

Financial Statements
with Report of Independent Auditors
and Reports on Federal Award Programs in Accordance
with *Government Auditing Standards and Uniform
Administrative Requirements, Cost Principles, and Audit
Requirements for Federal Awards* (Uniform Guidance) in a
single audit

International Computer Science Institute

December 31, 2021 and 2020

INTERNATIONAL COMPUTER SCIENCE INSTITUTE

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REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees,
International Computer Science Institute
Berkeley, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of International Computer Science Institute (“the Institute”) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of International Computer Science Institute as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the International Computer Science Institute’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

REPORT OF INDEPENDENT AUDITORS - Continued

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

REPORT OF INDEPENDENT AUDITORS - Continued

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the 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 September 29, 2022 on our consideration of the International Computer Science Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the International Computer Science Institute's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the International Computer Science Institute's internal control over financial reporting and compliance.

S D Mayer & Associates, LLP

S D Mayer & Associates, LLP

San Francisco, CA
September 29, 2022

INTERNATIONAL COMPUTER SCIENCE INSTITUTE
STATEMENTS OF FINANCIAL POSITION
As of December 31, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current Assets:		
Cash and cash equivalents	\$ 2,018,283	\$ 3,434,273
Grants and contracts receivable, net	1,300,660	629,605
Other receivables	3,427	-
Investments, at fair value	10,513,410	3,688,359
Prepaid expenses	3,208	122,063
Total Current Assets	<u>13,838,988</u>	<u>7,874,300</u>
 Property and Equipment, net	 214,996	 273,382
Deposits and other assets	<u>148,578</u>	<u>147,829</u>
 Total Assets	 <u>\$ 14,202,562</u>	 <u>\$ 8,295,511</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable and other liabilities	\$ 257,380	\$ 436,561
Accrued payroll and other expenses	454,652	535,701
Grant and contract advances	2,491	417,818
Total Current Liabilities	<u>714,523</u>	<u>1,390,080</u>
 Long-Term Debt:		
Note payable	<u>-</u>	<u>250,000</u>
Total Liabilities	<u>714,523</u>	<u>1,640,080</u>
 Net Assets:		
Without donor restrictions	12,954,409	6,031,759
With donor restrictions	533,630	623,672
Total Net Assets	<u>13,488,039</u>	<u>6,655,431</u>
 Total Liabilities and Net Assets	 <u>\$ 14,202,562</u>	 <u>\$ 8,295,511</u>

The accompanying notes are an integral part of these financial statements

**INTERNATIONAL COMPUTER SCIENCE INSTITUTE
STATEMENTS OF ACTIVITIES**

For the years ended December 31, 2021 and 2020

	-----2021-----		-----2020-----	
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
	<u>Total</u>	<u>Total</u>		<u>Total</u>
Revenues and Support:				
Research grants and contracts	\$ 5,869,124	\$ -	\$ 5,986,633	\$ -
Patent license fees	100,000	-	350,000	-
Contributions	21,093	-	700,055	1,718
PPP loan forgiveness	250,000	-	-	-
Net investment income (loss)	6,809,730	-	(267,446)	-
Other revenue	152,278	-	283	-
	<u>13,202,225</u>	<u>-</u>	<u>6,769,525</u>	<u>1,718</u>
Net assets released from restrictions	90,042	(90,042)	198,369	(198,369)
Total Revenues and Support	<u>13,292,267</u>	<u>(90,042)</u>	<u>6,967,894</u>	<u>(196,651)</u>
				<u>6,771,243</u>
Expenses:				
Research programs	6,083,403	-	6,818,113	-
Management and general	286,214	-	142,135	-
Total Expenses	<u>6,369,617</u>	<u>-</u>	<u>6,960,248</u>	<u>-</u>
				<u>6,818,113</u>
Changes in Net Assets	6,922,650	(90,042)	7,646	(196,651)
Net Assets at beginning of year	6,031,759	623,672	6,024,113	820,323
				<u>6,844,436</u>
Net Assets at end of year	<u>\$ 12,954,409</u>	<u>\$ 533,630</u>	<u>\$ 6,031,759</u>	<u>\$ 623,672</u>
				<u>\$ 6,655,431</u>

The accompanying notes are an integral part of these financial statements

INTERNATIONAL COMPUTER SCIENCE INSTITUTE
STATEMENTS OF CASH FLOWS

For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 6,832,608	\$ (189,005)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	66,193	39,914
Provision (recovery) for bad debts	(14,166)	22,084
PPP loan forgiveness	(250,000)	-
Net (appreciation) depreciation on investments	(6,784,351)	302,132
Realized gain on sale of investments	(50,149)	-
Loss on disposal of property and equipment	-	464
(Increase) decrease in operating assets:		
Grants and contracts receivable	(656,889)	(10,792)
Contributions receivable	-	150,000
Other receivables	(3,427)	8,726
Prepaid expenses	118,855	(106,192)
Deposits and other assets	(749)	51,713
Increase (decrease) in operating liabilities:		
Accounts payable and other liabilities	(179,181)	(180,936)
Accrued payroll and other expenses	(81,049)	(18,249)
Grant and contract advances	(415,327)	340,346
Net cash provided by (used in) operating activities	<u>(1,417,632)</u>	<u>410,205</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(7,808)	(257,002)
Purchases of investments	(307,021)	(1,480,808)
Proceeds from sale of investments	316,770	1,862,966
Advances under notes receivable	-	201,828
Dividends reinvested	(299)	-
Net cash provided by investing activities	<u>1,642</u>	<u>326,984</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from note payable	-	250,000
Net cash provided by in financing activities	<u>-</u>	<u>250,000</u>
Net increase (decrease) in cash and cash equivalents	(1,415,990)	987,189
Cash and cash equivalents at beginning of year	<u>3,434,273</u>	<u>2,447,084</u>
Cash and cash equivalents at end of year	<u>\$ 2,018,283</u>	<u>\$ 3,434,273</u>
Supplemental disclosures of cash flow information:		
Interest paid	<u>\$ -</u>	<u>\$ 57</u>

