC20M0096/90830-20371	12,100	-
Subtotal National Aeronautics and Space Administration Pass-Through Programs			<u>412,654</u>	<u>-</u>
Total National Aeronautics and Space Administration			2,810,616	625,477
National Endowment for the Humanities Direct Programs				
Promotion of the Humanities Division of Preservation and Access	45.149		323,082	36,235
Subtotal National Endowment for the Humanities Direct Programs			<u>323,082</u>	<u>36,235</u>
Total National Endowment for the Humanities			323,082	36,235
National Science Foundation Direct Programs				
Engineering Grants	47.041		1,098,576	165,179
Mathematical and Physical Sciences	47.049		1,896,690	31,114
Geosciences	47.050		26,945	22,319
Computer and Information Science and Engineering	47.070		2,121,226	38,692
COVID-19 -Computer and Information Science and Engineering	47.070		129,631	-
Biological Sciences	47.074		34,697	-
Social, Behavioral, and Economic Sciences	47.075		364,544	28,591
Education and Human Resources	47.076		3,311,182	91,460
Office of International Science and Engineering	47.079		35,912	-
Integrative Activities	47.083		46,279	-
Subtotal National Science Foundation Direct Programs			<u>9,065,682</u>	<u>377,355</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards

Rochester Institute of Technology
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Federal Grantor/Pass-Through Grantor Program or Title	Assistance Listing Number	Pass-Through Number or Other Identifying Number	Federal Expenditures	Passed to Subrecipients
National Science Foundation Pass-Through Programs From:				
Cornell University	47.041	IIP-1643287/79546-10791	\$ 149,239	\$ -
Georgia Institute of Technology	47.041	CMMI-1762803/AWD-000639-G1	10,554	-
University of Connecticut	47.041	ECCS-1810108/398610	5,521	-
University of Rochester	47.041	IIP-1822049/417687/ URFAO: GR511018	43,453	-
California Institute of Technology	47.049	AST-1910598/S455634	23,208	-
Johns Hopkins University	47.049	AST-1611276/2004648566	25,363	-
National Radio Astronomy Observatory	47.049	AST-1519126/370010	23,712	-
National Radio Astronomy Observatory	47.049	AST-1519126/SOSPAG-028	818	-
University of Illinois	47.049	CHE-2019697/101433-18142	27,301	-
University of Wisconsin-Milwaukee	47.049	PHY-1430284/213405482	34,024	-
Georgia Tech Applied Research Corporation	47.070	CNS-2028677/AWD-001104-G1	42,867	-
Kent State University	47.070	OAC-1838807/402099-RIT	9,426	-
University of Rochester	47.070	CNS-1909099/417661G/ UR FAO GR511041	2,883	-
University of New Hampshire	47.074	DBI-2022070/LD127	6,693	-
Mathematical Association of America	47.076	DMS-1722275/3-8-710-892	12,321	-
Syracuse University	47.076	HRD-1712733/25914-04742-S02	88,098	-
University of Houston	47.076	DUE-1726968/R-18-009	28,682	-
University of Wisconsin-Madison	47.076	DUE-1836721/847K416	21,989	-
Purdue University	47.083	OAI-2033615/10001759-039	6,365	-
Rutgers, The State University of New Jersey	47.083	OIA-2040638/1677	44,819	-
Subtotal National Science Foundation Pass-Through Programs			607,326	-
Total National Science Foundation			9,673,008	377,355
U.S. Government Pass-Through Programs From:				
Harris Corporation	UNKNOWN	18-20968-927867	114,868	-
Subtotal U.S. Government Pass-Through Programs			114,868	-
Total U.S. Government			114,868	-
Department of Transportation Direct Programs				
Maritime Administration				
Ballast Water Treatment Technologies	20.819		14,943	-
Subtotal Department of Transportation Direct Programs			14,943	-
Department of Transportation Pass-Through Programs From:				
Federal Aviation Administration				
University of North Dakota	20.RD	DTFAWA-1-C-00080/UND10731	21,899	-
University of North Dakota	20.RD	135040/UND0025825-S1	118,268	-
Subtotal Department of Transportation Pass-Through Programs			140,167	-
Total Department of Transportation			155,110	-
Total Research and Development Cluster			\$ 29,700,774	\$ 2,164,880
Highway Planning and Construction Cluster				
Department of Transportation Pass-Through Programs From:				
The City College of New York	20.205	DTRT13-G-UTC32/CM00002417-00	\$ 83,434	\$ -
Subtotal Department of Transportation Pass-Through Programs			83,434	-
Total Department of Transportation			83,434	-
Total Highway Planning and Construction Cluster			\$ 83,434	\$ -
TRIO Cluster:				
Department of Education - Office of Postsecondary Education Direct Programs				
TRIO Upward Bound	84.047		\$ 222,272	\$ -
TRIO Veteran's Upward Bound	84.047V		269,631	-
TRIO McNair Post-Baccalaureate Achievement	84.217		252,428	-
Subtotal Department of Education - Office of Postsecondary Education Direct Programs			744,331	-
Total Department of Education - Office of Postsecondary Education			744,331	-
Total TRIO Cluster			\$ 744,331	\$ -

