Princeton University

Report on Federal Awards in Accordance with OMB Uniform Guidance and New Jersey Office of Management and Budget Circular 15-08
For the year ended June 30, 2020
Employer Identification Number 21-0634501

Princeton University
Report on Federal Awards in Accordance with OMB Uniform Guidance and New Jersey Office of Management and Budget Circular 15-08
For the year ended June 30, 2020
Table of Contents

Page(s)

Report of Independent Auditors 2

Consolidated Statements of Financial Position as of June 30, 2020 and 2019 3

Consolidated Statements of Activities for the years ended June 30, 2020 and June 30, 2019 4-5

Consolidated Statements of Cash Flows for the years ended June 30, 2020 and 2019 6

Notes to the Consolidated Financial Statements 7-35

Schedule of Expenditures of Federal Awards for the year ended June 30, 2020 36-43

Schedule of Expenditures of State of New Jersey Awards for the year ended June 30, 2020 44

Notes to Schedules of Expenditures of Federal and State Awards for the year ended June 30, 2020 45-46

Schedule of Financial Responsibility Data for the year ended June 30, 2020 47

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* 48-49

Report of Independent Auditors on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Federal and State Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance and New Jersey Department of Treasury Circular Letter 15-08-Office of Management and Budget 50-52

Summary of Independent Auditors' Results 53-54

Schedule of Findings and Questioned Costs 55

Summary Schedule of Prior Audit Findings 56

Report of Independent Auditors

To the Trustees of Princeton University:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Princeton University and its subsidiaries (the "University", which as described in Note 2 is legally known as The Trustees of Princeton University), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, 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 Princeton University and its subsidiaries as of June 30, 2020 and 2019, and the consolidated statements of activities and of cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were 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, 2020, and schedule of expenditures of state of New Jersey awards for the year ended June 30, 2020 and schedule of financial responsibility data as of and for the year ended June 30, 2020 are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for* Federal Awards (Uniform Guidance), The State of New Jersey Department of the Treasury Circular Letter 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid,* and the Department of Education, respectively, and are not a required part of the consolidated financial statements. 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, the Schedule of Expenditures of State of New Jersey Awards and schedule of financial responsibility data are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2020 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, 2020. The purpose of that report is 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 and on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

New York, New York
November 24, 2020, *except with respect to Note 19 to the consolidated financial statements and the opinion on the schedule of financial responsibility data, as to which the date is March 24, 2021.*

Consolidated Statements of Financial Position

Princeton University

June 30, 2020 and 2019

(dollars in thousands)	2020	2019
Assets		
Cash	$ 105,648	$ 22,633
Accounts receivable	157,125	122,776
Receivables associated with investments	20,232	71,804
Educational and mortgage loans receivable	449,759	446,784
Contributions receivable	348,453	306,325
Managed investments at market value	26,250,932	25,811,952
Funds held in trust by others	112,091	114,969
Other investments	1,260,344	1,000,246
Property, net of accumulated depreciation	4,267,022	4,156,896
Other assets	58,610	19,805
Total assets	**$ 33,030,216**	**$ 32,074,190**
Liabilities		
Accounts payable	$ 56,957	$ 42,796
Liabilities associated with investments	20,136	63,361
Deposits, advance receipts, and accrued liabilities	241,186	135,910
Deposits held in custody for others	130,614	138,517
Liability under planned giving agreements	86,255	92,048
Indebtedness to third parties	3,396,518	3,027,186
Accrued postretirement benefits	641,970	501,426
Total liabilities	**$ 4,573,636**	**$ 4,001,244**
Net assets		
Without donor restrictions controlled by the University	$ 12,401,995	$ 12,220,192
Without donor restrictions attributable to noncontrolling interests	188,379	196,767
Total net assets without donor restrictions	**12,590,374**	**12,416,959**
Total net assets with donor restrictions	**15,866,206**	**15,655,987**
Total net assets	**$ 28,456,580**	**$ 28,072,946**
Total liabilities and net assets	**$ 33,030,216**	**$ 32,074,190**

See notes to consolidated financial statements.

Consolidated Statements of Activities

Princeton University

Year ended June 30, 2020

(dollars in thousands)	Without Donor Restrictions	With Donor Restrictions	2020 Total
Revenues			
Tuition and fees, net of financial aid	$ 133,287	-	$ 133,287
Government grants and contracts	336,660	-	336,660
Private gifts, grants, and contracts	71,216	$ 96,308	167,524
Auxiliary sales and services, net of financial aid	62,601	-	62,601
Other operating revenues	33,359	-	33,359
Investment earnings distributed	630,639	809,006	1,439,645
Total operating revenues	**1,267,762**	**905,314**	**2,173,076**
Net assets released from restrictions	869,936	(869,936)	-
Total revenues and other sources	**2,137,698**	**35,378**	**2,173,076**
Operating expenses			
Salaries and wages	801,441	-	801,441
Employee benefits	226,194	-	226,194
Supplies, services, and other	325,050	-	325,050
Space and occupancy	69,307	-	69,307
Student stipends and prizes	70,084	-	70,084
Depreciation	188,890	-	188,890
Interest on indebtedness	115,259	-	115,259
Total operating expenses	**1,796,225**	**-**	**1,796,225**
Results of operations	**341,473**	**35,378**	**376,851**
Nonoperating activities			
Adjustments to planned giving agreements	-	(4,180)	(4,180)
Increase in value of assets held in trust by others	-	(2,314)	(2,314)
Private gifts, noncurrent	7,729	181,731	189,460
Net realized and unrealized appreciation on investments	574,654	811,479	1,386,133
Distribution of investment earnings	(630,639)	(809,006)	(1,439,645)
Net periodic benefit cost other than service cost	(15,025)	-	(15,025)
Other postretirement benefit changes	(94,842)	-	(94,842)
Reclassifications, transfers, and other nonoperating	(1,547)	(2,869)	(4,416)
Increase (decrease) from nonoperating activities	**(159,670)**	**174,841**	**15,171**
Increase in net assets - University	**181,803**	**210,219**	**392,022**
Change in noncontrolling interests	(8,388)	-	(8,388)
Total increase in net assets	**173,415**	**210,219**	**383,634**
Net assets at the beginning of the year	12,416,959	15,655,987	28,072,946
Net assets at the end of the year	**$ 12,590,374**	**$ 15,866,206**	**$ 28,456,580**

See notes to consolidated financial statements.

Consolidated Statements of Activities

Princeton University

Year ended June 30, 2019

(dollars in thousands)	Without Donor Restrictions	With Donor Restrictions	2019 Total
Revenues			
Tuition and fees, net of financial aid	$ 132,129	-	$ 132,129
Government grants and contracts	307,405	-	307,405
Private gifts, grants, and contracts	78,140	$ 138,089	216,229
Auxiliary sales and services, net of financial aid	77,155	-	77,155
Other operating revenues	44,620	-	44,620
Investment earnings distributed	602,549	766,150	1,368,699
Total operating revenues	**1,241,998**	**904,239**	**2,146,237**
Net assets released from restrictions	817,690	(817,690)	-
Total revenues and other sources	**2,059,688**	**86,549**	**2,146,237**
Operating expenses			
Salaries and wages	754,530	-	754,530
Employee benefits	213,126	-	213,126
Supplies, services, and other	323,520	-	323,520
Space and occupancy	74,810	-	74,810
Student stipends and prizes	71,651	-	71,651
Depreciation	177,932	-	177,932
Interest on indebtedness	125,132	-	125,132
Total operating expenses	**1,740,701**	**-**	**1,740,701**
Results of operations	**318,987**	**86,549**	**405,536**
Nonoperating activities			
Adjustments to planned giving agreements	-	4,132	4,132
Increase in value of assets held in trust by others	-	1,899	1,899
Private gifts, noncurrent	18,673	191,794	210,467
Net realized and unrealized appreciation on investments	699,343	818,422	1,517,765
Distribution of investment earnings	(602,549)	(766,150)	(1,368,699)
Net periodic benefit cost other than service cost	(6,457)	-	(6,457)
Other postretirement benefit changes	(83,055)	-	(83,055)
Reclassifications, transfers, and other nonoperating	(6,443)	6,443	-
Increase from nonoperating activities	**19,512**	**256,540**	**276,052**
Increase in net assets - University	**338,499**	**343,089**	**681,588**
Change in noncontrolling interests	(4,195)	-	(4,195)
Total increase in net assets	**334,304**	**343,089**	**677,393**
Net assets at the beginning of the year	12,082,655	15,312,898	27,395,553
Net assets at the end of the year	**$ 12,416,959**	**$ 15,655,987**	**$ 28,072,946**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Princeton University

Years ended June 30, 2020 and 2019

(dollars in thousands)	2020	2019
Cash flows from operating activities		
Change in net assets	$ 383,634	$ 677,393
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation expense	188,890	177,932
Amortization of bond issuance costs and premiums	(13,280)	(12,921)
Property gifts-in-kind	(345)	(1,310)
Adjustments to planned giving agreements	4,180	(4,132)
Net realized and unrealized gains on investments	(1,386,133)	(1,517,765)
Loss on disposal of fixed assets	21,009	31,824
Decrease (Increase) in value of assets held in trust by others	2,878	(1,899)
Contributions received for long-term investment	(122,835)	(135,976)
Change in noncontrolling interests	8,388	4,195
Changes in operating assets and liabilities:		
Receivables	(79,452)	(77,264)
Other assets	(38,805)	(5,157)
Accounts payable	16,724	3,966
Deposits, advance receipts, and accrued liabilities	105,276	(31,751)
Deposits held in custody for others	(7,902)	2,601
Accrued postretirement benefits	140,544	113,340
Net cash and restricted cash used in operating activities	**(777,229)**	**(776,924)**
Cash flows from investing activities		
Purchases of property, plant, and equipment	(323,130)	(235,775)
Proceeds from disposal of property, plant, and equipment	887	9,170
Purchases of investments	(14,250,827)	(12,220,415)
Proceeds from maturities/sales of investments	15,485,623	13,307,870
Net cash and restricted cash provided by investing activities	**912,553**	**860,850**
Cash flows from financing activities		
Issuance of indebtedness to third parties	480,133	47,150
Payment of debt principal	(97,521)	(328,286)
Contributions received for long-term investment	122,835	135,976
Transactions on planned giving agreements	(9,973)	1,438
Net cash and restricted cash provided by (used in) financing activities	**495,474**	**(143,722)**
Net increase (decrease) in cash and restricted cash	**630,798**	**(59,796)**
Cash and restricted cash at the beginning of the year	**314,249**	**374,045**
Cash and restricted cash at the end of the year	**$ 945,047**	**$ 314,249**
Supplemental disclosures		
Interest paid	$ 129,118	$ 139,952
Supplemental information on cash and restricted cash		
Cash as shown in the Statements of Financial Position	$ 105,648	$ 22,633
Cash and restricted cash included in Managed Investments (see Note 4)	380,561	215,569
Cash included in Other Investments (see Note 3)	458,838	76,047
Total cash and restricted cash as shown on the Consolidated Statements of Cash Flows	$ 945,047	$ 314,249

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2020 and 2019

1. NATURE OF OPERATIONS

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

The student body numbers approximately 5,328 undergraduates and 2,997 graduate students in more than 90 departments and programs. The University offers instruction in the liberal arts and sciences and in professional programs of the School of Architecture, the School of Engineering and Applied Science, and the Princeton School of Public and International Affairs. The faculty numbers approximately 1,290, including visitors and part-time appointments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Unconditional promises to give are recognized as revenues in the year made, not in the year in which the cash is received. The amounts are discounted based on timing of expected collections. Amounts received from donors to planned giving programs are shown in part as a liability for the present value of annuity payments to the donor; the balance is shown as a gift of net assets with donor restrictions.

Other significant accounting policies are described elsewhere in these notes.

The preparation of the University's consolidated financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the Consolidated Statements of Financial Position, and the reported amounts of revenues and expenses included in the Consolidated Statements of Activities. Actual results could differ from such estimates.

Revenue Recognition

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU implements a single framework for revenue recognition, ensuring that revenue is recognized in a manner which reflects the consideration to which the entity expects to be entitled in exchange for goods and services. The University adopted ASU 2014-09 in 2019 using a full retrospective method of application. The adoption of ASU 2014-09 resulted in changes to the presentation and disclosure of revenue primarily related to tuition, fees, and auxiliary services as described below.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU provides additional guidance for evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance, and for determining whether a contribution is conditional or unconditional. The University adopted ASU 2018-08 in 2019 using a modified prospective basis of application. The amendments in this ASU were applied only to the portion of revenue or expense that had not yet been recognized before the effective date in accordance with prior guidance, and no prior-period results were restated.

The adoption of ASU 2018-08 resulted in changes to the recognition of revenue from certain nongovernment sponsors of grants, primarily private foundations. Incremental revenue in the amount of $62 million from private grants that were determined to be unconditional was immediately recognized in the 2019 Consolidated Statement of Activities. Grants from government and certain private sponsors were determined to be conditional, and, consequently, the policy of recognizing revenue over time as qualified expenditures are incurred or milestones are met is unchanged. New disclosures about sponsored grants and contracts are included below.

Revenue from Tuition, Fees, and Auxiliary Services

Revenue from tuition, fees, and auxiliary services, which consist primarily of student room and board, are presented at transaction prices, which typically are determined based on standard published rates for the services provided, less any institutional financial aid awarded by the University to qualifying students. For the years ended June 30, 2020 and 2019, revenue from tuition, fees, and auxiliary services was as follows:

2020 *(dollars in thousands)*	**At published rates**	**Institutional aid**	**Total net**
Tuition and fees	$ 416,793	$ (283,506)	$ 133,287
Room, board, and other	82,736	(20,135)	62,601
Total	**$ 499,529**	**$ (303,641)**	**$ 195,888**

2019 *(dollars in thousands)*	**At published rates**	**Institutional aid**	**Total net**
Tuition and fees	$ 394,183	$ (262,054)	$ 132,129
Room, board, and other	99,745	(22,590)	77,155
Total	**$ 493,928**	**$ (284,644)**	**$ 209,284**

Of the $196 million in net total tuition, fees, and auxiliary revenue recognized in fiscal year 2020, $157 million was from undergraduate students, $23 million was from graduate students, and $16 million was from other sources. Of the $209 million in net total tuition, fees, and auxiliary revenue recognized in fiscal year 2019, $169 million was from undergraduate students, $22 million was from graduate students, and $18 million was from other sources.

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

Revenue from Sponsored Grants and Contracts

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

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

Revenue from nonexchange transactions (contributions/gifts and certain grants) may be subject to conditions, in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). Revenue from conditional nonexchange transactions is recognized when the barrier is satisfied, which is generally as costs are incurred or certain milestones are achieved. Conditions on grants, such as Federal government grants, typically include limitations on how research activities must be conducted, such as compliance with OMB cost principles. In addition, the University has elected the simultaneous release option for conditional contributions that are subject to purpose restrictions. Under this option, net assets without donor restrictions include the donor-restricted contributions for which the purpose restrictions are met in the same reporting period as the revenue is recognized. Revenue from nonexchange agreements that are considered unconditional, such as most foundation grants, generally is recognized as revenue with donor restrictions when the grant funds are awarded, and is released into net assets without donor restrictions when the purpose has been met.