The accompanying notes are an integral part of these financial statements

INTERNATIONAL COMPUTER SCIENCE INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2021

	<u>Research Programs</u>	<u>Management and General</u>	<u>Total</u>
Personnel Expenses:			
Salaries and other personnel costs	\$ 2,450,552	\$ 1,248,552	\$ 3,699,104
Employee benefits	402,267	316,751	719,018
Payroll taxes	149,374	86,292	235,666
Total Personnel Expenses	<u>3,002,193</u>	<u>1,651,595</u>	<u>4,653,788</u>
Communications	9,228	33,394	42,622
Contract furniture and equipment	25,141	-	25,141
Depreciation	-	66,193	66,193
Dues and subscriptions	2,211	3,550	5,761
Equipment rental	-	480	480
Insurance	-	29,076	29,076
Interest expense	-	53	53
Miscellaneous expenses	11,365	30,484	41,849
Office supplies	-	5,882	5,882
Outside services	98,151	61,421	159,572
Printing, postage and freight	362	563	925
Professional fees	197,778	108,453	306,231
Property tax	-	10,730	10,730
Provision (recovery) for uncollectible receivables	-	(14,166)	(14,166)
Rent	-	511,961	511,961
Small equipment	-	46,025	46,025
Sub-awards	345,038	-	345,038
Travel	4,255	-	4,255
Tuition reimbursement	128,201	-	128,201
Indirect costs recovered	<u>2,259,480</u>	<u>(2,259,480)</u>	<u>-</u>
Total Expenses	<u>\$ 6,083,403</u>	<u>\$ 286,214</u>	<u>\$ 6,369,617</u>

The accompanying notes are an integral part of these financial statements

INTERNATIONAL COMPUTER SCIENCE INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2020

	<u>Research Programs</u>	<u>Management and General</u>	<u>Total</u>
Personnel Expenses:			
Salaries and other personnel costs	\$ 2,965,105	\$ 1,222,294	\$ 4,187,399
Employee benefits	593,242	275,727	868,969
Payroll taxes	184,514	74,465	258,979
Total Personnel Expenses	<u>3,742,861</u>	<u>1,572,486</u>	<u>5,315,347</u>
Communications	8,566	40,380	48,946
Contract furniture and equipment	36,848	-	36,848
Depreciation	-	39,914	39,914
Dues and subscriptions	-	2,667	2,667
Equipment rental	-	478	478
Insurance	-	35,334	35,334
Interest expense	-	57	57
Miscellaneous expenses	2,247	73,320	75,567
Office supplies	-	6,008	6,008
Outside services	26,841	77,957	104,798
Printing, postage and freight	231	2,292	2,523
Professional fees	107,115	109,917	217,032
Property tax	-	27,054	27,054
Provision for uncollectible receivables	-	22,084	22,084
Rent	60,977	637,479	698,456
Repairs and maintenance	-	3,868	3,868
Small equipment	-	75,463	75,463
Sub-awards	116,169	-	116,169
Travel	37,389	185	37,574
Tuition reimbursement	94,061	-	94,061
Indirect costs recovered	<u>2,584,808</u>	<u>(2,584,808)</u>	<u>-</u>
Total Expenses (benefits)	<u>\$ 6,818,113</u>	<u>\$ 142,135</u>	<u>\$ 6,960,248</u>

The accompanying notes are an integral part of these financial statements

INTERNATIONAL COMPUTER SCIENCE INSTITUTE

Notes to Financial Statements

For the years ended December 31, 2021 and 2020

1. Organization:

International Computer Science Institute (the Institute) was incorporated as a California non-profit corporation on July 9, 1986. Its purpose is the invigoration and enrichment of research in the computer sciences. The Institute brings some of the world's foremost computer scientists together for periods from several weeks to several years for research and scholarship. Support consists primarily of grants and contracts with certain United States agencies and other organizations.

Research program expenses include all the direct expenses of conducting basic computer science research as approved by the funding agency. Significant expenses include payroll and related costs, sub-awards, travel and contract equipment.

2. Basis of Presentation and Significant Accounting Policies:

Basis of Accounting:

The Institute's financial statements are presented using the accrual basis of accounting.

Basis of Presentation:

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions— Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets With Donor Restrictions— Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Institute. Certain restrictions may need to be maintained in perpetuity.