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards

Rochester Institute of Technology
Schedule of Expenditures of Federal Awards
For the fiscal year ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor Program or Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Number or Other Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed to Subrecipients</u>
All Other Programs:				
Corporation for National & Community Service Direct Programs				
AmeriCorps VISTA Recruitment Support	94.027		\$ 4,670	\$ -
Subtotal Corporation for National & Community Service Direct Programs			4,670	-
Total Corporation for National & Community Service			4,670	-
Department of Commerce Direct Programs				
National Institute of Standards and Technology				
Science, Technology, Business and/or Education	11.620		20,910	4,788
Subtotal Department of Commerce Direct Programs			20,910	4,788
Total Department of Commerce			20,910	4,788
Department of Defense Direct Programs				
National Security Agency				
Information Security Grants	12.902		97,319	-
GenCyber Grants Program	12.903		14,289	-
CyberSecurity Core Curriculum	12.905		295,263	-
Subtotal Department of Defense Direct Programs			406,871	-
Department of Defense Pass-Through Programs From:				
United States Army Materiel Command				
Battelle Memorial Institute	12.630	W911SR-15-2-001/US001-601866	2,398,389	-
Subtotal Department of Defense Pass-Through Programs			2,398,389	-
Total Department of Defense			2,805,260	-
Department of Education Direct Programs				
COVID-19 - Higher Education Emergency Relief Fund (HEERF) - Student Portion	84.425E		5,190,240	-
COVID-19 - HEERF - Institutional Portion	84.425F		26,880,289	-
Subtotal 84.425			32,070,529	-
COVID-19 - HEERF - NTID	84.908D		5,719,837	-
Subtotal Department of Education Direct Programs			37,790,366	-
Department of Education Pass-Through Programs From:				
NYS Higher Education Services Corporation				
	84.334	P334S140028/HES01-C12335GG-3310200	88,520	17,220
Subtotal Department of Education Pass-Through Programs			88,520	17,220
Total Department of Education			37,878,886	17,220
Department of Health and Human Services Direct Programs				
Graduate Psychology Education	93.191		413,341	-
Rural Health Care Services Outreach, Rural	93.912		190,079	-
Subtotal Department of Health and Human Services Direct Programs			603,420	-
Department of Health and Human Services Pass-Through Programs From:				
Action for a Better Community				
	93.093	90FX0055-05-00/HPOG 2019-06	20,399	-
	93.093	90FX0055-05-02/HPOG 2020-02	57,994	-
Subtotal 93.093			78,393	-
Monroe County	93.959	SAPT Block Grant	112,997	-
Monroe County	93.959	SAPT Block Grant	78,198	-
Subtotal 93.959			191,195	-
Subtotal Department of Health and Human Services Pass-Through Programs			269,588	-
Total Department of Health and Human Services			873,008	-
National Endowment for the Humanities Direct From:				
Promotion of the Humanities-Division of Preservation and Access	45.149		68,325	-
Subtotal National Endowment for the Humanities Direct Programs			68,325	-
Total National Endowment for the Humanities			68,325	-
Total All Other Programs			\$ 41,651,059	\$ 22,008
Total Expenditure of Federal Awards			\$ 273,595,163	\$ 2,186,888