As of June 30, 2020, the University has unrecorded conditional grant agreements of $398 million from government sponsors and $91 million from nongovernment sponsors. Indirect costs recovered on federally sponsored programs generally are based on predetermined reimbursement rates, which are stated as a percentage and distributed based on the modified total direct costs incurred. The University negotiates its federal indirect rate with its cognizant federal agency. Indirect costs recovered on all other grants and contracts are based on rates negotiated with the respective sponsors.

New Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases (Topic 842)*. The ASU establishes a right-of-use (ROU) model that requires lessees to recognize a ROU asset on a discounted basis and a lease liability, for substantially all leases, as well as additional disclosures regarding leasing arrangements. In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements,* which provides an optional transition method of applying the new lease standard. Topic 842 can be applied using either a modified retrospective approach at the beginning of the earliest period presented, or, as permitted by ASU 2018-11, at the beginning of the period in which it is adopted. The University adopted Topic 842 on July 1, 2019 (the effective date). Prior period amounts have not been adjusted in connection

with the adoption of this standard. Additional information on the adoption, including qualitative and quantitative disclosures, is included in Note 10, Leases.

The FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments (Topic 230)* in August 2016, and ASU 2016-18, *Restricted Cash (Topic 230)* in November 2016. ASU 2016-15 includes guidance on the presentation of eight specific cash flow areas in an effort to reduce diversity in practice regarding how certain transactions are classified within the statement of cash flows. The University implemented ASU 2016-15 on July 1, 2019, and the adoption of this standard did not have a material impact to the University's Consolidated Statements of Cash Flows. ASU 2016-18 addresses the presentation, disclosure, and cash flow classification of restricted cash and requires that the statement of cash flows explains the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Entities also would be required to reconcile these amounts on the balance sheet to the statement of cash flows and disclose the nature of the restrictions. The guidance is effective for the University for fiscal years beginning after December 15, 2018. The University implemented ASU 2016-18 on July 1, 2019 on a retrospective basis and included all applicable cash balances within the Consolidated Statements of Cash Flows.

In August 2018, the FASB issued Accounting Standards Update 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement*. This ASU is effective for fiscal years beginning after December 15, 2019, with early adoption permissible. This ASU removes certain disclosures, modifies certain disclosures, and adds additional disclosures related to fair value measurement. The University is evaluating the impact of the new standard on the University consolidated financial statements.

In March 2019, the FASB issued ASU 2019-03, *Updating the Definitions of Collections, Not-for-Profit Entities (Topic 958)*. This ASU is effective for fiscal years beginning after December 15, 2019, with early adoption permissible. This ASU modifies the term "Collections," which in turn may change collection recognition policies, and also adds certain disclosure requirements. The University is evaluating the impact of the new standard on the University consolidated financial statements.

3. INVESTMENTS

Managed Investments

All managed investments are reported at fair value. The fair value of marketable equity, debt, and certain derivative securities (which include both domestic and foreign issues) generally is based upon a combination of published current market prices and exchange rates. The fair value of restricted securities and other investments for which published market prices are not available is based on estimated values using discounted cash flow analysis and other industry standard methodologies. Where applicable, independent appraisers and engineers assist in the valuation. The fair value of limited partnerships and similar investment vehicles is based on the net asset value of such investments and generally is estimated by external investment managers, including general partners or valuation committees. These valuations necessarily involve assumptions and methods that are reviewed, evaluated, and adjusted, if necessary, by the University. Changes in assumptions could have a significant effect on the fair values of these investments. Actual results

could differ from these estimates and could have a material impact on the consolidated financial statements. These investments generally are less liquid than other investments, and the values reported may differ from the values that would have been reported had a ready market for these securities existed. Securities transactions are reported on a trade-date basis. Realized gains and losses are calculated using the specific identification cost method.

A summary of managed investments by asset category at fair value at June 30, 2020 and 2019 is presented below. The managed investment categories are presented on a "manager-mandate" basis, that is, all of the assets and market value of the underlying funds and accounts are included in the asset class that is the primary focus of the fund or account. (Many funds and accounts have contractual flexibility to invest across more than one asset class.)

(dollars in millions)	**2020**	**2019**
Managed investments:		
Developed markets	$ 2,934.2	$ 2,501.5
Emerging markets	2,454.3	2,500.1
Independent return	6,491.1	6,567.1
Private equity	10,048.6	9,459.3
Real assets	3,188.7	3,672.1
Fixed income	753.4	896.3
Cash and other	380.6	215.6
Gross managed investments[1]	**$ 26,250.9**	**$ 25,812.0**
Receivables (liabilities) associated with investments – net	0.1	8.4
Noncontrolling interests	(188.4)	(196.8)
Net managed investments	**$ 26,062.6**	**$ 25,623.6**

[1]Includes derivative financial instruments at fair value

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

(dollars in millions)	**2020**	**2019**
Princeton University	$ 25,896.0	$ 25,455.2
Stanley J. Seeger Hellenic Fund	50.0	49.0
Deposits held in custody for others	116.6	119.4
Net managed investments	**$ 26,062.6**	**$ 25,623.6**

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

(dollars in millions)	**2020**	**2019**
Net realized and unrealized gains (losses)	$ 1,201.5	$ 1,324.7
Interest, dividends, and other income	184.6	193.1
Total	**$ 1,386.1**	**$ 1,517.8**

Princeton University investments, together with the Stanley J. Seeger Hellenic Fund and deposits held in custody for others, are invested in a single unitized pool. The market value of each unit was $12,233.00 and $12,233.51 at June 30, 2020 and 2019, respectively. The average value of a unit during the years ending June 30, 2020 and 2019 was $12,069.03 and $11,921.94, respectively.

The average invested market balance in the unitized pool during the years ending June 30, 2020 and 2019 was $25.381 billion and $24.887 billion, respectively.

The University follows a spending rule for its unitized investments, including funds functioning as endowment, that provides for regular increases in spending while preserving the long-term purchasing power of the endowment. Earnings available for spending are shown in operating revenue, and the balance is shown as nonoperating revenue. Amounts distributed per unit under that rule were $676.42 and $650.40 for fiscal years 2020 and 2019, respectively.

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

Derivative Financial Instruments

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

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

2020 *(dollars in millions)*	Long Notional[1]	Short Notional[1]	Net Derivative Assets (Liabilities)	Gains (Losses)[2]
Index futures	-	$ (993.7)	$ (12.9)	$ (92.3)
Equity swaps	$ 207.2	(399.9)	9.5	(28.6)
Forward contracts	-	-	-	-
Total	$ 207.2	$ (1,393.6)	$ (3.4)	$ (120.9)

2019 *(dollars in millions)*	Long Notional[1]	Short Notional[1]	Net Derivative Assets (Liabilities)	Gains (Losses)[2]
Index futures	-	$ (366.3)	$ (6.0)	$ (38.3)
Equity swaps	$ 170.9	(23.7)	8.5	36.1
Forward contracts	-	-	-	(11.9)
Total	$ 170.9	$ (390.0)	$ 2.5	$ (14.1)

[1] Notional amounts are representative of the volume and activity of each derivative type during the years ended June 30, 2020 and 2019

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

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

2020		Fair Value			
(dollars in millions)	# of Contracts	Gross Derivative Assets	Gross Derivative Liabilities	Collateral (Held) Pledged	Net
Counterparty A	1	-	$ (12.9)	$ 77.2	$ 64.3
Counterparty B	6	$ 11.7	(4.5)	-	7.2
Counterparty C	1	2.3	-	(3.8)	(1.5)
Total	8	$ 14.0	$ (17.4)	$ 73.4	$ 70.0

2019		Fair Value			
(dollars in millions)	# of Contracts	Gross Derivative Assets	Gross Derivative Liabilities	Collateral (Held) Pledged	Net
Counterparty A	1	-	$ (6.0)	$ 21.9	$ 15.9
Counterparty B	3	$ 9.9	-	-	9.9
Counterparty C	1	-	(1.5)	-	(1.5)
Total	5	$ 9.9	$ (7.5)	$ 21.9	$ 24.3

Funds Held in Trust by Others

The University is the income beneficiary of various trusts that are held and controlled by independent trustees. In addition, the University is the income beneficiary of entities that qualify as supporting organizations under Section 509(a)(3) of the U.S. Internal Revenue Code. Funds held in trust by others are recognized at the estimated fair value of the assets or the present value of the future cash flows when the irrevocable trust is established or the University is notified of its existence. Funds held in trust by others, stated at fair value, amounted to $112.1 million in 2020 and $115.0 million in 2019.

Other Investments

Other investments include working capital (consisting primarily of U.S. Treasury bonds), a small number of funds that must be separately invested due to donor or legal restrictions, planned giving investments, proceeds from debt, and local real estate holdings expected to be liquidated strategically over several years. A summary of other investments at fair value at June 30, 2020 and 2019 is as follows:

(dollars in millions)	2020	2019
Working capital	$ 511.5	$ 658.4
Planned giving investments	161.4	175.9
Proceeds from debt	483.8	66.5
Strategic real estate investments	32.7	32.7
Other	70.9	66.7
Total	$ 1,260.3	$ 1,000.2

4. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosure about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. Fair value should be based on assumptions that market participants would use when pricing an asset or liability, including assumptions about risk and the risks inherent in valuation techniques and the inputs to valuations. Fair value measurements assume that the transaction occurs in the principal market for the asset or liability (the market with the most volume and activity for the

asset or liability from the perspective of the reporting entity), or in the absence of a principal market, the most advantageous market for the asset or liability (the market in which the reporting entity would be able to maximize the amount received or minimize the amount paid). The University applies fair value measurements to certain assets and liabilities, including the University's managed investments, other investments, and funds held in trust by others, in accordance with the requirements described above.

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

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

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

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

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

The fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The lowest level input that is significant to a fair value measurement in its entirety determines the applicable level in the fair value hierarchy. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. Fair value measurements are categorized as Level 3 when a significant proportion of price or other inputs that are considered to be unobservable are used in their valuations.

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

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

The following tables present the University's assets that are measured at fair value for each hierarchy level, at June 30, 2020 and 2019:

2020 *(dollars in millions)*	Total	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV as Practical Expedient
Assets at fair value					
Managed investments (gross):					
Developed markets	$ 2,934.2	$ 22.5	$ 2.2	$ 0.9	$ 2,908.6
Emerging markets	2,454.3	504.2	-	-	1,950.1
Independent return	6,491.1	-	-	1.0	6,490.1
Private equity	10,048.6	(3.2)	5.8	135.7	9,910.3
Real assets	3,188.7	303.1	7.2	3.4	2,875.0
Fixed income	753.4	448.5	-	-	304.9
Cash and other	380.6	386.3	(5.7)	-	-
Total managed investments (gross)	**26,250.9**	**1,661.4**	**9.5**	**141.0**	**24,439.0**
Funds held in trust by others	112.1	-	-	112.1	-
Other investments	1,260.3	1,066.0	-	194.3	-
Total	**$ 27,623.3**	**$ 2,727.4**	**$ 9.5**	**$ 447.4**	**$ 24,439.0**

2019 *(dollars in millions)*	Total	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV as Practical Expedient
Assets at fair value					
Managed investments (gross):					
Developed markets	$ 2,501.5	$ (6.0)	-	$ 1.0	$ 2,506.5
Emerging markets	2,500.1	710.2	-	-	1,789.9
Independent return	6,567.1	-	-	1.1	6,566.0
Private equity	9,459.3	-	$ (1.4)	138.6	9,322.1
Real assets	3,672.1	318.6	9.9	3.9	3,339.7
Fixed income	896.3	896.3	-	-	-
Cash and other	215.6	217.7	(2.1)	-	-
Total managed investments (gross)	**25,812.0**	**2,136.8**	**6.4**	**144.6**	**23,524.2**
Funds held in trust by others	115.0	-	-	115.0	-
Other investments	1,000.2	792.0	-	208.2	-
Total	**$ 26,927.2**	**$ 2,928.8**	**$ 6.4**	**$ 467.8**	**$ 23,524.2**

Assets and liabilities of a majority-owned and -controlled investment fund have been consolidated for reporting purposes at June 30, 2020 and 2019. Gross managed investments include consolidated investment fund assets of $1,327.1 million and $1,087.3 million at June 30, 2020 and 2019, respectively, and liabilities associated with investments include consolidated investment fund liabilities of $0.0 million and $10.2 million at June 30, 2020 and 2019, respectively. The portion of consolidated net assets not owned by the University is reported as a noncontrolling interest.

The following tables present the net change in the assets measured at fair value on a recurring basis and included in the Level 3 fair value category for the years ended June 30, 2020 and 2019:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)						
(dollars in millions)	June 30, 2019	Total gains or losses included in changes in net assets	Purchases	Sales and settlements	Transfers into Level 3	Transfers out of Level 3	June 30, 2020
Assets at fair value							
Managed investments (gross):							
Developed markets	$ 1.0	$ (0.1)	-	-	-	-	$ 0.9
Emerging markets	-	-	-	-	-	-	-
Independent return	1.1	0.6	-	$ (0.7)	-	-	1.0
Private equity	138.6	(29.3)	$ 5.0	(40.5)	$ 61.9	-	135.7
Real assets	3.9	(0.3)	-	(0.2)	-	-	3.4
Total managed investments (gross)	**144.6**	**(29.1)**	**5.0**	**(41.4)**	**61.9**	-	**141.0**
Funds held in trust by others	115.0	(2.9)	-	-	-	-	112.1
Other investments	208.2	(15.2)	7.0	(5.7)	-	-	194.3
Total Level 3 investments	**$ 467.8**	**$ (47.2)**	**$ 12.0**	**$ (47.1)**	**61.9**	-	**$ 447.4**

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)						
(dollars in millions)	June 30, 2018	Total gains or losses included in changes in net assets	Purchases	Sales and settlements	Transfers into Level 3	Transfers out of Level 3	June 30, 2019
Assets at fair value							
Managed investments (gross):							
Developed markets	$ 0.9	$ 0.1	-	-	-	-	$ 1.0
Emerging markets	-	-	-	-	-	-	-
Independent return	3.1	(1.2)	-	$ (0.8)	-	-	1.1
Private equity	199.9	(31.7)	$ 4.6	(18.7)	-	$ (15.5)	138.6
Real assets	4.1	0.1	-	(0.3)	-	-	3.9
Total managed investments (gross)	**208.0**	**(32.7)**	**4.6**	**(19.8)**	-	**(15.5)**	**144.6**
Funds held in trust by others	113.1	1.9	-	-	-	-	115.0
Other investments	206.3	(3.7)	12.1	(6.5)	-	-	208.2
Total Level 3 investments	**$ 527.4**	**$ (34.5)**	**$ 16.7**	**$ (26.3)**	-	$ (15.5)	**$ 467.8**

The University assesses the valuation hierarchy for each asset or liability measured on an annual basis. From time to time, assets or liabilities will be transferred within hierarchy levels as a result of changes in valuation methodologies, liquidity, and/or redemption terms. One transfer out of NAV assets to Level 3 and one transfer out of Level 3 to Level 2 occurred in the year ended June 30, 2020. The University's policy is to recognize transfers at the beginning of the reporting period.