INTERNATIONAL COMPUTER SCIENCE INSTITUTE

Notes to Financial Statements

For the years ended December 31, 2021 and 2020

2. Basis of Presentation and Significant Accounting Policies, continued:

Basis of Presentation, continued:

Contributions and support are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Income and gains or losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Donor-restricted contributions and investment gains and losses which are received and expended in the same fiscal year are classified within net assets without donor restrictions.

Property and Equipment, Net:

Property and Equipment in excess of \$1,000 and with an estimated useful life in excess of one year are capitalized at cost. Donated assets are capitalized at the fair value at date of receipt. Contract Furniture and Equipment purchased for specific projects, amounting to \$25,141 in 2021 and \$36,848 in 2020, is expensed when purchased as a reimbursable expense. Depreciation and amortization on capitalized property and equipment is computed using the straight-line method with estimated useful lives varying between three to eight years or, in the case of leasehold improvements, over the life of the lease if shorter.

Cash and Cash Equivalents:

For purposes of the statement of cash flows, cash and cash equivalents are defined as demand deposits at banks and certificates of deposit with initial purchased maturities of less than ninety days.

Functional Allocation of Expenses:

Expenses are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Institute.

Grants and Contracts receivable:

Grants and contracts receivable represent unreimbursed expenditures incurred under the terms of the contact or grant awards.

INTERNATIONAL COMPUTER SCIENCE INSTITUTE

Notes to Financial Statements

For the years ended December 31, 2021 and 2020

2. Basis of Presentation and Significant Accounting Policies, continued:

Revenue Recognition:

The Institute allocates the transaction price to the specific performance obligations and recognizes revenue as performance obligations are satisfied. Research revenue is derived from grants and contracts which are conditioned upon certain performance requirements, the incurrence of allowable qualifying expenditures, or upon the completion and submission of specified deliverables. Amounts received are recognized as revenue when the Institute has incurred actual expenditures in compliance with the grants or contracts provisions or when the performance obligations are met and delivered. No amounts of the transaction price were allocated to unsatisfied performance obligations at December 31, 2021 and 2020. Amounts received prior to incurring qualifying expenditures are reported as grant and contract advances in the statement of financial position. There were no contract assets or liabilities at December 31, 2021 and 2020.

Unconditional contributions are recognized as revenue in the period received and are reported as increases in the appropriate categories of net assets. Contributions that include a measurable barrier or those for which the Institute has limited discretion over how the contribution should be spent and a right of return or release from future obligations are recorded as conditional contributions. Conditional contributions are not recognized until they become unconditional, that is when conditions surrounding the indications of the barrier have been met.

Fair Value of Financial Instruments:

The Institute's financial instruments consist principally of cash and cash equivalents, prepaid expenses, grants and contracts receivable, investments, other assets, accounts payable, and accrued expenses. The Institute believes all of the financial instruments' recorded values approximate current fair value. The fair value of Institute's financial instruments reflects the amount that the Institute estimates to receive in connection with the sale of an asset or paid in connection with the transfer of a liability in an orderly transaction between market participants at the measurement date (exit price). The Institute has adapted a fair value hierarchy that prioritizes the use of inputs used in valuation techniques into the following three levels:

Level 1—valuation inputs are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

Level 2—valuation inputs are obtained from readily-available pricing sources for comparable instruments.

INTERNATIONAL COMPUTER SCIENCE INSTITUTE

Notes to Financial Statements

For the years ended December 31, 2021 and 2020

2. Basis of Presentation and Significant Accounting Policies, continued:

Fair Value of Financial Instruments (continued):

Level 3—valuation inputs are obtained without observable market value and require a high level of judgment to determine the fair value. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

Much of the disclosure is focused on the inputs used to measure fair value, particularly in instances where the measurement uses significant unobservable (*Level 3*) inputs. The institute uses valuation methods and assumptions that consider, among other factors, the current value of the underlying stock, strike price, risk-free interest rate, volatility, and expected life in estimating fair value.

As of December 31, 2021 and 2020, the Institute evaluated the fair value of its investments on a recurring basis. The Institute did not have any transfers between *Level 1*, *Level 2*, or *Level 3* during the years ended December 31, 2021 and 2020.

Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Such estimates include the depreciable lives of long lived assets, fair value of investments, reserves for uncollectible amounts, accrued liabilities and the allocation of functional expenses. Accordingly, actual results could differ from those estimates.

Advertising Costs

The Institute expenses advertising costs as they are incurred. There were no advertising costs incurred in 2021 and 2020.

Allowance for Doubtful Accounts

Accounts receivable are shown net of an allowance for doubtful accounts. The Institute reviews the accounts receivable aging and establishes an allowance of 50% of the balance older than 120 days. The allowance for doubtful accounts amounted to \$8,972 and \$23,138 at December 31, 2021 and 2020.

INTERNATIONAL COMPUTER SCIENCE INSTITUTE

Notes to Financial Statements

For the years ended December 31, 2021 and 2020

2. Basis of Presentation and Significant Accounting Policies, continued:

Deferred Rent

The Institute's office lease agreement provides for rent escalations during the lease term. The Institute records rent expense on a straight-line basis over the term of the lease. Accordingly, deferred rent is recorded to the extent the cumulative rent expense exceeds actual rent payments.