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards

Rochester Institute of Technology
Notes to the Schedule of Expenditures of Federal Awards
For the fiscal year ended June 30, 2021

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the expenditures of Rochester Institute of Technology (University) under programs of the federal government and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Negative amounts represent current year adjustments of amounts reported in prior years. The University applies its predetermined approved facilities and administrative rate when charging indirect costs to federal awards rather than the 10% de minimis cost rate as described in Section 200.414 of the Uniform Guidance. For purposes of the Schedule, federal awards include all grants, contracts and similar agreements entered into directly between the University and the agencies and departments of the federal government, or passed-through by other organizations to the University from agencies and departments of the federal government. When available, CFDA numbers and pass-through numbers are provided. Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net assets or cash flows of the University.

2. Federally Guaranteed Loans

The University participated in the Federal Perkins Loan Program through its expiration on September 30, 2017. The balance in this program, \$16,812,536 at June 30, 2021, as well as loan expenditures and disbursements are federally guaranteed.

The University is responsible for certain administrative duties only with respect to the Federal Direct Loan program and, accordingly, these loans are not included in the University's consolidated financial statements. It is not practical to determine the balance of loans outstanding under these programs at June 30, 2021.

3. National Technical Institute for the Deaf (NTID, College)

NTID was created on June 8, 1965 through Public Law 89-36, *The National Technical Institute for the Deaf Act* (now incorporated into Public Law 99-371, *The Education of the Deaf Act* (EDA) of 1986 and subsequently modified by the 1992, 1993 and 1999 Amendments). In March 1966, the *Policies, Guidelines, and Application Procedures* were prepared by the National Advisory Board through the auspices of the Secretary of Health, Education and Welfare. This document provided a framework for the character and composition of NTID by establishing specific goals, a program for instruction, procedures for admission, placement provisions and facilities requirements. After an extensive search for the appropriate "Host Institution," the *Agreement for Establishment and Operation of the National Technical Institute for the Deaf between the Secretary of Health, Education and Welfare and Rochester Institute of Technology*, was signed on December 20, 1966. These four documents are in essence the law and collectively provide the overall guidance on the expenditure of federal funds.

NTID is a unique federal program in that its funding must be approved through an annual appropriation by the United States Congress. The appropriation currently covers approximately 81% of the College's total operating costs and provides matching funds for the University's Federal Endowment Fund. The remaining operating costs are funded by other sources of income including tuition, room, board and fees paid by students and a program of private fundraising as required by law. In addition to offering a wide array of academic programs to deaf and hard-of-hearing students, the College promotes and disseminates its services and its research findings nationally and internationally; educates other professionals to serve people who are deaf and hard-of-hearing; and, interacts regularly with its federal oversight agencies. As a result, there are a number of activities whose costs are treated as direct and others that are treated as indirect, where costs have been incurred for common or joint objectives and cannot be readily identified with a particular cost objective. The operation of NTID in conjunction with the overall congressional appropriation process does not result in finalization of the program results until after completion of the indirect cost recovery process.

Rochester Institute of Technology
Notes to the Schedule of Expenditures of Federal Awards
For the fiscal year ended June 30, 2021

negotiated annually by the University with the Cost Allocation Services of the Department of Health and Human Services.