Realized gains of $4.5 million and losses of $36.0 million related to Level 3 investments and unrealized losses of $48.7 million and $0.3 million related to Level 3 investments are included in net realized and unrealized appreciation on investments in the Consolidated Statements of Activities for the years ended June 30, 2020 and 2019, respectively.

The following tables and disclosures set forth the significant terms of the agreements with investment managers or funds by major category at June 30, 2020 and 2019. The information is presented on a "manager-mandate" basis.

2020 *(dollars in millions)*	June 30 Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Managed investments (gross)				
Developed markets (a)	$ 2,934.2	$ 142.0	daily–annually	10-120 days
Emerging markets (b)	2,454.3	2.2	daily–annually	7–90 days
Independent return (c)	6,491.1	455.9	monthly–annually	60–90 days
Fixed income and cash (d)	1,134.0	-	daily-monthly	1-7 days
Marketable asset classes	$ 13,013.6	$ 600.1		
Private equity (e)	10,048.6	2,577.8		
Real assets (f)	3,188.7	1,641.8		
Nonmarketable asset classes	$ 13,237.3	$ 4,219.6		
Total gross managed investments	$ 26,250.9	$ 4,819.7		

2019 *(dollars in millions)*	June 30 Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Managed investments (gross)				
Developed markets (a)	$ 2,501.5	$ 75.0	daily–annually	7–90 days
Emerging markets (b)	2,500.1	86.7	daily–annually	7–90 days
Independent return (c)	6,567.1	678.4	monthly–annually	30–90 days
Fixed income and cash (d)	1,111.9	-	daily	1 day
Marketable asset classes	$ 12,680.6	$ 840.1		
Private equity (e)	9,459.3	2,562.7		
Real assets (f)	3,672.1	1,841.0		
Nonmarketable asset classes	$ 13,131.4	$ 4,403.7		
Total gross managed investments	$ 25,812.0	$ 5,243.8		

(a) Developed Markets: This asset class includes funds and accounts primarily invested in equities traded on domestic exchanges, over-the-counter markets, or equity and debt securities traded on exchanges in countries with developed economies. The fair values of the investments in this asset class have been estimated using the net asset value per share of the investee funds. Investments representing approximately 5 percent of the market value of this asset class are in nonredeemable assets.

(b) Emerging Markets: This asset class includes funds primarily invested in public equity and debt securities traded in countries with emerging economies. The fair values of the investments in this asset class have been estimated using the net asset value per share of the investee funds or, in the case of custodied accounts, the fair value of the securities held, at prevailing exchange rates. Investments representing approximately 21 percent of the market value of this asset class are invested in nonredeemable assets.

(c) Independent Return: This asset class includes funds invested in equity and debt securities and financial instruments such as options, swaps, futures, and other derivatives. Funds in this asset class may hold both long and short positions in any of these instruments and pursue a variety of investment strategies such as long/short equity investments and event-driven/arbitrage based upon the fund's investment mandate and the current opportunity set. Investments representing approximately 22 percent of the market value of this asset class are invested in nonredeemable assets.

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

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

(f) Real Assets: This asset class includes funds primarily invested in real estate and natural resources. The fair values of the investments in this asset class have been estimated using partners' capital statements issued by the funds, which reflect the University's ownership interest. Generally, investments in this asset class are not redeemable. However, a small portion, $469.1 million at June 30, 2020, and $493.3 million at June 30, 2019, was invested in redeemable funds. More broadly, distributions from investee funds are received as the underlying investments of the funds are liquidated.

Investments in the marketable asset classes generally are redeemable, made in entities that allow the University to request withdrawals in specified circumstances. However, approximately $2.0 billion of the marketable asset classes are invested in "nonredeemable assets," which are not eligible for redemption by the University. Nonredeemable assets are specific investments within a fund designated by the fund manager as ineligible for withdrawal. Due to the illiquid nature of nonredeemable assets, it is impossible for the University to predict when these assets will liquidate and the proceeds be distributed to investors.

In addition to nonredeemable assets, the University may be limited in its ability to effect a withdrawal if a fund manager invokes a "gate" provision restricting redemptions from its fund. Gates generally are triggered when aggregate fund withdrawal requests exceed a contractually predetermined threshold. No withdrawal requests were impacted by a gate in the year ended June 30, 2020.

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

5. ENDOWMENT

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

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

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

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

Endowment net asset composition by type of fund as of June 30, 2020 and 2019 was:

2020 *(dollars in thousands)*	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Restricted in perpetuity	-	$ 2,128,592	$ 2,128,592
Appreciation	-	12,837,086	12,837,086
Board-designated endowment funds	$ 10,978,605	-	10,978,605
Total	**$ 10,978,605**	**$ 14,965,678**	**$ 25,944,283**

2019 *(dollars in thousands)*	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Restricted in perpetuity	-	$ 2,051,038	$ 2,051,038
Appreciation	-	12,817,590	12,817,590
Board-designated endowment funds	$ 10,631,017	-	10,631,017
Total	**$ 10,631,017**	**$ 14,868,628**	**$ 25,499,645**

Changes in endowment net assets for the years ended June 30, 2020 and 2019 were:

2020 *(dollars in thousands)*	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of the year	$ 10,631,017	$ 14,868,628	$ 25,499,645
Net investment return	634,558	793,897	1,428,455
Contributions	113	85,234	85,347
Appropriation of endowment assets for expenditure	(622,500)	(793,580)	(1,416,080)
Reclassifications, transfers, and board designations	335,417	11,499	346,916
Endowment net assets, end of year	**$ 10,978,605**	**$ 14,965,678**	**$ 25,944,283**

2019 *(dollars in thousands)*	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of the year	$ 10,621,362	$ 14,694,860	$ 25,316,222
Net investment return	636,689	813,899	1,450,588
Contributions	8,208	95,170	103,378
Appropriation of endowment assets for expenditure	(593,514)	(757,818)	(1,351,332)
Reclassifications, transfers, and board designations	(41,728)	22,517	(19,211)
Endowment net assets, end of year	**$ 10,631,017**	**$ 14,868,628**	**$ 25,499,645**

Funds with deficiencies — From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the University to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in restricted net assets were $0.07 million at June 30, 2020. The aggregate fair value of these funds was $14.4 million, and the aggregate of the original gift amounts was $14.5 million. There were no funds with deficiencies at June 30, 2019. Deficiencies can result from unfavorable market fluctuations that occur shortly after the investment of new permanently restricted contributions while continued appropriations are deemed prudent by the Board of Trustees.

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

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

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

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

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

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

6. LIQUIDITY AND AVAILABILITY OF RESOURCES

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

(dollars in thousands)	2020	2019
Financial assets:		
Cash	$ 105,648	$ 22,633
Accounts receivable	99,290	75,474
Educational and mortgage receivable	15,996	16,183
Contributions receivable	116,935	95,578
Working capital	511,451	658,427
Investments: appropriated for spending in the following year	1,423,000	1,412,000
Total financial assets available within one year	**$ 2,272,320**	**$ 2,280,295**
Liquidity resources:		
Taxable debt and commercial paper (unexpended)	741,859	291,512
Bank lines of credit (undrawn)	292,300	290,500
Total financial assets and resources available within one year	**$ 3,306,479**	**$ 2,862,307**

As part of the University's liquidity management strategy, the University structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the University invests cash in excess of daily requirements in short-term working capital investments. Cash withdrawals from the managed investment pool normally coincide with the endowment spending distribution, but may be adjusted higher or lower based on the timing of gift receipts, capital calls, income and capital distributions, operating expenses, and other factors affecting available cash. Endowment funds appropriated for spending are distributed to University department and program budgets for spending, subject to donor restrictions where applicable; however, cash withdrawals from the investment pool are available for general liquidity purposes. To help manage unanticipated liquidity needs, the University has committed bank lines of credit in the amount of $300 million, which it could draw upon, and a taxable commercial paper program authorized to a maximum level of $280 million. Subsequent to June 30, 2020, the lines of credit were increased to $500 million.

Additionally, the University has board-designated endowment funds of $11.0 billion and $10.6 billion as of June 30, 2020 and 2019, respectively. Although the University does not intend to spend from its board-designated endowment funds other than amounts appropriated

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

7. EDUCATIONAL AND MORTGAGE LOANS

Educational loans include donor-restricted and federally sponsored educational loans that bear mandated interest rates and repayment terms and are subject to significant restrictions on their transfer and disposition. These loans totaled $53.2 million and $58.9 million at June 30, 2020 and 2019, respectively.

Through a program designed to attract and retain excellent faculty and senior staff, the University provides home acquisition and financing assistance on residential properties in the area surrounding the University. Notes receivable from faculty and staff and co-ownership interests in the properties are included in mortgage loans and are collateralized by mortgages on those properties. These loans and interests totaled $396.6 million and $388.1 million at June 30, 2020 and 2019, respectively.

Allowance for Doubtful Loans

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

Loans less than 120 days delinquent are deemed to have a minimal delay in payment and generally are not written off. Loans delinquent by 120 days or more are subject to standard collection practices, including litigation. Only loans that are deemed uncollectible are written off, and this occurs only after several unsuccessful collection attempts, including placement at an external collection agency. Considering the other factors discussed herein, management considers the allowance for doubtful loans at June 30, 2020 and 2019 to be prudent and reasonable.

Educational and mortgage loans receivable at June 30, 2020 and 2019 are reported net of allowances for doubtful loans of $0.3 million and $0.2 million respectively.

8. CONTRIBUTIONS RECEIVABLE

At June 30, 2020 and 2019, the University had received from donors unconditional pledges receivable in the following periods:

(dollars in thousands)	2020	2019
Less than one year	$ 116,935	$ 95,578
One to five years	198,428	205,206
More than five years	65,729	43,469
Total	**$ 381,092**	**$ 344,253**
Less unamortized discount	24,412	30,630
Less allowance for doubtful pledges	8,227	7,298
Total	**$ 348,453**	**$ 306,325**

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

In addition, at June 30, 2020, the University had received from donors pledges totaling $2.4 million, conditioned upon the raising of matching gifts from other sources and other criteria. These amounts will be recognized as income in the periods in which the conditions have been fulfilled.

9. PROPERTY

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

Items classified as property at June 30, 2020 and 2019 consisted of the following:

(dollars in thousands)	2020	2019
Land	$ 113,867	$ 111,180
Buildings and improvements	4,976,605	4,868,553
Construction in progress	165,531	55,901
Equipment and systems	452,698	431,723
Rare books	130,909	124,993
Library books, periodicals, and bindings	322,703	311,315
Fine art objects	154,193	147,344
Total property	**$ 6,316,506**	**$ 6,051,009**
Accumulated depreciation	(2,049,484)	(1,894,113)
Total	**$ 4,267,022**	**$ 4,156,896**

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

In addition to making purchases with University funds, the University, since its inception, has received a substantial number of fine art objects and rare books from individual gifts and bequests. Art objects and rare books acquired through June 30, 1973 are carried at insurable values at that date because it is not practicable to determine the historical cost or market value at the date of gift. Art objects and rare books acquired subsequent to June 30, 1973 are recorded at cost or fair value at the date of gift. Works of art, literary works, historical treasures, and artifacts that are part of a collection are protected, preserved, and held for public exhibition, education, and research in furtherance of public service. Collections are not capitalized, and contributed collection items are not recognized as revenues in the University's consolidated financial statements.

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

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

10. LEASES

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

As permitted under the transition guidance in Topic 842, the University elected a package of practical expedients which, among other provisions, allowed the University to carry forward historical lease classifications, and the practical expedient to account for non-lease components and the lease components to which they relate as a single lease component for all leases. The University also elected the hindsight practical expedient to determine the lease term for existing leases, which permits entities to consider available information prior to the effective date of the new guidance as to the actual or likely exercise of options to extend or terminate the lease. Certain real estate leases have renewal options, and the lease term includes options to extend the lease when it is reasonably certain that the University will exercise that option. Real estate lease agreements typically have initial terms of 5 to 15 years. The University does not include short-term leases within the consolidated statements of financial position since it has elected the practical expedient to exclude leases with an initial term of 12 months or less from operating right-of-use assets and lease liabilities.

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

Lease expense is recognized on a straight-line basis over the term of the lease. Operating lease expense was $15 million (including amortization related to ROU assets and lease liabilities) and $16 million, for the years ended June 30, 2020 and 2019, respectively.

At June 30, 2020, ROU assets recorded in Other assets were $44.8 million and lease liabilities recorded in Deposits, advance receipts, and accrued liabilities were $44.8 million.

The weighted average remaining lease term was 5 years for leases and the weighted average discount rate was 1.87% for operating leases at June 30, 2020.

Future maturities of lease liabilities at June 30, 2020 are as follows:

(dollars in thousands)	
2021	$ 10,708
2022	9,563
2023	9,032
2024	8,559
2025	4,544
Thereafter	4,327
Total minimum lease payments	46,733
Less: imputed interest	(1,954)
Total lease liabilities	**$ 44,779**

Future minimum lease payments at June 30, 2019, (prior to the adoption of Topic 842), were as follows:

(dollars in thousands)	
2020	$ 11,571
2021	10,339
2022	9,048
2023	8,506
2024	8,097
Thereafter	8,464
Total minimum lease payments	**$ 56,025**

11. INCOME AND EXCISE TAXES

The University is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes on related income. The University files U.S. federal and various state and local tax returns. The statute of limitations on the University's U.S. federal tax returns remains open for the years ended June 30, 2017 through the present.

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

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

12. INDEBTEDNESS TO THIRD PARTIES

At June 30, 2020 and 2019, the University's debt consisted of taxable bonds, taxable notes, loans through the New Jersey Educational Facilities Authority (NJEFA), commercial paper, various parent loans, and notes as follows:

(dollars in thousands)	2020	2019
Taxable Revenue Bonds		
2009 Series A, 5.70%, due March 2039, net of unamortized discount of $1,043 and $1,098	$ 498,957	$ 498,902
2016 Series A, 1.85%, 2.61%, 3.63%, due July 2021, July 2026, July 2046	100,000	100,000
2017 Series A, 3.84%, due July 2048	150,000	150,000
2020 Series A, 2.52% due July 2050	500,000	-
Taxable Notes		
2012, 3.37%, due July 2042	170,000	170,000
2013, 4.73%, due July 2044	75,000	75,000
NJEFA Revenue Bonds		
2011 Series B, 4.09%, due July 2041, including unamortized premium of $11,452 and $11,997	221,402	227,843
2014 Series A, 3.77%, due July 2044, including unamortized premium of $15,404 and $16,045	201,413	205,076
2015 Series A, 2.32%, due July 2035, including unamortized premium of $22,720 and $24,235	120,025	141,935
2015 Series D, 3.40%, due July 2045, including unamortized premium of $16,494 and $17,154	157,904	161,569
2016 Series A, 2.53%, due July 2035, including unamortized premium of $17,483 and $18,648	119,008	124,258
2016 Series B, 1.77%, due July 2027, including unamortized premium of $18,351 and $20,972	123,621	130,987
2017 Series B, 2.91%, due July 2036, including unamortized premium of $45,204 and $48,029	321,839	355,734
2017 Series C, 3.50%, due July 2047, including unamortized premium of $19,225 and $19,937	157,724	161,032
2017 Series I, 2.97%, due July 2040, including unamortized premium of $60,630 and $63,661	401,985	415,481
NJEFA Capital Improvement Fund Bonds		
2014 Series B, 3.67%, due September 2033, including unamortized premium of $156 and $167	2,609	2,739
2016 Series A, 2.53%, due September 2020	164	323
Commercial Paper		
Taxable, 0.25% and 2.31%, with maturities up to one year	22,000	55,500
Tax-Exempt, 0.25% and 1.44% with maturities up to one year	19,000	12,000
Parent Loans, 0.56% to 4.94% with maturities up to six years	42,657	46,505
Notes	37	206
Total Borrowings	**$ 3,405,345**	**$ 3,035,090**
Unamortized debt issuance costs	(8,827)	(7,904)
Total Borrowings Net of Unamortized Issuance Costs	**$ 3,396,518**	**$ 3,027,186**

The University is authorized by the Trustees to issue new debt up to $650 million annually. In June 2020, the University issued $500 million of 2020 Series A Taxable Bonds for general corporate purposes. The University intends to issue additional debt in the future.