Recent Accounting Pronouncements

In February 2016, the FASB issued an accounting pronouncement (FASB ASU 2016-02) related to the accounting for leases. This pronouncement requires lessees to record most leases on their balance sheet, while expense recognition on the income statement remains similar to current lease accounting guidance. Under the new guidance, lease classification as either a finance lease or an operating lease will determine how lease-related revenue and expense are recognized. Lessees (for capital and operating leases) and lessors (for sales-type, direct financing, and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. Nonpublic business entities should apply the amendments for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. In November 2019, FASB issued ASU 2019-10 which deferred the effective by one year for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. In June 2020, FASB issued ASU 2020-05 which deferred the effective by one year for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Institute is currently evaluating the effect of ASU 2016-02 on its financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This guidance is effective for fiscal years beginning after June 15, 2021, and for interim periods within annual periods beginning after June 15, 2022. The adoption of ASU 2020-07 is not expected to have a significant impact on the Institute's financial statements. The Institute is currently evaluating the impact of this new guidance on its financial statements.

INTERNATIONAL COMPUTER SCIENCE INSTITUTE

Notes to Financial Statements

For the years ended December 31, 2021 and 2020

2. Basis of Presentation and Significant Accounting Policies, continued:

Recent Accounting Pronouncements - continued

In June 2016, the FASB issued Accounting Standards Update No. ASU 2016-13, “*Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*”. This amendment requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. This includes loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. In November 2018, the FASB issued ASU No. 2018-19, Codification Improvements to Topic 326, Financial Instruments – Credit Losses (Topic 326) which provides amendments to ASU No. 2016-13 and defers the effective date to years beginning after December 15, 2021. The Institute is evaluating the effect that ASU No. 2016-13 will have on its financial statements and related disclosures.

3. Liquidity and Availability of Resources:

In 2021, the Institute had \$4,382,350 of financial assets available within one year from the statement of financial position date to meet cash needs for general expenditures consisting of substantially cash and cash equivalents of \$2,018,283, grants and contracts receivable of \$1,300,660, and short-term investments of \$1,063,407. \$533,630 of net assets are subject to donor restrictions that can make them unavailable for general expenditures within one year of the statement of financial position.

In 2020, the Institute had \$5,032,234 of financial assets available within one year from the statement of financial position date to meet cash needs for general expenditures consisting of substantially cash and cash equivalents of \$3,434,273, grants and contracts receivable of \$629,605, and short-term investments of \$968,356. \$623,672 of net assets are subject to donor restrictions that can make them unavailable for general expenditures within one year of the statement of financial position.

The Institute has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet around 180 days of normal operating expenses, which are on average, approximately \$550,000 a month. The Institute has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The institute has a line of credit in the amount of \$500,000, which could be used in the event of an unanticipated liquidity needs.

INTERNATIONAL COMPUTER SCIENCE INSTITUTE

Notes to Financial Statements

For the years ended December 31, 2021 and 2020

4. Concentrations:

The Institute maintains its cash balances at Wells Fargo Bank. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution. The Institute had uninsured cash balances in the amount of \$2,854,471 and \$4,195,293 at December 31, 2021 and 2020, respectively.

At December 31, 2021 and 2020, the Institute had outstanding grants and contracts receivable (net of allowance for uncollectible amounts of \$8,972 and \$23,138 in 2021 and 2020, respectively) of \$1,300,660 and \$629,605, respectively. Management does not anticipate any collection issues on the outstanding receivables in excess of its reserve for uncollectible accounts. Three grantors accounted for 69% of total receivables in 2021. Four grantors accounted for 85% of total receivables in 2020. The source of the Institute's research grant revenue is primarily from one grantor. Approximately 43% and 55% of the Institute's total research grant revenue was provided by the National Science Foundation for the years ended December 31, 2021 and 2020, respectively. In 2021, other grantors provided in aggregate 34% of the Institute's total research grant revenue. In 2020, other grantors provided in aggregate 15% of the Institute's total research grant revenue.

5. Contingencies:

The Institute is engaged in providing research to the federal government and is subject to the peculiar risks associated with doing business with the government. The Institute is also subject to audit by various federal governmental agencies including, among others, the Defense Contract Audit Agency, and such audits may result in changes to the amounts that the Institute has billed for this research. Any such changes are not expected to have a material effect on the Institute's financial position or on its changes in net assets.

6. Investments:

Investments are stated at fair value. At December 31, investments consisted of the following:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Shares in private companies	\$ 825,003	\$ 9,450,003	\$ 825,003	\$ 2,720,003
Bond and equity mutual funds	785,350	1,063,407	794,807	968,356
Total	\$ 1,610,353	\$10,513,410	\$ 1,619,810	\$3,688,359

The value of the shares in private companies is based on the most recent price paid by investors to purchase shares in these companies.

INTERNATIONAL COMPUTER SCIENCE INSTITUTE

Notes to Financial Statements

For the years ended December 31, 2021 and 2020

6. Investments, continued:

On March 17, 2020, the Institute entered into a Simple Agreement for Future Equity (a "SAFE") with a private company for a purchase amount of \$750,000. In exchange for this SAFE, the Institute made a payment of \$750,000. On April 19, 2021, the Institute entered into an agreement with a third party which provides the Institute the ability to transfer their SAFE investment to this third party in exchange for \$750,000.