For the year ended June 30, 2021, the *Policies, Guidelines, and Application Procedures for NTID*, promulgated by the Department of Health and Human Services, and the EDA as amended, govern the allowability of expenditures related to NTID. NTID is not subject to 2 CFR Part 200, Subpart E in the determination of the allowability of costs, but rather is subject to the provisions of the four authorizing documents as described above, with particular emphasis on the Cost Principles as stated in the EDA, as amended. The principles and policies employed by the University in determining costs applicable to NTID encompass the concepts of reasonableness of cost, necessity for the operation of NTID, prudence, cost-benefit, and allowability; University policies; and, the EDA. Direct costs are those costs that are identified with activities of the College with relative ease and a high degree of accuracy. After direct costs have been determined and assigned to awards or other work as appropriate, indirect costs are those remaining to be allocated to benefiting cost objectives, net of costs of certain activities not allowable as charges to NTID. The allocation of indirect costs to NTID is designed to reflect an equitable distribution of those allowable costs indirectly benefiting all of the colleges which comprise the University.

In addition, NTID received funds in its annual appropriation to support a regional partnership with the Alabama Institute for the Deaf and Blind (AIDB). The NTID Southeast Regional STEM Center was established to expand the geographic reach of activities and services supported by NTID consistent with its mission and strategic plan. Of the amount included in government grants and contracts on the Consolidated Statements of Activities, \$4,397,605 and \$3,556,679 at June 30, 2021 and 2020 respectively, was appropriated for the AIDB regional partnership.

4. NTID Program Expenditures

NTID program expenditures for the year ended June 30, 2021 were \$95,031,009 of which \$77,302,595 represents direct and indirect costs charged to the federal government.

	FY21
Salaries and wages	\$ 29,288,593
Benefits including tuition waivers	11,587,632
Instruction expense for students cross-registered to RIT	7,509,149
Purchased services	2,477,609
Utilities	401,495
Auxiliaries	4,301,262
Student aid and prizes	4,600,328
Equipment	367,942
Institutional support	12,370,980
NTID Southeast Regional STEM Center	4,397,605
Total expenditures of federal funds	\$ 77,302,595

Note: The total federal appropriation of \$77,656,450 reported on the Schedule of Expenditures of Federal Awards includes \$353,855 received as matching funds under the EDA's Federal Endowment Program.



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 Board of Trustees of the Rochester Institute of Technology

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 the Rochester Institute of Technology and its subsidiaries ("the University"), which comprise the consolidated balance sheet as of June 30, 2021, and the related consolidated statements of activities and of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 11, 2021, which included an emphasis of matter paragraph related to the University changing the manner in which it accounts for leases in 2021 as discussed in Note 1.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP

Rochester, New York
November 11, 2021



**Report of Independent Auditors on Compliance with Requirements
That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in
Accordance with the Uniform Guidance**

To the Board of Trustees of the Rochester Institute of Technology

Report on Compliance for Each Major Federal Program

We have audited the Rochester Institute of Technology's ("the University") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2021. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the University's compliance.

Opinion on Each Major Federal Program

In our opinion, the Rochester Institute of Technology complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal program is not modified with respect to this matter.



The University's response to the noncompliance findings identified in our audit is described in the accompanying management response and corrective action plan. The University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

As indicated in Part I to the accompanying Schedule of Findings and Questioned Costs, we have audited the Student Financial Assistance cluster as a major program. Also, as indicated in the first paragraph of this report, we performed our audit of compliance using the compliance requirements contained in the *OMB Compliance Supplement*, including those contained in Part V 5.3, Compliance Requirement N, Special Tests and Provisions, Section 12 "Gramm-Leach-Bliley Act-Student Information Security." This section includes three suggested audit procedures with respect to verification that the institution (1) designated an individual to coordinate the information security program, (2) performed a risk assessment that addresses the three required areas in 16 CFR 314.4(b), and (3) documented a safeguard for each risk identified. Our procedures in relation to these three items were limited to inquiry of and obtaining written representation from management and obtaining and reading management's documentation related to these three items. Our procedures did not include an analysis of the adequacy or completeness of the risk assessment performed or the safeguards for each risk identified by management.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