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

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

authorized to a maximum level of $400 million.

Principal payments for each of the next five years and thereafter on debt outstanding at June 30, 2020, excluding commercial paper, are as follows:

(dollars in thousands)	Principal Payments
2021	$ 123,527
2022	87,666
2023	80,571
2024	79,980
2025	81,923
Thereafter	2,684,604
Subtotal	**3,138,271**
Unamortized premium	226,074
Net long-term debt	**$ 3,364,345**

The University has committed bank lines of credit totaling $300 million, under which the University may borrow on an unsecured basis at agreed-upon rates. Subsequent to June 30, 2020, the lines of credit were increased to $500 million. There were $7.7 million and $9.5 million in letters of credit outstanding under these credit facilities at June 30, 2020 and 2019, respectively.

13. EMPLOYEE BENEFIT PLANS

All faculty and staff who meet specific employment requirements participate in a defined contribution plan, which invests in the Teachers Insurance and Annuity Association and College Retirement Equities Fund, Vanguard Fiduciary Trust Funds, and other funds. The University's contributions were $67.6 million and $59.9 million for the years ended June 30, 2020 and 2019, respectively. The University also provides deferred compensation arrangements for certain officers, faculty, and staff. Accrued benefits of $642.0 million and $501.4 million for the years ended June 30, 2020 and 2019, respectively, include the Accumulated postretirement benefit obligation and deferred compensation.

Postretirement Benefits Other Than Pensions

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

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

The benefit costs for the years ended June 30, 2020 and 2019 consisted of the following:

(dollars in thousands)	2020	2019
Service cost	$ 24,741	$ 17,116
Interest cost	15,378	14,166
(Gain)/loss amortization	(352)	(7,709)
Total	**$ 39,767**	**$ 23,573**

The APBO at June 30, 2020 and 2019 consisted of actuarially determined obligations to the following categories of employees:

(dollars in thousands)	2020	2019
Retirees	$ 162,734	$ 136,152
Active employees eligible to retire	147,942	113,833
Other active participants	267,728	193,810
Total	**$ 578,404**	**$ 443,795**

As of June 30, 2020 and 2019, the APBO was unfunded.

The assumptions used to calculate the APBO at June 30, 2020 and 2019 were as follows:

	2020	2019
Discount rate	2.75%	3.50%
Healthcare cost trend rate	5.75%	6.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year the rate reaches the ultimate trend rate	2027	2027
Prescription drug cost trend rate	7.25%	7.50%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year the rate reaches the ultimate trend rate	2027	2027

A one-percentage-point change in assumed health care trend rates would have the following effects on postretirement benefits:

(dollars in thousands)	1-Percentage point increase	1-Percentage point decrease
Effect on APBO	$ 142,220	$ (106,985)
Effect on total of service and interest cost	9,652	(7,042)

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

(dollars in thousands)	
2021	$ 9,761
2022	10,648
2023	11,591
2024	12,129
2025	13,147
2026 – 2030	80,655

The University provides Medicare retiree drug coverage through an employer group waiver plan (EGWP). Under EGWP, the cost of drug coverage is offset through direct federal subsidies, brand-name drug discounts, and reinsurance reimbursements. The net effect of these subsidies has been recognized in the calculation of the University's postretirement benefit obligation as of June 30, 2020 and 2019.

14. NET ASSETS

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

The composition of net assets by restriction and purpose at June 30, 2020 and 2019 was as follows:

2020 **Net Assets**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total Net Assets**
(dollars in millions)			
Endowment:			
Teaching and research	$ 1,278	$ 5,573	$ 6,851
Student financial aid	595	4,079	4,674
Department programs and support	2,731	3,643	6,374
Designated for operations	3,783	1,671	5,454
Designated for capital	2,592	-	2,592
Other:			
Pledges	-	348	348
Capital, unallocated gifts, and grants	-	359	359
Annuities and trusts	-	193	193
Net investment in plant	1,896	-	1,896
Operating	(473)	-	(473)
Noncontrolling interests	188	-	188
Total	**$ 12,590**	**$ 15,866**	**$ 28,456**

2019 Net Assets	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
(dollars in millions)			
Endowment:			
Teaching and research	$ 1,278	$ 5,552	$ 6,830
Student financial aid	595	4,053	4,648
Department programs and support	2,717	3,596	6,313
Designated for operations	3,445	1,668	5,113
Designated for capital	2,592	-	2,592
Other:			
Pledges	-	306	306
Capital, unallocated gifts, and grants	-	281	281
Annuities and trusts	-	200	200
Net investment in plant	1,742	-	1,742
Operating	(149)	-	(149)
Noncontrolling interests	197	-	197
Total	**$ 12,417**	**$ 15,656**	**$ 28,073**

15. EXPENSES BY FUNCTIONAL AND NATURAL CLASSIFICATION

Expenses are presented by functional classification in alignment with the overall mission of the University. The University's primary service mission is academic instruction and research, which includes direct supporting functions such as the University's library system and art museum. Student services and support include various student-supporting functions such as admission, health, career, and athletics, as well as auxiliary enterprises and related student aid. The Princeton Plasma Physics Laboratory, which is operated by the University on behalf of the U.S. Department of Energy, is classified as an independent operation.

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

Expenses by functional and natural classification for the years ended June 30, 2020 and 2019 were as follows:

2020

Natural Classification *(dollars in thousands)*	Academic & Research	Student Services & Support	General Admin & Operations	Independent Operations	Total
Salaries and wages	$ 490,647	$ 66,118	$ 183,723	$ 60,953	$ 801,441
Employee benefits	158,864	19,474	28,498	19,358	226,194
Supplies, services, and other	171,187	70,012	38,446	45,405	325,050
Space and occupancy	4,934	4,408	57,003	2,962	69,307
Student stipends and prizes	-	70,084	-	-	70,084
Allocations:					
Depreciation	142,974	35,592	10,250	74	188,890
Interest	66,997	16,379	31,883	-	115,259
Operations and maintenance	84,831	33,457	(118,288)	-	-
Total operating expenses	**1,120,434**	**315,524**	**231,515**	**128,752**	**1,796,225**
Net periodic benefit cost other than service cost	9,943	1,381	2,426	1,275	15,025
Total expenses	**$ 1,130,377**	**$ 316,905**	**$ 233,941**	**$ 130,027**	**$ 1,811,250**

2019

Natural Classification *(dollars in thousands)*	Academic & Research	Student Services & Support	General Admin & Operations	Independent Operations	Total
Salaries and wages	$ 462,423	$ 63,775	$ 175,620	$ 52,712	$ 754,530
Employee benefits	153,519	19,232	23,171	17,204	213,126
Supplies, services, and other	183,833	70,172	34,554	34,961	323,520
Space and occupancy	4,976	5,011	60,338	4,485	74,810
Student stipends and prizes	-	71,651	-	-	71,651
Allocations:					
Depreciation	135,255	33,069	9,538	70	177,932
Interest	67,639	16,536	40,957	-	125,132
Operations and maintenance	95,267	37,393	(132,660)	-	-
Total operating expenses	**1,102,912**	**316,839**	**211,518**	**109,432**	**1,740,701**
Net periodic benefit cost other than service cost	4,357	630	1,116	354	6,457
Total expenses	**$ 1,107,269**	**$ 317,469**	**$ 212,634**	**$ 109,786**	**$ 1,747,158**

Student Financial Aid

The University provides financial aid to undergraduate students in the form of scholarship grants designed to meet 100 percent of demonstrated financial need. All Ph.D. and many Master's degree candidates in the Graduate School receive financial support for the duration of their degree program

in the form of fellowships, assistantships in research or teaching, and non-University awards. Graduate student support covers the full cost of tuition and fees and a stipend that supports estimated living expenses. Students also may be awarded grants that support various academic or research activities. Undergraduate scholarships and graduate fellowships and assistantships are reported as discounts to tuition and fee revenues in the Consolidated Statements of Activities. Student stipends, awards, and prizes are reported as operating expenses. Student financial aid costs are funded by the University's endowment, Annual Giving, and other University resources.

Total student financial aid costs for the years ended June 30, 2020 and 2019 were as follows:

Student Financial Aid *(dollars in thousands)*	2020	2019
Scholarships and fellowships	$ 303,641	$ 284,644
Stipends and prizes	70,084	71,651
Total	**$ 373,725**	**$ 356,295**

16. COMMITMENTS AND CONTINGENCIES

At June 30, 2020, the University had authorized major renovation and capital construction projects for more than $2,602.2 million. Of the total, approximately $504.8 million had not yet been expended. The University has entered into certain agreements to guarantee the debt of others. Under these agreements, if the principal obligor defaults on the debt, the University may be required to satisfy all or part of the remaining obligation. The total amount of these guarantees was $18.5 million at June 30, 2020.

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

17. SUBSEQUENT EVENTS

The University has evaluated subsequent events through November 24, 2020, which is the date the consolidated financial statements were issued, and determined that there were no subsequent events requiring adjustment or disclosure in the consolidated financial statements.

18. CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

The following tables present the consolidating statements of financial position of all legal entities of the Trustees of Princeton University as of June 30, 2020 and 2019:

As of June 30, 2020 *(dollars in thousands)*	**Princeton University**	**Affiliates**	**Eliminations**	**Consolidated**
Assets				
Cash	$ 105,648	-	-	$ 105,648
Accounts receivable	157,125	-	-	157,125
Receivables associated with investments	20,232	-	-	20,232
Educational and mortgage loans receivable	449,759	-	-	449,759
Contributions receivable	348,453	-	-	348,453
Managed investments at market value	25,832,844	$ 418,088	-	26,250,932
Funds held in trust by others	112,091	12	$ (12)	112,091
Other investments	1,260,344	-	-	1,260,344
Property, net of accumulated depreciation	4,267,022	-	-	4,267,022
Other assets	58,610	-	-	58,610
Total assets	**32,612,128**	**418,100**	**(12)**	**33,030,216**
Liabilities				
Accounts payable	56,957	-	-	56,957
Liabilities associated with investments	20,136	-	-	20,136
Deposits, advance receipts, and accrued liabilities	241,186	-	-	241,186
Deposits held in custody for others	130,626	-	(12)	130,614
Liability under planned giving agreements	69,751	-	-	69,751
Liability for annuity contracts	16,504	-	-	16,504
Indebtedness to third parties	3,396,518	-	-	3,396,518
Accrued postretirement benefits	641,970	-	-	641,970
Total liabilities	**4,573,648**	**-**	**(12)**	**4,573,636**
Net assets				
Total net assets without donor restrictions	12,222,248	368,126	-	12,590,374
Total net assets with donor restrictions	15,816,232	49,974	-	15,866,206
Total net assets	**28,038,480**	**418,100**	**-**	**28,456,580**
Total liabilities and net assets	**$ 32,612,128**	**$ 418,100**	**$ (12)**	**$ 33,030,216**

As of June 30, 2019 *(dollars in thousands)*	**Princeton University**	**Affiliates**	**Eliminations**	**Consolidated**
Assets				
Cash	$ 22,633	-	-	$ 22,633
Accounts receivable	122,776	-	-	122,776
Receivables associated with investments	71,804	-	-	71,804
Educational and mortgage loans receivable	446,784	-	-	446,784
Contributions receivable	306,325	-	-	306,325
Managed investments at market value	25,376,486	$ 435,466	-	25,811,952
Funds held in trust by others	114,969	3,024	$ (3,024)	114,969
Other investments	1,000,246	-	-	1,000,246
Property, net of accumulated depreciation	4,156,896	-	-	4,156,896
Other assets	19,805	-	-	19,805
Total assets	**31,638,724**	**438,490**	**(3,024)**	**32,074,190**
Liabilities				
Accounts payable	42,796	-	-	42,796
Liabilities associated with investments	63,361	-	-	63,361
Deposits, advance receipts, and accrued liabilities	135,910	-	-	135,910
Deposits held in custody for others	141,541	-	(3,024)	138,517
Liability under planned giving agreements	79,658	-	-	79,658
Liability for annuity contracts	12,390	-	-	12,390
Indebtedness to third parties	3,027,186	-	-	3,027,186
Accrued postretirement benefits	501,426	-	-	501,426
Total liabilities	**4,004,268**	**-**	**(3,024)**	**4,001,244**
Net assets				
Total net assets without donor restrictions	12,027,445	389,514	-	12,416,959
Total net assets with donor restrictions	15,607,011	48,976	-	15,655,987
Total net assets	**27,634,456**	**438,490**	**-**	**28,072,946**
Total liabilities and net assets	**$ 31,638,724**	**$ 438,490**	**$ (3,024)**	**$ 32,074,190**

19. FINANCIAL RESPONSIBILITY STANDARDS

The University participates in federal Title IV student financial assistance programs, which require it to meet standards of financial responsibility based on criteria determined by the U.S. Department of Education (ED), as set forth in 34 CFR 668.171. The criteria for private institutions include the annual calculation by ED of a financial responsibility composite score, as further outlined in 34 CFR 668.172, using audited consolidated financial statements submitted through ED's eZ-Audit system. The composite score has been and will continue to be based on three ratios: Primary Reserve, Equity, and Net Income. These ratios utilize the following financial data of the University, which are not otherwise presented in the consolidated financial statements or other notes to the consolidated financial statements, as of and for the year ended June 30, 2020:

Required input per standards *dollars in thousands*	**Ratio(s) Uses**	**Input Amount**	**Related financial statement amount not used as input on supplementary schedule**
Unsecured related party receivables (contributions receivable)	Primary reserve	$ 8,232	
Contributions receivable from unrelated parties	N/A	340,221	
Total contributions receivable	**N/A**		**$ 348,453**
Property, plant and equipment, net - pre-implementation	Primary reserve	3,950,566	
Property, plant and equipment, net - post-implementation with outstanding debt for original purchase	Primary reserve	27,086	
Property, plant and equipment, net - post-implementation without outstanding debt for original purchase	Primary reserve	170,187	
Construction in progress - reconciling item from Note 9	Primary reserve	119,183	
Total property, plant and equipment, net	**N/A**		**4,267,022**
Long-term debt - for long-term purposes pre-implementation	Primary reserve	2,371,573	
Long-term debt - for long-term purposes post-implementation	Primary reserve	27,086	
Line of credit for contruction in progress	Primary reserve	18,467	
Long-term debt for operations and unspent capital funds	N/A		979,392
Total long-term debt	**N/A**		**3,396,518**
Annuities with donor restrictions	Primary reserve	9,441	
Term endowments with donor restrictions	Primary reserve	3,403,538	
Life income funds with donor restrictions	Primary reserve	69,198	
Net assets with donor restrictions: restricted in perpetuity	Primary reserve	2,346,403	
Other net assets with donor restrictions	N/A		10,037,626
Total net assets with donor restrictions	**N/A**		**15,866,206**
		Inputs directly from the statement of activities	
Total revenues and other sources	Net income	$ 2,137,698	
Investment earnings distrubuted	Net income	(630,639)	
Net realized and unrealized appreciation on investments	Net income	574,654	
Nonoperating activities	Net income	7,729	
		2,089,442	
Total operating expenses	Net income	1,796,225	
Reclassifications, transfers, and other nonoperating	Net income	1,547	
Net periodic benefit cost other than service cost	Net income	(15,025)	
		1,782.747	

Supplemental Schedules

Princeton University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor / Pass-Through / Program or Cluster Title	Federal CFDA	Pass-Through Entity Identifying Number	Passed to Subrecipients	Total Federal Expenditures
Research and Develoment Cluster				
Department of Energy Direct Programs				
Office of Science Financial Assistance Program	81.049		$ 1,479,619	$ 12,940,777
Renewable Energy Research and Development	81.087		-	527,923
Fossil Energy Research and Development	81.089		19,996	344,369
Stewardship Science Grant Program	81.112		6,931	725,773
Advanced Research Projects Agency - Energy	81.135		-	16,872
Subtotal Department of Energy Direct Programs			**1,506,546**	**14,555,714**
Department of Energy Pass-Through Programs From:				
Arizona State University	81.049	ASUB00000192 (PRIME DOE # DE-SC0002423)	-	46,468
HiT Nano Inc.	81.049	Agreement DTD 12/11/19 (DE-SC0019893)	-	37,096
Ohio State University - Columbus	81.049	60072968 (DE-SC0020233)	-	140,829
SC Solutions, Inc.	81.049	AGRMT. dtd 2-19-20 (PRIME # DOE DE-SC0020618)	-	31,490
Southwest Sciences, Inc.	81.049	SBIR Award No. DE-SC0011288 (Prime DOE)	-	12,523
The Johns Hopkins University	81.049	2004033461 (PRIME DOE DE-SC0019331)	-	268,715
Trustees of Boston University	81.049	4500003341 (PRIME # DOE DE-SC0020437)	-	51,219
University of California at Berkeley	81.049	00009650 (DE-SC0018297)	-	155,105
University of IL at Urbana-Champaign	81.049	088955-16610 (PRIME # DE-SC0018260)	-	411,389
University of IL at Urbana-Champaign	81.049	090634-16916 (PRIME DOE #DE-SC0018420)	-	571,782
University of Tennessee	81.049	A20-0424-S001 (DOE DE-SC0020369)	-	2,404
University of Texas at Austin	81.049	UTA19-001181	-	3,170
Washington University	81.049	WU-15-140-MOD-4 PRIME#(DE-SC0001035)	-	(358)
Arizona State University	81.087	18-331 PRIME (DOE # DE-EE0008090)	-	124,807
Technology Holding LLC	81.087	THL-EE-1 (PRIME DOE DE-EE0008504)	-	119,472
Texas A&M University - College Station	81.089	M1901809 (DE-FE0026825)	-	147,612
The Pennsylvania State University	81.089	5528-PU-DOE-6825 (PRIME DOE DE-FE0026825)	-	(896)
The Pennsylvania State University	81.089	5720-PU-DOE-6825 (Prime: DE-FE0026825)	-	22,002
The Pennsylvania State University	81.089	S000033-USDOE (PRIME DOE DE-FE0026825)	-	1,463
University of Virginia	81.089	GG11902 150188 (PRIME # DE-FE0026582)	-	(300)
Cornell University	81.112	83228-10966 (PRIME DOE # DE-NA0003764)	-	121,529
Washington State University	81.112	136018 G004128 (DOE De-NA0003957)	-	61,078
Washington State University	81.112	21238_G003674 (PRIME # DOE DE-NA0002007)	-	153,271
University of Michigan	81.113	3003222387 PRIME #(DE-NA0002534)	-	265,730
University of Michigan	81.113	SUBK00010005 (PRIME DOE DE-NA0003920)	-	21,607
Krell Institute	81.123	LTTR dtd 3-18-15 (PRIME DOE)	-	114,396
University of California at Berkeley	81.135	00009799 (PRIME # ARPA DE-AR0000906)	-	121,849
University of Colorado at Boulder	81.135	1558566 (PRIME DOE # DE-AR0001145)	-	112,863
Alliance for Sustainable Energy, LLC	81.RD	XFF-8-82229-01 (PRIME DOE # DE-AC36-08GO28308)	-	199,515
Battelle Energy Alliance, LLC	81.RD	200022(PRIME DOE Idaho Nat.Lab.DE-AC07-05ID14517)	-	(3,371)
Brookhaven National Laboratory	81.RD	377977(DE-SC0012704)	-	63,123
Consolidated Nuclear Security, LLC	81.RD	4300162174 (PRIME DOE # DE-NA0001942)	-	43,923
Fermi National Accelerator Laboratory	81.RD	655015 (DE-AC02-07-CH11359)	-	484,633
Fermi National Accelerator Laboratory	81.RD	659001 (DOE DE-AC02-07CH11359)	-	53,475
Fermi National Accelerator Laboratory	81.RD	659002 (DOE DE-AC02-07CH11359)	-	8,774
Fermi National Accelerator Laboratory	81.RD	663531(DE-AC02-07CH11359)	-	50,000
Fermi National Accelerator Laboratory	81.RD	663581 (DOE DE-AC02-07CH11359)	-	30,356
Fermi National Accelerator Laboratory	81.RD	PO 561207 & 552726 (Prime # DE-AC02-07CH11359)	-	13,736
Fermi National Accelerator Laboratory	81.RD	PO#633684 (PRIME DOE # DE AC02 76CH11359)	-	15
General Atomics	81.RD	PO 4500058454 (DOE DE-FC02-04ER54698)	-	117,036
Lawrence Berkeley National Laboratory	81.RD	7380220 (DOE # DE-AC02-05CH11231)	-	157,345
Lawrence Berkeley National Laboratory	81.RD	7426759 (PRIME DOE # DE-AC02-05CH11231)	-	13,848
Oak Ridge National Laboratory	81.RD	4000166426 (PRIME # DOE DE-AC05-00OR22725)	-	230,197
SLAC National Accelerator Laboratory	81.RD	182729 (DE-AC02-76SF00515)	-	8
UT-Battelle, LLC	81.RD	4000168066 (PRIME ORNL DE-AC05-00OR22725)	-	41,172
Subtotal Department of Energy Pass-Through Programs			**-**	**4,622,100**
Total Department of Energy			**1,506,546**	**19,177,814**
Department of Health and Human Services Direct Programs				
Food and Drug Administration Research	93.103		-	216,149
Environmental Health	93.113		118,111	746,412
Human Genome Research	93.172		-	823,921
Mental Health Research Grants	93.242		678,582	9,349,388
Drug Abuse and Addiction Research Programs	93.279		100,773	749,883
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		-	37,553
Trans-NIH Research Support	93.310		70,713	4,626,113
Research Infrastructure Programs	93.351		-	266,071
Nursing Research	93.361		26,933	26,933
Cancer Detection and Diagnosis Research	93.394		108,105	301,298
Cancer Treatment Research	93.395		-	556,172
Cancer Biology Research	93.396		207,281	785,511
Cancer Research Manpower	93.398		-	55,587
Cardiovascular Diseases Research	93.837		-	52,830

The accompanying notes are an integral part of this schedule.

Princeton University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor / Pass-Through / Program or Cluster Title	Federal CFDA	Pass-Through Entity Identifying Number	Passed to Subrecipients	Total Federal Expenditures
Lung Diseases Research	93.838		-	199,087
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		101,741	1,446,159
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		-	121,583
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		646,476	7,137,615
Allergy, Immunology and Transplantation Research	93.855		377,159	3,300,758
Biomedical Research and Research Training	93.859		417,855	14,198,212
Child Health and Human Development Extramural Research	93.865		717,375	3,887,699
Aging Research	93.866		240,739	784,296
Vision Research	93.867		-	370,576
Subtotal Department of Health and Human Services Direct Programs			**3,811,843**	**50,039,806**
Department of Health and Human Services Pass-Through Programs From:				
Cold Spring Harbor Laboratory	93.242	64550417 (PRIME # NIH NIMH 5U01MH114824-04)	-	87,822
Massachusetts Institute of Technology	93.242	S4723 PO#356759(PRIME NIH MH #5-U01MH117072-02)	-	79,044
The Trustees of Columbia University	93.242	1 (GG014083) PRIME NIH #1R01MH121093-01	-	53,078
The Trustees of Columbia University	93.242	3(GG012936-04) PRIME # NIH NIMH 5P50MH109429-04)	-	230,808
University of Washington	93.279	UWSC10708 (NIH NIDA 5R01DAA047869-02	-	176,219
Rutgers University - New Brunswick	93.286	6220 (NIH 5P41EB001046-15)	-	(2,830)
Stony Brook University	93.286	82984-2-1150328 (PRIME NIH 5R01EB026946-01)	-	84,652
University of Chicago	93.286	FP069028 (PRIME NIH #R01EB026943)	-	558
University of Massachusetts Amherst	93.286	17-009645 C04 (PRIME # NIH NIBIB 5U01EB021956-04)	-	122,469
University of Michigan	93.307	3004628723 (PRIME # NIH 5R01MD011716-02)	4,046	426,883
Rutgers University - New Brunswick	93.350	1000 (PRIME NIH # UL1TR003017-01 REVISED)	-	269,555
Rutgers University - New Brunswick	93.350	1346 (NCATS - 5TL1TR003019-02)	-	60,990
Rutgers University - New Brunswick	93.350	1536 (PRIME NIH 1KL2TR003018-01 REVISED)	-	40,403
University of Washington	93.350	UWSC11377 (PRIME # NIH UH3TR002158)	-	79,033
Mount Sinai Hospital	93.351	AGRMT 7-14-2016 PRIME#(5R01OD010929-11 REVISED)	-	453,692
University of Pittsburgh	93.351	CNVA00044062 (132926-2)	-	199,839
Dana-Farber Cancer Institute	93.353	1206202 (PRIME # NIH NCI 5U2CCA233195-02)	-	94,416
University of California - San Francisco	93.353	11709sc (PRIME # NIH U54CA244438)	-	37,967
GPB Scientific, LLC	93.393	AGRMT. dtd 7-8-19 (PRIME NIH # 4R42CA228616-02)	-	239,543
Rockefeller University	93.393	5P01CA196539-05(PRIME NIH NCI #P01CA196539)	-	374,675
Weill Cornell Medical College	93.393	182790 (PRIME # NIH NCI 1R01CA218668-01A1)	-	81,591
Washington University	93.394	WU-19-193 (PRIME NIH NCI # 5U24CA211006-03)	-	4,803
Washington University	93.394	WU-20-214 (PRIME NIH 5U24CA2110060-04)	-	10,000
Brigham & Women's Hospital	93.396	119536 (PRIME NIH # 5R01CA223150-03)	-	25,000
Fox Chase Cancer Center	93.396	15139-02 (1R01CA236391-01A1)	-	2,087
Rutgers University - New Brunswick	93.396	8338 (PRIME # 5R01CA163591-07)	-	151,653
Trustees of Boston University	93.396	4500003447 (1U01CA214292-01)	-	199,874
Rutgers Cancer Institute of New Jersey	93.397	1060 (PRIME NIH 5P30CA072720-21	-	12,142
Rutgers Cancer Institute of New Jersey	93.397	1400 (PRIME NIH 5P30CA072720-21)	-	12,978
Rutgers University - New Brunswick	93.397	0940 (PRIME NIH 2P30CA072720-20-REVISED)	-	90,649
Rutgers University - New Brunswick	93.397	1357 (PRIME NIH # 5P30CA072720-21)	-	18,225
Rutgers University - New Brunswick	93.397	1358 (PRIME NIH 5P30CA072720-21)	-	30,217
Rutgers University - New Brunswick	93.397	1390 (Prime 2P30CA072720-20 REVISED)	-	10,024
Univ of North Carolina at Chapel Hill	93.837	5101084 (PRIME NIH NHLBI)	-	166,116
Univ of North Carolina at Chapel Hill	93.837	5107215 (NIH 5R01HL126509-03)	-	238,969
Univ of North Carolina at Chapel Hill	93.837	5108063 (PRIME # NIH NHLBI 1R01HL135007-01A1)	-	196,587
University of Pennsylvania	93.837	571385 (PRIME # NIH NHLBI 5-R01HL133218-03)	-	242,670
University of Pennsylvania	93.837	576280 (5U01HL131053-04)	-	64,715
University of Minnesota	93.839	A006625102 (Prime R01HL132906-01A1)	-	47,231
University of Michigan	93.847	3004731859 (PRIME # NIH 5UG3DK114907-03 REVISED)	-	73,091
University of Michigan	93.847	SUBK00010384 (PRIME # NIH U24DK100845)	-	34,243
University of Pennsylvania	93.847	571355 (PRIME NIH NIDDK 5P30DK019525-43)	-	214,843
University of Pittsburgh	93.847	0042852 (129839-1) PRIME 5R01DK098361-05	-	3,650
University of Washington	93.847	UWSC10171 (PRIME# NIH NIDDK 5U2CDK114886-03)	-	50,743
Stanford University	93.853	61988198-135726 (PRIME NIH NINDS 5R01NS110060-02)	-	191,272
University of Pennsylvania	93.853	572962 (PRIME # NIH NINDS 5R21NS101629-02	-	45,258
University of South Florida	93.853	6143-1199-00-A (PRIME NIH 1U01NS113868-01)	-	67,721
Weill Cornell Medical College	93.853	191469-01 (183045-01)(PRIME # NIH 5R01NS104926-03)	-	248,096
Loyola University Chicago	93.855	211441-2 (NIH 1R01AI146917-01A1)	-	8,734
Univ of North Carolina at Chapel Hill	93.855	5111941 (NIH R01AI138797)	-	479,070
University of Illinois at Chicago	93.855	CN-00043728 (U19AI142735)	-	52,708
University of Pennsylvania	93.855	566802 (5R01AI118891-02)	-	226,556
Pacific Northwest Research Institute	93.859	117119-S01 (NIH 5R01GM117119-03)	-	225,104
Texas A&M University - College Station	93.859	06-S160610 (PRIME # 1R01GM114405-01)	-	30,286
Texas A&M University - College Station	93.859	M2000266 (NIH R01GM134063)	-	14,498
Univ of North Carolina at Chapel Hill	93.865	5108499 (PRIME # NIH 1R01HD089275-01A1)	-	246,078
University of Massachusetts Boston	93.865	B000515127 (PRIME # NIH NICHD R01HD085870)	-	79,117
Albert Einstein College of Medicine - NY	93.866	311217 (PRIME NIH NIA 1RF1AG057341-01)	-	182,973
Duke University	93.866	A03-1441(Prime 2P01AG031719-06A1)	-	46,673
Duke University	93.866	A03-1723 (Prime R01-AG053308)	-	78,517
Rockefeller University	93.866	1RF1AG054564-011 (PRIME # NIH NIDDK 1RF1AG054564-0	-	55,647
Rockefeller University	93.866	1RF1AG059770-01 (PRIME NIH NIA)	-	71,414
University of California at Los Angeles	93.866	1920 G XA001 (PRIME # NIH 1 R01AG061094-01)	-	131,700
University of Pennsylvania	93.866	575091 (PRIME NIH NIA # 5R01AG060115-02)	-	116,628
University of Washington	93.866	UWSC11051(PRIME NIH 5U19AG057377-03)	-	206,280
Carnegie Mellon University	93.867	1090501-380397(PRIME NIH NEI # 5R01EY027018-04)	-	5,909
Rutgers Cancer Institute of New Jersey	93.867	0932 (PRIME NIH # 2P30CA072720-20 REVISED)	-	31,640
Weill Medical College of Cornell Univ	93.867	193826-02 (PRIME # NIH NEI 5R01EY027036-04)	-	176,908
Subtotal Department of Health and Human Services Pass-Through Programs			**4,046**	**8,109,704**

The accompanying notes are an integral part of this schedule.