Net investment income (loss) consisted of the following:

	<u>2021</u>		<u>2020</u>
Interest and dividends	\$ 25,379	\$	34,686
Net appreciation/(depreciation)	6,784,351		(302,132)
Total	<u>\$ 6,809,730</u>	\$	<u>(267,446)</u>

7. Fair Value of Financial Instruments:

The following table sets forth the Institute's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2021:

Description	Level 1	Level 2	Level 3	Total
Shares in private companies	\$ -	\$ -	\$ 9,450,003	\$ 9,450,003
Bond and equity mutual funds	1,063,407	-	-	1,063,407
Total	<u>\$ 1,063,407</u>	<u>\$ -</u>	<u>\$ 9,450,003</u>	<u>\$ 10,513,410</u>

The following table sets forth the Institute's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2020:

Description	Level 1	Level 2	Level 3	Total
Shares in private companies	\$ -	\$ -	\$ 2,720,003	\$ 2,720,003
Bond and equity mutual funds	968,356	-	-	968,356
Total	<u>\$ 968,356</u>	<u>\$ -</u>	<u>\$ 2,720,003</u>	<u>\$ 3,688,359</u>

INTERNATIONAL COMPUTER SCIENCE INSTITUTE

Notes to Financial Statements

For the years ended December 31, 2021 and 2020

7. Fair Value of Financial Instruments, continued:

The following table sets forth the changes in fair value of the Institute's investments measured using significant unobservable inputs (Level 3):

	Level 3 Investments
Balance at January 01, 2020	\$ 2,340,003
Purchases of investments	750,000
Unrealized loss	(370,000)
Balance at December 31, 2020	\$ 2,720,003
Purchases of investments	-
Unrealized gain	6,730,000
Balance at December 31, 2021	\$ 9,450,003

For Level 3 securities which represent investments in private companies, the Institute estimates the fair values of the securities using (a) unobservable inputs such as the financial statements and other data specific to the private companies, (b) methods such as cash flow discounts or other similar methods, and (c) certain assumptions and estimation methodologies. The institute also uses the most recent transfer price paid for the private company's shares. If there are any changes in valuation, the Institute includes the unrealized gain or loss in its statements of activities and a change to the investments' value in the statements of financial position.

In May 2022, the Institute received new information that its common stock holdings in a private company had undergone a 2-for-1 stock split. The Institute held 1,000,000 shares before the split and now holds 2,000,000 shares. The valuation of these shares has been reflected in net assets for the year ended December 31, 2021.

8. Notes Receivable

The Institute signed two promissory note agreements in 2019 with an unaffiliated third party for \$100,000 each. The first \$100,000 note carries 2.35% annual interest with principal and accrued interest due in October 2019. The second \$100,000 note carries 2.35% annual interest with principal and accrued interest due in June 2020. The full principal balances of the two notes plus accrued interest were repaid in full in March 2020.

9. License Agreements:

From time to time the Institute enters into non-exclusive licensing agreements with various corporations with respect to its technology. The value, if any, of such agreements is recorded on the books of the Institute when applicable. License fees amounted to \$100,000 and \$350,000 for the years ended December 31, 2021 and 2020, respectively.

INTERNATIONAL COMPUTER SCIENCE INSTITUTE

Notes to Financial Statements

For the years ended December 31, 2021 and 2020

10. Contributions Receivable:

The institute recorded net contributions receivable of \$0 at December 31, 2021 and 2020, respectively.

11. Property and Equipment, Net:

Property and equipment is valued as stated in Note 2 and is summarized as follows at December 31:

	<u>2021</u>	<u>2020</u>
Equipment	\$ 514,924	\$ 511,613
Furniture and fixtures	1,171	1,171
Leasehold improvements	<u>88,127</u>	<u>83,630</u>
	604,222	596,414
Less accumulated depreciation and amortization	<u>(389,226)</u>	<u>(323,032)</u>
Total property and equipment, net	<u>\$ 214,996</u>	<u>\$ 273,382</u>

Depreciation expense was \$66,193 and \$39,914 for the years ended December 31, 2021 and 2020, respectively. Depreciation expense for equipment under capital leases amounted to \$5,321 in 2021 and 2020.

12. Leases:

The Institute signed a new lease on December 27, 2019 for new office space in Berkeley California. The commencement date was August 2020 and the expiration date is March 31, 2025 with one option to extend for a five-year period. The lease requires monthly base rent payment of \$43,520 in the first year and the rent will increase gradually each year thereafter by around 3% for the remaining term of the lease until expiration. The Institute's old lease with the City of Berkeley terminated in November 2020. Rent expense was \$511,961 and \$698,456 for the years ended December 31, 2021 and 2020, respectively.

Minimum rental payments under the operating lease agreements at December 31, 2021 are as follows:

Year ended December 31:	
2022	\$ 145,780
2023	176,753
2024	185,590
2025	97,435
2026	-
Total	<u>\$ 605,558</u>

INTERNATIONAL COMPUTER SCIENCE INSTITUTE

Notes to Financial Statements

For the years ended December 31, 2021 and 2020

13. Employee Retirement Plan:

The Institute has adopted a qualified, defined contribution retirement 401(k) plan (the Plan). Post-Doctoral fellows who are eligible to participate will receive 3% (Safe Harbor) of regular salary and all other employees who are eligible to participate will receive 10% of regular salary (which includes Safe Harbor). The Plan is administered by the Principal Group. The Institute's retirement expense was \$304,441 and \$346,271 for the years ended December 31, 2021 and 2020, respectively.