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

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

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

PricewaterhouseCoopers LLP

Rochester, New York
January 26, 2022

Rochester Institute of Technology
Schedule of Findings and Questioned Costs
For the fiscal year ended June 30, 2021

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a) X Yes _____ No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

Various	Student Financial Assistance Cluster
84.908D	COVID-19 - National Technical Institute for the Deaf
84.425E	COVID-19 - Higher Education Emergency Relief Fund (HEERF) - Student Portion
84.425F	COVID-19 - HEERF- Institutional Portion

Dollar threshold used to distinguish between Type A and Type B programs: \$ 3,000,000

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

Rochester Institute of Technology
Schedule of Findings and Questioned Costs
For the fiscal year ended June 30, 2021

Section II – Financial Statement Findings

No matters are reportable in the current year.

Section III – Federal Award Findings and Questioned Costs

2021-001 - Non-Compliance with Timely and Accurate Student Enrollment Change Submissions to the National Student Loan Data System (NSLDS)

Grantor: U.S. Department of Education
Program Name: Student Financial Assistance Cluster
Award Names: Federal Pell Grant Program and Federal Direct Loan Program
Award Year: 7/1/2020 - 6/30/2021
Award Number: Not applicable
Assistance Listing Numbers: 84.063 and 84.268

Criteria:

In accordance with 34 CFR 690.83(b)(2) and 685.309, institutions are required to report enrollment information under the Federal Pell Grant and Federal Direct Loan programs through NSLDS. The enrollment information, inclusive of Campus Level and Program Level data, must be reviewed, updated and validated by the institution in a timely manner. Furthermore, specific to the Federal Direct Loan program, for a student that received a Direct Loan and was enrolled or accepted for enrollment at the institution, and the student had ceased to be enrolled on at least a half-time basis or failed to enroll on at least a half-time basis for the period for which the loan was intended, the institution must report the change within 60 days from which the change was identified.

Condition:

We reviewed a sample of twenty-five students enrolled at the University who received either Pell and/or Direct Loans and had a change of enrollment status during the fiscal year. Of the twenty-five students tested, one student was reported to NSLDS untimely with an inaccurate enrollment change effective date, one student was reported to NSLDS untimely with an inaccurate enrollment status, and four students were reported to NSLDS accurately but untimely. Of the four students reported accurately, the change in enrollment was reported to NSLDS between 63 and 77 days from the date the change was identified.

Questioned Costs:

None

Cause:

There were three causes identified from the condition:

- For the one student who was reported with an untimely inaccurate enrollment change effective date, the academic advisor responsible for managing the student's enrollment change did not notify the Registrar's Office in a timely manner nor with the accurate effective date of the student enrollment change. As such, the student enrollment change was not reported to NSLDS accurately or in a timely manner. This was considered a singular isolated incident where the University's existing policy was not followed.
- For the one student who was reported untimely with an inaccurate enrollment status, the student had not properly appeared on the subsequent enrollment report noting their updated graduation status. As the student was not enrolled in future terms, their status was updated to "withdrawn" instead of being reported as graduated. This was driven by the University's reliance on the existing enrollment roster data, that did not accurately capture the student's graduation status, that was submitted to the National Student Clearinghouse (NSC). NSC is the University's third-party servicer that processes enrollment rosters to NSLDS on a monthly basis.
- For the four students who were reported accurately but untimely, student enrollment changes were identified just subsequent to the University's scheduled reporting to the NSC. Given the timing between the University reporting to NSC and NSC reporting to NSLDS, student status changes were not reported within 60 days.

Rochester Institute of Technology
Schedule of Findings and Questioned Costs
For the fiscal year ended June 30, 2021

Effect:

A student's enrollment status determines eligibility for in-school status, deferment, and grace periods, as well as for the payment of interest subsidies all of which are impacted by inaccurate and late reporting.