Princeton University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor / Pass-Through / Program or Cluster Title	Federal CFDA	Pass-Through Entity Identifying Number	Passed to Subrecipients	Total Federal Expenditures
Department of Health and Human Services COVID-19 Direct Programs				
COVID-19 Allergy, Immunology and Transplantation Research	93.855		-	41,079
Subtotal Department of Health and Human Services COVID-19 Direct Programs			**-**	**41,079**
Total Department of Health and Human Services			**3,815,889**	**58,190,589**
National Science Foundation Direct Programs				
Engineering Grants	47.041		1,105,004	4,403,831
Mathematical and Physical Sciences	47.049		11,445,385	30,159,656
Geosciences	47.050		3,067,561	7,406,806
Computer and Information Science and Engineering	47.070		4,302,341	12,889,135
Biological Sciences	47.074		20,249	2,417,194
Social, Behavioral, and Economic Sciences	47.075		22,812	2,402,902
Education and Human Resources	47.076		-	4,432,586
Office of International and Integrative Activities	47.079		-	20,662
National Science Foundation - IPA Contract	47.RD		-	116,359
Subtotal National Science Foundation Direct Programs			**19,963,352**	**64,249,131**
National Science Foundation Pass-Through Programs From:				
Colorado State University	47.041	G-00973-04 PRIME #(CBET-1444758)	-	48,039
Massachusetts Institute of Technology	47.041	5710003971 (PRIME # CBET-0939511)	-	74,974
Optimeos Life Sciences, LLSC	47.041	STTR AWRD NO. IIP - 1843551	-	93,232
South Dakota School of Mines and Tech	47.041	SDSMT-Princeton 19-09 R1(PRIME NSF # EEC 1840478)	-	17,984
The Johns Hopkins University	47.041	2003084213 (PRIME # NSF 1635443)	-	125,730
University of California at San Diego	47.041	80306491 (PRIME # ECCS-1640173)	-	55,483
University of Washington	47.041	UWSC9464 (PRIME # EFMA-1640986)	-	134,519
Yale University	47.041	C17D12535 (D02294) (PRIME NSF # 1640959)	-	77,846
Assn of Univ for Rsrch in Astronomy, Inc	47.049	N51986C (Prime NSF 1202910)	-	2,164,511
California State University, Northridge	47.049	A19-0008-S001 (PRIME NSF # DMR-1828019)	-	45,441
Cornell University	47.049	80497-10950 (PRIME # DMR-1719875)	-	69,978
Delaware State University	47.049	20-003HEH (NSF PHY-1901397)	-	35,199
Emory University	47.049	A213185 (PRIME # NSF CHE-1700982)	-	73,278
Georgia Institute of Technology	47.049	AWD-102084-G1 (formerly RK081-G1) PRIME NSF	-	79,286
University of Chicago	47.049	FP065300-B (NSF - 1743753)	-	203,184
University of Notre Dame	47.049	203643PU (PRIME # NSF 1925607)	-	26,401
University of Pittsburgh	47.049	0057941 (Prime 1740630)	-	139,178
University of Wisconsin	47.049	847K254 (PRIME NSF DMR-1839199)	-	59,144
Carnegie Institution - DC	47.050	4-10765-01 (NSF 1722495)	-	53,012
Consortium for Materials	47.050	133660-87Y4 (EAR-1661511)	-	940
Duke University	47.050	333-2482 (PRIME NSF # 1331846)	-	58,419
Massachusetts Institute of Technology	47.050	5710004193 (PRIME NSF # EAR-1647504)	-	19,433
The Trustees of Columbia University	47.050	29(GG009393-01) PRIME # OCE-1450528	-	24,584
University of California at Davis	47.050	201504240-05 (PRIME # EAR-1550901)	-	92,420
University of California at Irvine	47.050	2018-3651 (OCE-1848576)	-	60,522
University of Kansas	47.050	FY2017-063-M1 (PRIME # NSF ICER-1639734)	-	12,674
Purdue University	47.070	10000686-016 (PRIME# NSF- CCF-0939370)	-	283,085
University of California at Berkeley	47.070	00010071 (PRIME NSF #CNS-1545126)	-	99,519
University of Chicago	47.070	AWD100678(SUB00000206) PRIME NSF # CNS-1739809)	-	37,662
University of IL at Urbana-Champaign	47.070	074984-15245 (PRIME# ACI-1440733)	-	(10,726)
University of Michigan	47.070	SUBK00010830 (PRIME NSF # IIS-1734266)	-	130,511
University of Minnesota	47.070	A006581304 (NSF CNS-1737633)	-	54,837
University of Texas at Austin	47.070	UTA19-001211 (NSF 1854828)	-	1,257
Virginia Polytechnic Inst & State Univ	47.070	479590-19A42	-	24,819
George Washington University	47.074	18-S06 (PRIME # NSF IOS-1755375)	-	35,180
Arizona State University	47.075	17-222 (PRIME # NSF SES-1655011)	-	14,039
Brown University	47.075	00001263 (NSF BCS-1827550)	-	22,409
Clark University	47.075	2A325-7534 (PRIME # SES-1832393)	-	(34)
Stanford University	47.075	62040081-134570 (PRIME NSF BCS-1823410)	-	17,390
Education Development Center	47.076	OPAR dtd 3-30-20	-	3,604
American Educational Research Assn	47.RD	AGRMT. dtd 11-18-19 (PRIME NSF-DRL #1749275)	-	1,371
Andluca Technologies	47.RD	1843743 (PRIME NSF IIP-1843743	-	20,691
Subtotal National Science Foundation Pass-Through Programs			**-**	**4,581,025**
National Science Foundation COVID-19 Direct Programs				
COVID-19 Engineering Grants	47.041		-	11,629
COVID-19 Mathematical and Physical Sciences	47.049		-	25,220
COVID - 19 Computer and Information Science and Engineering	47.070		-	26,777
COVID-19 Social, Behavioral, and Economic Sciences	47.075		-	36,867
Subtotal National Science Foundation COVID-19 Direct Programs			**-**	**100,493**
Total National Science Foundation			**19,963,352**	**68,930,649**

The accompanying notes are an integral part of this schedule.

Princeton University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor / Pass-Through / Program or Cluster Title	Federal CFDA	Pass-Through Entity Identifying Number	Passed to Subrecipients	Total Federal Expenditures
National Aeronautics and Space Administration Direct Programs				
Science	43.001		1,790,004	6,609,165
Space Operations	43.007		-	6,805
NASA - NNG16PJ29C	43.RD		-	212,170
NASA - NNG17FC93C	43.RD		1,184,313	1,184,313
NASA - 80GSFC19C0027	43.RD		79,370	1,001,543
Subtotal National Aeronautics and Space Administration Direct Programs			**3,053,687**	**9,013,996**
National Aeronautics and Space Administration Pass-Through Programs From:				
Bay Area Environmental Research Inst	43.001	NASA-80NSSC18K1285	-	38,020
Cal Tech - Jet Propulsion Lab (JPL)	43.001	1480792 (Prime NASA # NNN12AA01C)	-	61,638
Cal Tech - Jet Propulsion Lab (JPL)	43.001	1599303 (Prime: NNN12AA01C)	-	190,760
Cal Tech - Jet Propulsion Lab (JPL)	43.001	RSA No. 1637859 (PRIME NASA # NNH17ZDA001N)	-	62,649
Cal Tech - Jet Propulsion Lab (JPL)	43.001	RSA No. 1640771 (NASA 80NM0018D0004)	-	26,184
Cal Tech - Jet Propulsion Lab (JPL)	43.001	RSA1610189 (NASA - NNN12AA01C)	-	9,156
Calif Inst of Technology (Cal Tech)	43.001	S403772 (PRIME NASA 80NSSC18K0223)	81,474	91,271
Dartmouth College	43.001	R1259 (NASA 80NSSC19K0580)	-	11,526
National Center for Atmospheric Research	43.001	SUBAWD000667 (PRIME # 80NSSC18K0288)	-	90,260
Smithsonian Astrophysical Observatory	43.001	G07-18121X (Prime NAS8-03060)	-	7,328
Smithsonian Astrophysical Observatory	43.001	G08-19121X	-	11,526
Smithsonian Astrophysical Observatory	43.001	G09-20114X (NAS8-03060)	-	3,867
Smithsonian Astrophysical Observatory	43.001	GO7-18074X (NASA NAS8-03060)	-	85,454
Smithsonian Astrophysical Observatory	43.001	GO8-19104X	-	20,921
Smithsonian Astrophysical Observatory	43.001	PF7-180164 (NASA NAS8-03060)	-	118,952
Southwest Research Institute	43.001	M99062DS (PRIME # NASA 80NSSC19K0806)	-	27,002
Space Telescope Science Institute	43.001	HST-HF2-51397.001-A (NASA NAS5-26555)	-	99,970
The Johns Hopkins University	43.001	136435 (PRIME NASA # NNN06AA01C)	2,214,393	2,906,978
University of Alabama in Huntsville	43.001	2018-250 (PRIME # NASA 80NSSC18K1212)	-	25,770
University of CA at Santa Barbara	43.001	KK2032 (PRIME # JPL 1633148)	-	19,050
University of California at Berkeley	43.001	00009957 (NASA 80NSSC18K1487)	-	27,181
University of California at San Diego	43.001	124205749 (NASA 80NSSC19K1115)	-	21,362
University of Florida	43.001	UFDSP00011822 (PRIME # NASA NNX17AK87G)	-	102,556
University of Iowa	43.001	S00394-01 (PRIME NASA 80NSSC18K1217)	-	27,880
University of Texas at Dallas	43.001	1806606 (NASA 80NSSC18K1009)	-	23,909
Woods Hole Oceanographic Institute	43.001	A101353 (NASA NNX16AR50G)	-	28,754
Woods Hole Oceanographic Institute	43.001	A101370 (PRIME # NASA 80NSSC17K0555)	-	63,464
Cal Tech - Jet Propulsion Lab (JPL)	43.001	1499194	-	23,780
Cal Tech - Jet Propulsion Lab (JPL)	43.001	1563535 (Prime: NASA NNN12AA01C)	-	9,545
Cal Tech - Jet Propulsion Lab (JPL)	43.001	1569421 (PRIME # NASA NNN12AA01C)	-	2,973
Cal Tech - Jet Propulsion Lab (JPL)	43.001	NNH17ZDA001N (PRIME NASA RSA # 1612162)	-	24,200
Cal Tech - Jet Propulsion Lab (JPL)	43.001	RSA 1557703 (PRIME NASA)	-	14,401
Cal Tech - Jet Propulsion Lab (JPL)	43.001	RSA 1597374 (NNN12AA01C)	-	5,956
Cal Tech - Jet Propulsion Lab (JPL)	43.001	RSA 1616091 (NNN12AA01C)	-	13,501
Cal Tech - Jet Propulsion Lab (JPL)	43.001	RSA 1617438 (NASA-NNN12AA01C)	-	39,262
Cal Tech - Jet Propulsion Lab (JPL)	43.001	RSA 1617607 (NASA NNN12AA01C)	-	55,928
Cal Tech - Jet Propulsion Lab (JPL)	43.001	RSA 1633404 (NASA - NNN12AA01C)	-	196,594
Cal Tech - Jet Propulsion Lab (JPL)	43.001	RSA No. 1641721 (NASA NNN12AA01C)	-	69,533
Massachusetts Institute of Technology	43.001	5710003734 (Prime NASA NNG14FC03C)	-	68,425
Southwest Research Institute	43.001	M99009VS (PRIME NASA # NNM06AA75C)	-	61,353
Southwest Research Institute	43.001	M99023MJM (PRIME NASA #NASW-02008)	-	92,949
Space Telescope Science Institute	43.001	HST-AR-15029.001-A	-	50,189
Space Telescope Science Institute	43.001	HST-AR-15049.003-A (PRIME # NASA)	-	1,813
Space Telescope Science Institute	43.001	HST-GO-14219.004-A (NASA NAS5-26555)	-	24,674
Space Telescope Science Institute	43.001	HST-GO-14675.004-A (NASA NAS5-26555)	-	11,860
Space Telescope Science Institute	43.001	HST-GO-14684.001-A	-	30,549
Space Telescope Science Institute	43.001	HST-GO-14730.001-A	-	18,928
Space Telescope Science Institute	43.001	HST-GO-15117.028-A(PRIME NAS5-26555)	-	7,405
Space Telescope Science Institute	43.001	HST-GO-15196.001-A (NASA NAS 5-26555)	-	152,747
Space Telescope Science Institute	43.001	HST-GO-15203.002-A (NASA contract NAS5-26555)	-	13,725
Space Telescope Science Institute	43.001	HST-GO-15277.002-A	-	41,795
Space Telescope Science Institute	43.001	HST-GO-15280.005-A(NASA NAS5-26555)	-	6,051
Space Telescope Science Institute	43.001	HST-GO-15321.002-A(NAS5-26555)	-	14,505
Space Telescope Science Institute	43.001	HST-GO-15335.002-A (NAS5-26555)	-	39,504
Space Telescope Science Institute	43.001	HST-GO-15339.004-A (NAS5-26555)	-	30,097
Space Telescope Science Institute	43.001	HST-GO-15880.002-A(NAS5- 26555)	-	57,112
Space Telescope Science Institute	43.001	HST-HF2-51375.001-A	-	1,874
Space Telescope Science Institute	43.001	HST-HF2-51386.001-A (NASA NAS5-26555)	-	109,033
Space Telescope Science Institute	43.001	HST-HF2-51423.001-A (NASA Contract NAS5-26555)	-	97,482
Space Telescope Science Institute	43.001	HST-HF2-51426.001-A(NASA NAS5-26555)	-	97,783
Space Telescope Science Institute	43.001	HST-HF2-51431.001-A (NASA NAS5- 26555)	-	86,425
Space Telescope Science Institute	43.001	HST-HF2-51433.001-A (NASA NAS5- 26555)	-	101,982
Stanford University	43.RD	61238715-122362 (PRIME# NASA NNG16PJ24C)	-	96,381
Texas A&M University - College Station	43.002	M1703308 (PRIME NASA NNX17AJ96A)	-	89,151
University of Michigan	43.002	3004301359 (Prime NNX16AP90A)	-	44,545
CASIS	43.007	GA-2019-002(PRIME # NASA 80JSC018M0005)	-	385
Rutgers University - New Brunswick	43.008	1152 (PRIME NASA # NNX15AK05H)	-	23,222
Subtotal National Aeronautics and Space Administration Pass-Through Programs			**2,295,867**	**6,131,005**
Total National Aeronautics and Space Administration			**5,349,554**	**15,145,001**

The accompanying notes are an integral part of this schedule.