14. Line of Credit:

The Institute had a revolving line of credit ("the line") with Wells Fargo Bank in the amount of \$500,000 with an expiration date of December 10, 2022. The line bears interest at the greater of the Prime Rate plus 0.75% or 5.0%. The interest rate for the line as of December 31, 2021 and 2020 was 5.00%. The Institute did not borrow from the line in 2021 or 2020. As of December 31, 2021 and 2020, there was no principal balance outstanding on the line.

15. Note Payable:

On May 7, 2020, ICSI received loan proceeds in the amount of approximately \$250,000 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first ten months. ICSI received forgiveness in 2021 and recorded \$250,000 of PPP loan forgiveness in the accompanying statements of activities.

16. Foreign Currency Exchange Risk:

Certain contracts of the Institute are expressed in foreign currencies. The Institute may incur gains or losses on the exchange of those currencies into US dollars. Such gains or losses, if any, are not material to the operations of the Institute and are included in operating expense in the period in which they are incurred.

INTERNATIONAL COMPUTER SCIENCE INSTITUTE

Notes to Financial Statements

For the years ended December 31, 2021 and 2020

17. Net Assets With Donor Restrictions:

Net assets with donor restrictions amounted to \$533,630 and \$623,672 at December 31, 2021 and 2020, respectively, and are restricted to certain types of internet research projects as prescribed by certain grants. Net assets with donor restrictions amounting to \$90,042 and \$198,369 were released from restrictions, by incurring expenses in accordance with the terms of the agreement, during the years ended December 31, 2021 and 2020, respectively.

18. Income Taxes:

The Institute is a not-for-profit organization, exempt from federal income tax under Section 501(c)(3) of the U.S Internal Revenue Code (the Code), and contributions to it are tax deductible as prescribed by the Code. The Institute is also exempt from California income and or Franchise tax under Section 23701d of the California Revenue and Taxation Code. The Institute is generally no longer subject to tax examinations relating to federal and state tax returns for years prior to 2017. The Institute has been classified as an organization that is not a private foundation under Section 509(a)(1) and has been designated as a “publicly supported” organization under Section 170(b)(1)(A)(vi) of the Code. The Institute assesses its accounting for uncertainty in income taxes recognized in its financial statements and prescribes a threshold of “more likely than not” for recognition and derecognition of tax positions taken or expected to be taken in the tax returns. There was no material impact on the Institute’s financial statements as a result of the adoption of this policy.

19. Subsequent Events:

The Institute evaluated subsequent events for recognition and disclosure through September 29, 2022, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2021 that required recognition or disclosure in the financial statements except as disclosed below.

The Institute sold 12% of its holdings in a privately held company on June 23, 2022, and received \$1,999,992 in cash from the purchasing party.

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees,
International Computer Science Institute
Berkeley, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of International Computer Science Institute (“the Institute”) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 29, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered International Computer Science Institute’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 International Computer Science Institute’s internal control. Accordingly, we do not express an opinion on the effectiveness of the International Computer Science Institute’s internal control.

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

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

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* - continued**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether International Computer Science Institute'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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

S D Mayer & Associates, LLP

S D Mayer & Associates, LLP

San Francisco, CA
September 29, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

To the Board of Trustees,
International Computer Science Institute
Berkeley, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited International Computer Science Institute's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of International Computer Science Institute's major federal programs for the year ended December 31, 2021. International Computer Science Institute's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, International Computer Science Institute complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of International Computer Science Institute and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of International Computer Science Institute's compliance with the compliance requirements referred to above.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE - continued**

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on International Computer Science Institute's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about International Computer Science Institute's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE - continued**

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

Report on Internal Control over Compliance

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

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

S D Mayer & Associates, LLP

S D Mayer & Associates, LLP

San Francisco, CA
September 29, 2022

INTERNATIONAL COMPUTER SCIENCE INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2021