Recommendation:

We recommend the University perform the following:

- Ensure all individuals involved in processing student enrollment changes are aware of the University's policies and procedures to process that change accurately and timely;
- Update the data included in the roster detail that is submitted to NSC and ultimately to NSLDS to ensure enrollment reporting changes are accurately reported; and
- Increase the frequency in which it reports enrollment updates to NSC in order to allow for enrollment changes to be received by NSLDS in a timely manner.

Management's Response:

Management Response and Corrective Action Plan is included at the end of this report after the summary schedule of prior audit findings and status.

**Rochester Institute of Technology
Schedule of Findings and Questioned Costs
For the fiscal year ended June 30, 2021**

Section IV – Status of Prior Year’s Findings

No matters are reportable for the prior year.



Rochester Institute of Technology

Controller's Division
7 Lomb Memorial Drive
Rochester, NY 14623-5603
Phone: 585-475-2383
Fax: 585-475-5583

Rochester Institute of Technology
Management's Corrective Action Plan
OMB Uniform Guidance Audit for the year ended June 30, 2021

Finding 2021-001 - Non-Compliance with Timely and Accurate Student Enrollment Change Submissions to the National Student Loan Data System (NSLDS)

Management agrees with the finding and in concurrence with the recommendations has developed and is implementing the following corrective action plans:

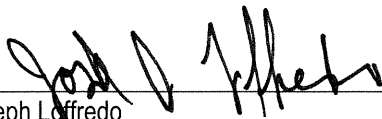
- With regard to the isolated student who was reported with an untimely enrollment change and effective date, we agree the academic advisor responsible for managing the student's enrollment change did not notify the Registrar's Office in a timely manner. The University will reinforce the critical importance of timely reporting of all university withdrawals and leave of absences by reminding the community with an updated announcement about these processes and critical timelines. A communication will be distributed this semester (Spring 2021-22) and an ongoing announcement will be made each semester thereafter. Further, we will update, revise and deliver training for advisors and academic leadership about the withdrawal and leave of absence processes. These trainings will be in place no later than summer 2022. In addition, the University is procuring software that will allow the implementation of an electronic workflow system to be integrated with our Student Information System to further streamline and automate the University's withdrawal and leave of absence processes. We expect to make a purchasing decision in the Spring 2021-22 with a target implementation date of academic year 2022-23.
- The University will update the data included in the roster detail that is submitted to National Student Clearinghouse (NSC) and ultimately to NSLDS to ensure enrollment reporting changes are accurately reported. The University implemented an upgrade in December 2021, which includes a new enrollment file created within our Student Information System to allow for accurate graduated student reporting via the NSC enrollment file directly. This new file has been run on all of 2020-2021 degrees and will be used on 2021-2022 degrees and going forward.

**Rochester Institute of Technology
Management Response and Corrective Action Plan
For the fiscal year ended June 30, 2021**

- The University will increase the frequency in which RIT reports enrollment updates to NSC in order to allow for enrollment changes to be received by NSLDS in a timely manner. The Registrar's Office, after in-depth conversations with NSC and their Audit Resource team, has agreed to run NSC enrollment files every 30 days within a term. Due to NSLDS getting data from NSC at the beginning of the month, RIT will provide the data to NSC between the 15th and the 25th of each month to ensure the enrollments are recorded prior to the NSLDS data pull. For Spring 2021-2022 the following schedule will be implemented:
 - a. Early – Certified on 1/11/22
 - b. First of Term – Certified on 1/18/22
 - c. Subsequent – Certified on 2/17/22
 - d. Subsequent – Certified on 3/17/22
 - e. Subsequent – Certified on 4/18/22
 - f. End of Term – Certified on 5/4/22

Similar schedules will be used for each term going forward.

Responsible Individual: Joseph Loffredo, Associate Vice President for Academic Affairs & Registrar



Joseph Loffredo
Associate Vice President for Academic Affairs & Registrar



Milagros Concepcion
Associate Vice President Controller and Assistant Treasurer