Princeton University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor / Pass-Through / Program or Cluster Title	Federal CFDA	Pass-Through Entity Identifying Number	Passed to Subrecipients	Total Federal Expenditures
Department of Defense Direct Programs				
DARPA - HR00111890042	12.RD		190,333	412,615
DARPA - HR00111990049	12.RD		-	440,755
DTRA - HDTRA1-16-C-0025	12.RD		97,924	143,446
DOD - W912HQ19P0108	12.RD		16,150	41,119
National Reconnaissance Officer - NRO000-19-C-0014	12.RD		-	349,647
Subtotal Department of Defense Direct Programs			**304,407**	**1,387,582**
Department of Defense Pass-Through Programs From:				
BAE Systems, Inc.- NH	12.RD	959267-4 (PRIME # ONR N68335-17-C-0207)	-	(6,480)
BAE Systems, Inc.- NH	12.RD	964204-5 (PRIME # DARPA HR001117C0048)	-	89,246
Combustion Science & Engineering, Inc.	12.RD	Agmt dtd 12/21/2018 (Prime ONR: N68335-18-C-0860)	-	119,032
Galois Connections, Inc.	12.RD	2019-020 (PRIME DARPA BAA #HR001118S0054)	-	129,043
George Mason University	12.RD	E2046801 (PO 36700)	-	67,729
George Mason University	12.RD	E2050121 (DOTC-17-01-INIT1562)	-	51,109
Good Judgment Inc.	12.RD	AGRMT. dtd 9-22-17 (PRIME IARPA # 2016-16061300002	-	(4,230)
Government of Israel Ministry of Defense	12.RD	PO# 444-0649006 PRIME DSCA # (1000366232)	-	14,675
HRL Laboratories, LLC	12.RD	M15026-503666-DS (H98230-15-R-0453)	-	425,276
Institute for Human & Machine Cognition	12.RD	AGRMT. 11-19-19 (PRIME # DARPA FA8650-19-C-7944)	-	47,068
Intl Business Machines Corp. (IBM)	12.RD	4916006257(PRIME # W911NF-16-1-0114)	-	29,432
Iowa State University	12.RD	421-21-14 (PRIME# N66001-15-C-4068)	-	42
LGS Innovations LLC	12.RD	P000066275(LGS0031336) (PRIME DARPA HR001117C0052	-	116,166
MetroLaser, Inc.	12.RD	TPU08KL23 (PRIME # AFRL FA9451-18-C-0208)	-	19,506
MetroLaser, Inc.	12.RD	TPU09AF03 (FA9550-18-C-0010)	-	43,821
Perspecta Labs, Inc.	12.RD	PO-0011397 (PRIME # DARPA HR0011-17-C-0047)	299,608	1,119,828
Raytheon Company	12.RD	PO# 4201867418 90013(PRIME IARPA N66001-18-C-4507)	-	131,483
Siemens Corporation, Corporate Tech - NJ	12.RD	189-1 (PRIME # DARPA HR00112090011)	-	91,110
Signature Science, LLC	12.RD	AGRMT. 8-14-18 (PRIME DARPA #HR0011-18-C-0109)	-	95,731
Solutions Through Innovative Tech Inc	12.RD	Letter dtd 9-28-17	-	508,515
SRI International	12.RD	36929 (PRIME AFRL # FA8750-19-C-0079)	-	280,308
SRI International	12.RD	PO 22108 (140D6318C0020)	-	233,389
SRI International	12.RD	PO 47891 (HR001120C0099)	-	2,071
Stanford University	12.RD	61298783-120596 (PRIME DARPA # W911NF-16-C-0052)	-	50,056
Systems Plus, Inc.	12.RD	OPAR dtd 9-27-19 (PRIME DOD)	-	265,350
The Johns Hopkins University	12.RD	154594(PRIME IARPA # 2017-17032700004)	-	47,193
Triton Systems Inc.	12.RD	TSI-2513-17-106466 (PRIME AFOSR # FA8650-17-C-5076	-	23,093
Twinleaf LLC	12.RD	Agreement DTD 9/23/19 (N68335-19-C-0643)	-	28,990
United Technologies Research Center	12.RD	1240067 (DARPA Contract #N66001-18-C-4031)	-	204,455
University of California at Los Angeles	12.RD	0145-S-VA231 (PRIME DARPA W911NF-15-C-0205:P00003)	-	66,000
University of Kansas	12.RD	FY2019-111 (W912HZ19C0014)	-	118,775
University of Michigan	12.RD	3004803425 (PRIME # HR001118C0019)	-	219,260
Subtotal Department of Defense Pass-Through Programs			**299,608**	**4,627,042**
Total Department of Defense			**604,015**	**6,014,624**
Army Direct Programs				
Military Medical Research and Development	12.420		167,326	1,152,060
Basic Scientific Research	12.431		1,476,311	6,493,393
Subtotal Army Direct Programs			**1,643,637**	**7,645,453**
Army Pass-Through Programs From:				
University of Michigan	12.420	SUBK00003000 (PRIME AMR&MC)	-	108,201
Arizona State University	12.431	17-041 (PRIME # W911NF-16-1-0448)	-	9,390
Carnegie Mellon University	12.431	1130216-393007 (PRIME # W911NF-17-1-0587)	-	79,729
The Trustees of Columbia University	12.431	3(GG008784) PRIME W911NF-12-1-0594	-	(167)
The Johns Hopkins University	12.431	2004559380 (PRIME # ARO W911NF-17-1-0304)	-	19,402
University of CA at Santa Barbara	12.431	KK1712 (PRIME ARO # W911NF-16-1-0474	-	64,436
University of Pittsburgh	12.431	CNVA00059885(414132-1) PRIME (ARO # W911NF1810144)	-	79,031
Subtotal Army Pass-Through Programs			**-**	**360,022**
Total Army			**1,643,637**	**8,005,475**
Navy Direct Programs				
Basic and Applied Scientific Research	12.300		698,330	4,367,616
Naval Medical Research Center - N3239819P0023	12.RD		-	64,103
Navy - Other - N6264518C4010	12.RD		-	240,521
Subtotal Navy Direct Programs			**698,330**	**4,672,240**
Navy Pass-Through Programs From:				
University of California at Berkeley	12.300	00009482 (PRIME # ONR N00014-17-1-2313)	-	88,517
University of California at Davis	12.300	A17-0260-S001-A02 (PRIME ONR N00014-17-1-2961)	-	368,898
University of California at San Diego	12.300	54324527 PRIME #(N00014-16-1-2516)	-	93,113
University of Colorado at Boulder	12.300	1556875 (PRIME ONR # N00014-16-1-2210)	-	(7,662)
University of Michigan	12.300	SUBK00010138 (PRIME DARPA FA8750-18-2-0019)	-	80,996
University of Virginia	12.300	GG13311 146903 (Prime # ONR N00014-14-1-0533)	-	347,523
Subtotal Navy Pass-Through Programs			**-**	**971,385**
Total Navy			**698,330**	**5,643,625**
Air Force Direct Programs				
Air Force Defense Research Sciences Program	12.800		753,779	3,285,897
Subtotal Air Force Direct Programs			**753,779**	**3,285,897**

The accompanying notes are an integral part of this schedule.

Princeton University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor / Pass-Through / Program or Cluster Title	Federal CFDA	Pass-Through Entity Identifying Number	Passed to Subrecipients	Total Federal Expenditures
Air Force Pass-Through Programs From:				
Calif Inst of Technology (Cal Tech)	12.800	S421699 (PRIME # FA9550-16-1-0566)	-	217,675
Colorado State University	12.800	G-01518-01 (Prime: FA9550-18-1-0239)	30,022	36,273
Florida State University	12.800	R01892 (Prime FA9550-17-1-0084)	-	87,538
Massachusetts Institute of Technology	12.800	5710004245 (PRIME FA9550-17-1-0114)	-	4,573
Rice University	12.800	R18712 PRIME#(FA9550-15-1-0022)	-	66,969
The Pennsylvania State University	12.800	5843-PU-AFOSR-0037(PRIME # AFOSR FA9550-18-1-0037)	-	152,626
University of California at Los Angeles	12.800	1010 G WA380 (PRIME AFOSR FA9550-18-1-0502)	-	167,599
University of Texas at Austin	12.800	UTA18-001488 (PRIME AFOSR # FA9550-19-1-0005)	-	426,188
Virginia Polytechnic Inst & State Univ	12.800	450367-19A42 (PRIME # FA9550-15-1-0193)	-	120,406
Wesleyan University	12.800	WESU5011059119 (PRIME AFOSR # FA9550-16-1-0292)	-	77,231
Subtotal Air Force Pass-Through Programs			**30,022**	**1,357,078**
Total Air Force			**783,801**	**4,642,975**
Secretary of Defense Direct Programs				
Basic Scientific Research - Combating Weapons of Mass Destruction	12.351		-	(2,066)
Subtotal Secretary of Defense Direct Programs			**-**	**(2,066)**
Secretary of Defense Pass-Through Programs From:				
Siemens Corporation, Corporate Tech - NJ	12.630	145-1 (PRIME ARM-17-01-F-C14)	-	98,344
Subtotal Secretary of Defense Pass-Through Programs			**-**	**98,344**
Total Secretary of Defense			**-**	**96,278**
National Security Agency Pass-Through Programs From:				
Stanford University	12.901	61907448-134270 (PRIME DARPA # FA8650-18-2-7854)	-	403,624
Subtotal National Security Agency Pass-Through Programs			**-**	**403,624**
Total National Security Agency			**-**	**403,624**
Advanced Research Projects Agency Direct Programs				
Research and Technology Development	12.910		1,635,017	3,919,058
Subtotal Advanced Research Projects Agency Direct Programs			**1,635,017**	**3,919,058**
Advanced Research Projects Agency Pass-Through Programs From:				
Icahn School of Medicine at Mount Sinai	12.910	0258-A061-4609 (PRIME # DARPA N6600119C4022)	-	82,359
University of CA at Santa Barbara	12.910	KK1932 (PRIME DARPA # D18AC00015	-	454,111
University of IL at Urbana-Champaign	12.910	092435-17095 (PRIME DARPA FA8650-18-2-7866)	-	542,334
University of Pennsylvania	12.910	575467 (PRIME # DARPA D17AC00005)	-	45,714
University of Rochester	12.910	417384/URFAO:GR510889 (D18AC0025)	-	237,424
University of Southern California	12.910	108748817 (PRIME DARPA HR00111820046)	-	98,443
Subtotal Advanced Research Projects Agency Pass-Through Programs			**-**	**1,460,385**
Total Advanced Research Projects Agency			**1,635,017**	**5,379,443**
Office of Personnel Management Direct Programs				
Intergovernmental Personnel Act (IPA) Mobility Program	27.011		-	62,152
Subtotal Office of Personnel Management Direct Programs			**-**	**62,152**
Total Office of Personnel Management			**-**	**62,152**
Department of Commerce Direct Programs				
Bipartisan Budget Act of 2018 (DOC)	11.022		-	222,381
g	11.431		-	108,936
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432		68,090	5,824,459
Weather and Air Quality Research	11.459		-	109,395
Subtotal Department of Commerce Direct Programs			**68,090**	**6,265,171**
Total Department of Commerce			**68,090**	**6,265,171**
Department of Education Direct Programs				
Overseas Programs - Doctoral Dissertation Research Abroad	84.022		-	79,911
Subtotal Department of Education Direct Programs			**-**	**79,911**
Total Department of Education			**-**	**79,911**
Department of Transportation Direct Programs				
Aviation Research Grants	20.108		-	2,334
Subtotal Department of Transportation Direct Programs			**-**	**2,334**
Department of Transportation Pass-Through Programs From:				
Rutgers University - New Brunswick	20.701	0615 (PRIME # US DEPT. OF TRANS 69A3551847102)	-	71,887
Subtotal Department of Transportation Pass-Through Programs			**-**	**71,887**
Total Department of Transportation			**-**	**74,221**
Department of the Interior Direct Programs				
Earthquake Hazards Reduction Program	15.807		-	68,297
Department of the Interior - D16PC00005	15.RD		-	2,656,855
Subtotal Department of the Interior Direct Programs			**-**	**2,725,152**
Total Department of the Interior			**-**	**2,725,152**

The accompanying notes are an integral part of this schedule.