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Subaward Number</u>	<u>Federal Expenditures</u>	<u>Amount Provided to Subrecipients</u>
Research & Development Cluster					
Department of Defense					
National Security Agency					
The Science of Privacy: Implications for Data Usage	12.000	H98230-18-D-0006/0001		\$ 599,418	\$ 72,961
The Science of Privacy: Implications for Data Usage	12.000	H98230-18-D-0006/0002		\$ 224,334	\$ -
Total National Security Agency				<u>\$ 823,752</u>	<u>\$ 72,961</u>
Defense Advanced Research Projects Agency: Basic and Applied Scientific Research					
Robust, Efficient, And Local Machine Learning Primitives	12.300	FA8750-17-2-0122		\$ (2,752)	\$ -
<i>Pass Through Award from Carnegie Mellon University: Privacy Risk in Machine Learning Pipelines</i>	12.300	FA8750-15-2-027/ 1150155-420113		\$ (927)	\$ -
<i>Pass Through Award from Expedition Technology Inc. : Radio Frequency Machine Learning Systems</i>	12.300	N66001-18-C-404/ EXP-18-003		\$ (1,479)	\$ -
Office of Naval Research					
<i>Pass Through Award from Decisive Analytics Corporation : Multi Modal Video Summarization</i>	12.300	N68335-16-C-055/ *000001084		\$ 46,005	\$ -
Air Force Research Laborator					
<i>Pass Through Award from University of California San Diego : Foundations of Threat Intelligence Metrics</i>	12.300	FA8750-18-2-008/ 105763689		\$ (2,870)	\$ -
Total Defense Advanced Research Projects Agency: Basic and Applied Scientific Research				<u>\$ 37,977</u>	<u>\$ -</u>
Defense Threat Reduction Agency					
Identifying semantic components from cross-language variation, structured lexical resources, and corpora	12.351	HDTRA11710042		\$ (1,700)	\$ -
Total Defense Threat Reduction Agency				<u>\$ (1,700)</u>	<u>\$ -</u>
Army Research Office					
Backdoor Detection via Eigenvalues, Hessians, Internal Behaviors and Robust Statistics	12.431	W911NF20C0035		\$ 1,185,806	\$ 272,077
Total Army Research Office				<u>\$ 1,185,806</u>	<u>\$ 272,077</u>
National Geospatial-Intelligence Agency					
<i>Pass Through Award from Etegent Technologies Ltd : Low-shot Detection in Remote Sensing Imagery</i>	12.630	HM0476-18-C-00/ ETEI35		\$ (3,527)	\$ -
<i>Pass Through Award from Etegent Technologies Ltd : IRAD: Low-shot Detection in Remote Sensing Imagery</i>	12.630	HM0476-18-C-00/ ETE-135-ICSI		\$ -	\$ -
Total National Geospatial-Intelligence Agency				<u>\$ (3,527)</u>	<u>\$ -</u>
Department of Defense: Research and Technology Development					
Towards Automated Testing and Discovery of Interoperability	12.910	HR00111820034		\$ 338,768	\$ -
Total Department of Defense: Research and Technology Development				<u>\$ 338,768</u>	<u>\$ -</u>
Total Department of Defense				<u>\$ 2,381,077</u>	<u>\$ 345,038</u>

INTERNATIONAL COMPUTER SCIENCE INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2021

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Subaward Number</u>	<u>Federal Expenditures</u>	<u>Amount Provided to Subrecipients</u>
National Science Foundation					
National Science Foundation: ENG					
<i>Pass Through Award from University of California, Berkeley: Natural Hazards Engineering Research Infrastructure: Computational Modeling and Simulation Center</i>	47.041	1612843	*00009513	\$ 46,921	\$ -
Total National Science Foundation: ENG				<u>\$ 46,921</u>	<u>\$ -</u>
National Science Foundation: MPS					
Collaborative Research: Scalable linear algebra and neural network theory	47.049	2134247		\$ 10,045	\$ -
Total National Science Foundation: MPS				<u>\$ 10,045</u>	<u>\$ -</u>
National Science Foundation: CISE					
TWC: TTP Option: Large: Collaborative: Internet-Wide Vulnerability Measurement, Assessment, and Notification	47.070	1518921		\$ 156,568	\$ -
TWC: TTP Option: Large: Collaborative: Towards a Science of Censorship Resistance	47.070	1518918		\$ 72,872	\$ -
Understanding the State of TLS Using Large-scale Passive Measurements	47.070	1528156		\$ 34,135	\$ -
TWC: Medium: Understanding and Illuminating Non-Public Data Flows	47.070	1528156		\$ (1,839)	\$ -
NeTS: Medium: HayStack: Fine-grained Visibility and Control of Mobile Traffic for Enhanced Performance, Privacy and Security	47.070	1564329		\$ 25,005	\$ -
CICI: Secure and Resilient Architecture: Effective and Economical Protection for High-Performance Research & Education Networks	47.070	1642161		\$ 155,585	\$ -
CI-NEW: Multilingual FrameNet: A Resource Enabling Cross-Lingual Research for the Natural Language Processing Community	47.070	1629989		\$ (3,367)	\$ -

INTERNATIONAL COMPUTER SCIENCE INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2021

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Subaward Number</u>	<u>Federal Expenditures</u>	<u>Amount Provided to Subrecipients</u>
NeTS: Small: Universal Packet Scheduling	47.070	1619377		\$ (962)	\$ -
US Ignite: Collaborative Research: Focus Area 1 or 2: Rethinking Home Networking for the Ultrabroadband Era	47.070	1647126		\$ (2,081)	\$ -
SaTC: CORE: Large: Collaborative: Accountable Information Use: Privacy and Fairness in Decision-Making Systems	47.070	1704985		\$ 50,432	\$ -
NeTS: CSR: Large: Collaborative Research: Co-Design of Network, Storage and Computation Fabrics for Disaggregated Datacenters	47.070	1704941		\$ 223,465	\$ -
NeTS: Small: De-Mystifying and Hardening the Domain Name System	47.070	1815876		\$ 178,632	\$ -
CSR: Small: Towards Programming Datacenters	47.070	1817116		\$ 235,445	\$ -
SaTC: Core: Small: NSF-BSF: Increasing Users' Cyber-Security Compliance by Reducing Present Bias - CLB Supplement	47.070	1817249		\$ 118,285	\$ -
NeTS: Medium: Collaborative Research: PacketLab: A Universal Measurement Endpoint Interface	47.070	1763884		\$ 135,832	\$ -
SaTC: TTP: Small: Mobile Dynamic Privacy and Security Analysis at Scale	47.070	1817248		\$ 157,239	\$ -
NeTS: Small: Creating an Evolvable, Diverse, and Dynamic Internet	47.070	1817115		\$ 134,698	\$ -
III: Small: Combining Stochastics and N umerics for Improved Scalable Matrix C omputations	47.070	1815054		\$ 101,922	\$ -
EAGER: Collaborative Research: Toward Informing Users About Algorithmic Fairness	47.070	1844518		\$ (505)	\$ -
BIGDATA: F: Collaborative Research: Theory and Practice of Randomized Algorithms for Ultra-Large-Scale Signal Processing	47.070	1838131		\$ 80,959	\$ -
EAGER: Liquid Foundation Internet	47.070	1936572		\$ (3,882)	\$ -
Collaborative Research: Frameworks: Basic ALgebra Libraries for Sustainable Technology with Interdisciplinary Collaboration (BALLISTIC)	47.070	2004235		\$ 206,144	\$ -

INTERNATIONAL COMPUTER SCIENCE INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2021

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Subaward Number</u>	<u>Federal Expenditures</u>	<u>Amount Provided to Subrecipients</u>
Collaborative Research: PPoSS: Planning: Making Smart Use of SmartNICs	47.070	2029037		\$ 83,872	\$ -
Collaborative Research: SaTC: CORE: Medium: Narrowing The Gap Between Privacy Expectations and Reality in Mobile Health	47.070	2055772		\$ 77,786	\$ -
Collaborative Research: SaTC: CORE: Medium: Foregrounding Bystanders as Stakeholders in Smart Home Product Design	47.070	2114229		\$ 21,967	\$ -
EAGER: Towards an Extensible Internet RI: Medium: Scalable Second-order Methods for Training, Designing, and Deploying Machine Learning Models	47.070	2137219		\$ -	\$ -
Collaborative Research: DASS: Agent Based Modeling at the Boundary of Law and Software	47.070	2107000		\$ 7,536	\$ -
Frontier: Beyond Technical Security - Developing an Empirical Basis for Socio-Economic Perspectives	47.070	2131533		\$ 5,211	\$ -
<i>Pass Through Award from University of California, Berkeley:</i> CIF:Medium:Collaborative Research: Foundations of Coding for Modern Distributed Computing	47.070	1237265		\$ 2	\$ -
		1703678	*00010345	\$ 182,857	\$ -
Total National Science Foundation: CISE				\$ 2,433,814	\$ -
Total National Science Foundation				\$ 2,490,780	\$ -

INTERNATIONAL COMPUTER SCIENCE INSTITUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2021

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Subaward Number</u>	<u>Federal Expenditures</u>	<u>Amount Provided to Subrecipients</u>
Department of Energy					
National Nuclear Security Administration					
<i>Pass Through Award from Lawrence</i>					
<i>Livermore National Laboratory: The</i>					
<i>Lawrence Livermore LAMMPS</i>					
(LLAMPS) Project	81.000	DE-AC52-07NA2 B634369		\$ (354)	\$ -
Total National Nuclear Security Administration				<u>\$ (354)</u>	<u>\$ -</u>
Total Department of Energy				<u>\$ (354)</u>	<u>\$ -</u>
Total Research and Development Cluster				<u>\$ 4,871,502</u>	<u>\$ 345,038</u>

INTERNATIONAL COMPUTER SCIENCE INSTITUTE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2021

Note A: Basis of Presentation:

The accompanying schedule of expenditures of federal awards (The Schedule) is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only selected portion of the activities of the Institute, it is not intended to, and does not, present either the financial position, changes in net assets, or cash flows of the Institute. The Institute has not elected to use the 10-percent de minimis indirect cost rate.

Note B: Major Program:

The Research and development grants are determined to be a cluster of grants. A cluster of grants is a grouping of closely related grants that share common compliance requirements. A cluster of grants shall be considered as one program for determining major programs, as described in 2 CFR section 200.518, *Major Program Determination*, of the Uniform Guidance.

Note C: Subrecipients:

The Institute provided federal awards to subrecipients as listed in the Schedule of Expenditures of Federal Awards.

INTERNATIONAL COMPUTER SCIENCE INSTITUTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2021

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	_____ Yes <u> X </u> No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ Yes <u> X </u> None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	_____ Yes <u> X </u> No

Identification of major programs:

<u>CFDA/Program Title</u>	<u>Expenditures</u>
Research and Development Cluster	<u>\$ 4,871,502</u>

INTERNATIONAL COMPUTER SCIENCE INSTITUTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2021

Dollar threshold used to distinguish between type A
and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

Section II - Financial Statement Findings

No findings.

Section III – Federal Award Findings and Questioned Costs

No findings.

Section IV – Summary Schedule of Prior Year Audit Findings

No findings.