Princeton University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor / Pass-Through / Program or Cluster Title	Federal CFDA	Pass-Through Entity Identifying Number	Passed to Subrecipients	Total Federal Expenditures
National Archives and Records Administration Direct Programs				
National Historical Publications and Records Grants	89.003		8,491	142,554
Subtotal National Archives and Records Administration Direct Programs			**8,491**	**142,554**
Total National Archives and Records Administration			**8,491**	**142,554**
Department of Homeland Security Pass-Through Programs From:				
Chemring Detection Systems, Inc.	97.RD	SED-V PO 205292 (70RSAT18CB0000029)	-	47,965
Subtotal Department of Homeland Security Pass-Through Programs			**-**	**47,965**
Total Department of Homeland Security			**-**	**47,965**
Department of Agriculture Direct Programs				
Agriculture and Food Research Initiative (AFRI)	10.310		24,224	270,169
Subtotal Department of Agriculture Direct Programs			**24,224**	**270,169**
Department of Agriculture Pass-Through Programs From:				
NFI-SMC	10.RD	16LFPPNJ0049	-	814
Subtotal Department of Agriculture Pass-Through Programs			**-**	**814**
Total Department of Agriculture			**24,224**	**270,983**
U.S. Department of State Direct Programs				
Middle East Partnership Initiative (MEPI)	19.500		353,940	1,055,790
U.S. Department of State - SAQMMA17M1785	19.RD		65,609	103,102
Subtotal U.S. Department of State Direct Programs			**419,549**	**1,158,892**
Total U.S. Department of State			**419,549**	**1,158,892**
Broadcasting Board of Governors Pass-Through Programs From:				
Open Technology Fund	90.500	1002-2017-045 (PRIME # BBG)	29,158	64,913
Subtotal Broadcasting Board of Governors Pass-Through Programs			**29,158**	**64,913**
Total Broadcasting Board of Governors			**29,158**	**64,913**
General Services Administration Direct Programs				
General Services Administration - OX0003162	39.RD		-	20,693
Subtotal General Services Administration Direct Programs			**-**	**20,693**
Total General Services Administration			**-**	**20,693**
United States Institute of Peace Direct Programs				
United States Institute of Peace - 95314419P1QA00890	91.RD		-	21,721
Subtotal United States Institute of Peace Direct Programs			**-**	**21,721**
Total United States Institute of Peace			**-**	**21,721**
Total Research and Develoment Cluster			**36,549,653**	**202,564,425**
Other Programs				
Department of Defense Direct Programs				
Department of Defense Program	12.U01		-	103,740
Subtotal Department of Defense Direct Programs			**-**	**103,740**
Total Department of Defense			**-**	**103,740**
Army Direct Programs				
Basic Scientific Research	12.431		-	20,000
Subtotal Army Direct Programs			**-**	**20,000**
Total Army			**-**	**20,000**
Air Force Direct Programs				
Air Force Defense Research Sciences Program	12.800		-	107,540
Subtotal Air Force Direct Programs			**-**	**107,540**
Total Air Force			**-**	**107,540**
National Security Agency Direct Programs				
Mathematical Sciences Grants Program	12.901		-	18,642
Subtotal National Security Agency Direct Programs			**-**	**18,642**
Total National Security Agency			**-**	**18,642**
National Endowment for the Humanities Direct Programs				
Promotion of the Arts_Grants to Organizations and Individuals	45.024		-	35,355
Promotion of the Humanities_Research	45.161		-	137,308
Museums for America	45.301		-	263,558
Subtotal National Endowment for the Humanities Direct Programs			**-**	**436,221**
Total National Endowment for the Humanities			**-**	**436,221**
Department of Education Direct Programs				
National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	84.015		-	(1,805)
Subtotal Department of Education Direct Programs			**-**	**(1,805)**
Total Department of Education			**-**	**(1,805)**
U.S. Department of State Direct Programs				
Public Diplomacy Programs	19.040		-	10,280
Subtotal U.S. Department of State Direct Programs			**-**	**10,280**
Total U.S. Department of State			**-**	**10,280**
Total Other Programs			**-**	**694,618**

The accompanying notes are an integral part of this schedule.

Princeton University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor / Pass-Through / Program or Cluster Title	Federal CFDA	Pass-Through Entity Identifying Number	Passed to Subrecipients	Total Federal Expenditures
Student Financial Assistance Cluster				
Federal Supplemental Educational Opportunity Grants	84.007		-	1,009,869
Federal Work-Study Program	84.033		-	1,198,089
Perkins Loans	84.038			2,634,083
Administrative Cost Allowance	84.038		-	-
Federal Pell Grant Program	84.063		-	5,761,111
Federal Direct Student Loans	84.268		-	985,747
Total Student Financial Assistance Programs			**-**	**11,588,899**
Total Federal Awards			**$ 36,549,653**	**$ 214,847,942**

The accompanying notes are an integral part of this schedule.

Princeton University
Schedule of Expenditures of State of New Jersey Awards
For the Year Ended June 30, 2020

State Grantor / Program Title	Grant No./ Reference Number	Award Amount	Grant Period	Current Year Expenditures	Life to Date Expenditures
Research & Development Cluster:					
New Jersey Department of Health and Senior Services:					
New Jersey Commission on Brain Injury Research					
NJ Commission on Brain Injury Research	CBIR15FELL004	$ 100,500	6/1/2015-5/31/2020	$ 34,162	$ 100,500
NJ Commission on Brain Injury Research	CBIR20FEL007	100,500	4/1/2020 - 3/31/2023	2,600	2,600
Total New Jersey Commission on Brain Injury Research		**201,000**		**36,762**	**103,100**
New Jersey Commission on Cancer Research (NJCCR):					
NJ Commission on Cancer Research	DFHS18PPC002	50,000	1/1/2018-12/31/2019	1,808	27,656
NJ Commission on Cancer Research	DFHS18PPC003	100,000	1/1/2018-12/31/2019	19,913	100,000
NJ Commission on Cancer Research	DFHS18PPC005	40,000	1/1/2018-12/31/2019	6,667	40,000
NJ Commission on Cancer Research	DFHS18PPC056	50,000	1/1/2018-12/31/2019	13,480	50,000
NJ Commission on Cancer Research	DFHS18PPC058	100,000	1/1/2018-12/31/2019	36,274	100,000
NJ Commission on Cancer Research	DFHS18PPC041	50,000	1/1/2018-6/30/2020	25,800	38,120
NJ Commission on Cancer Research	DCHS19PPC026	100,000	1/1/2019-12/31/2020	44,043	71,243
NJ Commission on Cancer Research	DCHS19PPC028	50,000	1/1/2019-12/31/2020	8,512	36,592
NJ Commission on Cancer Research	DCHS19PPC029	100,000	1/1/2019-12/31/2020	35,569	60,620
NJ Commission on Cancer Research	DCHS20PPC024	100,000	1/1/2020-12/31/2021	16,666	16,666
NJ Commission on Cancer Research	DCHS20PPC025	100,000	1/1/2020-12/31/2021	20,000	20,000
Total New Jersey Commission on Cancer Research		**840,000**		**228,730**	**560,897**
New Jersey Governors Council on Autism:					
New Jersey Governor's Council on Autism	CAUT20AFP006	130,000	5/1/2020-4/30/2022	11,158	11,158
Total New Jersey Governors Council on Autism		**130,000**		**11,158**	**11,158**
Total New Jersey Department of Health and Senior Services		**1,171,000**		**276,650**	**675,155**
Total Research and Development		**1,171,000**		**276,650**	**675,155**
Other Programs:					
New Jersey Department of State					
New Jersey Council on the Arts					
NJ State Council on the Arts	1905X020129	30,000	7/1/2019-6/30/2020	30,000	30,000
Total Other Programs		**30,000**		**30,000**	**30,000**
Student Financial Aid:					
New Jersey Higher Education Student Assistance Authority					
New Jersey Tuition Grant Aid	NONE	936,874	INDEFINITE	936,874	936,874
New Jersey Garden State Distinguished Scholars Grants	NONE	2,000	INDEFINITE	2,000	2,000
Total Student Financial Aid		**938,874**		**938,874**	**938,874**
Total New Jersey State Awards		**$ 2,139,874**		**$ 1,245,524**	**$ 1,644,029**

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

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State of New Jersey Awards (the "Schedules") have been prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the State of New Jersey Department of the Treasury Circular 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid,* as applicable. The purpose of the Schedules is to present a summary of the activities of Princeton University (the "University") for the year ended June 30, 2020, which have been financed by the U.S. Government and the State of New Jersey, respectively. For purposes of the Schedules, federal and state awards include all federal and state financial assistance relationships entered into directly between the University and the federal government or the State of New Jersey and sub awards from nonfederal and nonstate organizations made under federally or state sponsored agreements. Negative amounts listed on the Schedules represent adjustments, in the normal course of business, to amounts included on the prior year's Schedules. The pass-through entity identifying number on the Schedules represents the identification number assigned by the prime to the applicable program. CFDA numbers and pass-through numbers are provided when applicable. Certain awards reference an internal management identifier when no sponsor identifier is available. Because the Schedules present only a selected portion of the activities of the University, they are not intended to and do not present either the financial position, changes in net assets or cash flows of the University.

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

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

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

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

2. Facility and Administrative Costs

The University's Federal negotiated predetermined cost rates for the year ended June 30, 2020 were as follows:

Princeton University Sponsored Activity:

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

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

3. Federal Perkins Loan Program

Amounts reported in the schedule of expenditures of federal awards for the Federal Perkins Loan Program (84.038) represent the Perkins Revolving Loan Fund outstanding at the beginning of the year, an administrative cost allowance and loans made during the year. The balance of Federal Perkins loans outstanding as of June 30, 2020 was $2,037,564. The University did not receive a federal capital contribution nor make any matching contribution to the Federal Perkins Loan fund in 2020. In December 2020, the U.S. Department of Education ("DOE") requested $555,198 from the Perkins Loan Revolving Fund to be returned to the DOE and this amount was paid back in January 2021. An administrative cost allowance associated with expenditures related to Federal Work Study and Federal SEOG is included in the Schedules where applicable.

4. Federal Direct Loan Program

The University participates in the Federal Direct Loan Program (84.268), which includes subsidized and unsubsidized Federal Stafford Loans ("Stafford") and Federal PLUS Loans ("PLUS"). Even though the University is not the recipient of the funds and loans under the Federal Direct Loan Program, which are made to students, such programs are considered a component of the student financial assistance program at the University. The Schedules includes the amounts awarded to students during the year ended June 30, 2020. It is not practical to estimate the outstanding balance of loans under this program.

Princeton University
Schedules of Financial Responsibility Data
As of and for the Year Ended June 30, 2020

Princeton University
Schedule of Financial Responsibility Data
As of and for the year ended June 30, 2020

Location in financial statements or related notes	Financial element	GAAP financial statement line item or disclosure		Amount Used as Ratio Input
(in thousands)				
Primary Reserve Ratio: Expendable Net Assets				
Consolidated statement of financial position	Net assets without donor restrictions	$ 12,590,374		$ 12,590,374
Consolidated statement of financial position	Net assets with donor restrictions	15,866,206		15,866,206
Note 19, Financial Responsibility Standards	Unsecured related party receivable - contributions receivable	8,232		8,232
Consolidated statement of financial position	Total property, plant, and equipment, net	4,267,022		-
Note 19, Financial Responsibility Standards	Property, plant and equipment, net - pre-implementation	-		3,950,566
Note 19, Financial Responsibility Standards	Property, plant and equipment, net - post-implementation with outstanding debt for original purchase	-		27,086
Note 19, Financial Responsibility Standards	Property, plant and equipment, net - post-implementation without outstanding debt for original purchase	-		170,187
Note 9, Property, Plant and Equipment	Construction in progress	119,183		119,183
Note 10, Leases	Total lease right-of-use assets	44,779		-
N/A	Lease right-of-use assets - pre-implementation	-		-
Note 10, Leases	Lease right-of-use assets - post-implementation	-		44,779
N/A	Intangible assets	-		-
Consolidated statement of financial position	Post-employment and pension liabilities	641,970		641,970
Note 12, Long-Term Debt	Total long-term debt	3,396,518		
Note 19, Financial Responsibility Standards	Long-term debt - for long-term purposes - pre-implementation	-		2,371,573
Note 19, Financial Responsibility Standards	Long-term debt - for long-term purposes - post-implementation	-		27,086
Note 19, Financial Responsibility Standards	Line of credit for construction in progress	-		18,467
Note 10, Leases	Total liability related to lease right-of-use assets	44,779		-
N/A	Liability related to lease right-of-use assets - pre-implementation	-		-
Note 10, Leases	Liability related to lease right-of-use assets - post-implementation	-		44,779
Note 19, Financial Responsibility Standards	Annuities with donor restrictions	-		9,441
Note 19, Financial Responsibility Standards	Term endowments with donor restrictions	-		3,403,538
Note 19, Financial Responsibility Standards	Life income funds with donor restrictions	-		69,198
Note 19, Financial Responsibility Standards	Net assets with donor restrictions: restricted in perpetuity	-		2,346,403
Primary Reserve Ratio: Expenses and Losses				
Note 19, Financial Responsibility Standards	Total expenses and losses without donor restrictions	1,782,747		1,782,747
Equity Ratio: Modified Net Assets				
Consolidated statement of financial position	Net assets without donor restrictions	12,590,374		12,590,374
Consolidated statement of financial position	Net assets with donor restrictions	15,866,206		15,866,206
N/A	Intangible assets	-		-
Note 19, Financial Responsibility Standards	Unsecured related party receivable	8,232		-
Consolidated statement of financial position	Total assets	33,030,216		33,030,216
N/A	Lease right-of-use assets - pre-implementation	-		-
N/A	Intangible assets	-		-
Note 19, Financial Responsibility Standards	Unsecured related party receivable	8,232		8,232
Net Income Ratio:				
Consolidated statement of activities	Change in net assets without donor restrictions - University	181,803		181,803
Note 19, Financial Responsibility Standards	Total revenues and gains without donor restrictions	-		2,089,442

See accompanying independent auditors' report.

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

To the Trustees of Princeton University:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Princeton University and its subsidiaries (the "University", which as described in Note 2 is legally known as the Trustees of Princeton University), which comprise the consolidated statements of financial position as of June 30, 2020 and the related consolidated statements of activities and of cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 24, 2020, except with respect to Note 19 to the consolidated financial statements and the opinion on the schedule of financial responsibility data, as to which the date is March 24, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the University's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the 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

New York, New York
November 24, 2020, *except with respect to Note 19 to the consolidated financial statements and the opinion on the schedule of financial responsibility data, as to which the date is March 24, 2021.*

Report of Independent Auditors on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Federal and State Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance and New Jersey Department of Treasury Circular Letter 15-08 Office of Management and Budget

To the Trustees of Princeton University:

Report on Compliance for Each Major Federal and State Program

We have audited Princeton University's (the "University", which is legally known as the Trustees of Princeton University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and The New Jersey Department of the Treasury Circular Letter 15-08 Office of Management and Budget, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid,* that could have a direct and material effect on each of the University's major federal and state programs respectively, for the year ended June 30, 2020. The University's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the University's major federal and state 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), and The New Jersey Department of the Treasury Circular Letter 15-08 Office of Management and Budget, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and the Uniform Guidance and The New Jersey Department of the Treasury Circular Letter 15-08 Office of Management and Budget 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 and state 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 and state program. However, our audit does not provide a legal determination of the University's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the University 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 and state programs for the year ended June 30, 2020.

Other Matters

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 10 "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 and state 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 and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and The New Jersey Department of the Treasury Circular Letter 15-08 Office of Management and Budget, 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 or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 and The New Jersey Department of the Treasury Circular Letter 15-08 Office of Management and Budget. Accordingly, this report is not suitable for any other purpose.

PricewaterhouseCoopers LLP

New York, New York
March 24, 2021

Princeton University
Summary of Independent Auditors' Results
Year Ended June 30, 2020

Section I—Summary of Independent Auditors' Results

Financial Statements

Type of report of independent auditors issued:		Unmodified	
Internal control over financial reproting: Material weaknesses(es) identified?	_____ Yes	X	No
Signficant deficiencies(s) 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 weaknesses(es) identified?	_____ Yes	X	No
Signficant deficiencies(s) identified that are not considered to be material weaknesses?	_____ Yes	X	None reported
Types of independent auditors' report issued on compliance for major program		Unmodified	

State of New Jersey Awards

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

Identification of major programs:

CFDA Numbers (s)	Name of Program or Cluster
Federal:	
Various	Student Financial Aid
Various	Research and Development Cluster
State:	
Various	Student Financial Aid

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

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

Federal:

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

State:

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

Section II — Financial Statement Findings

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

Section III—Federal Award Findings and Questioned Costs

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

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

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

Federal Programs

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

State Programs

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